

THIS PRINT COVERS CALENDAR ITEM NO. :

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Administration, Taxis and Accessible Services

BRIEF DESCRIPTION:

Requesting the San Francisco Municipal Transportation Agency Board of Directors to adopt amendments to Transportation Code, Division II, Article 1100 governing Motor Vehicles for Hire, to implement regulations governing the purchase and sale of Taxi Medallions as part of the Taxi Medallion Sales Pilot Program.

SUMMARY:

- The implementation of the Taxi Medallion Sales Pilot Program (“Pilot Program”) will require a body of regulations, forms and procedures for successful implementation, including but not limited to rules and procedures for financing Medallion purchases and the clarification of the various parties' rights during all stages of that process.
- Taxi Services staff, in consultation with the City Attorney’s Office and participating financial institutions, and after reviewing the applicable regulations from other jurisdictions, has developed proposed regulations to govern:
 - (1) Minimum qualifications for participating lenders to finance Medallion purchases;
 - (2) Requirements for executing a Medallion purchase and sale transaction;
 - (3) Notification of lenders' perfection of security interests in purchased Medallions; and
 - (4) Procedures for foreclosure and resale of a Medallion upon payment default or disciplinary revocation of a purchased Medallion.
- The attached proposed regulations are presented for the SFMTA Board’s consideration and adoption as amendments to Transportation Code Division II, Article 1100.

ENCLOSURES:

1. SFMTAB Resolution
2. Proposed Amendments to Article 1100

APPROVALS:

DATE

DIRECTOR OF DIVISION PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION BE RETURNED TO Chris Hayashi

ASSIGNED SFMTAB CALENDAR DATE: _____

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PURPOSE

To adopt regulations to govern the procedures and requirements for implementation of the Taxi Medallion Sales Pilot Program, including (1) minimum qualifications for participating lenders to finance Medallion purchases, (2) requirements for executing a Medallion purchase and sale transaction, (3) notice of lenders' perfection of security interests in purchased Medallions; and (4) procedures for foreclosure and resale of a Medallion upon payment default or disciplinary revocation of a purchased Medallion.

GOAL

Goal 1: Customer Focus: To provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy.

Objective 1.1: Improve safety and security across all modes of transportation.

Adoption of these amendments would advance the implementation of the Taxi Medallion Sales Pilot Program by establishing regulations to govern the financing of Medallion purchases. By advancing the Pilot Program, these proposed regulations make it possible to execute Medallion sales transactions so that elderly and disabled Medallion Holders may stop driving without suffering a complete loss of income. Accordingly, implementation of the Taxi Medallion Sales Pilot Program would have the direct and immediate effect of improving safety among San Francisco Taxi Drivers for the Drivers themselves, as well as for taxi customers, bicyclists, pedestrians and other motorists.

Goal 3: External Affairs/Community Relations: To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry.

Objective 3.1: Improve economic vitality by growing relationships with businesses, community, and stakeholder groups.

The Taxi Medallion Sales Pilot Program is a needed reform that will improve the San Francisco taxi industry, as well as other modes of transportation that interact with taxis, for all stakeholders. Taxi companies will face reduced risk of liability from accidents caused by older drivers who cannot afford to stop working. Taxi Drivers will attain the possibility of a meaningful retirement and improved public stature as a respected and valued profession in San Francisco. The public will enjoy increased safety on the street. A new group of San Francisco Taxi Medallion Holder entrepreneurs are likely to seek to improvements in the operation of their Medallion as a business under this new economic model. The act of reform and the adoption of an innovative and unique Medallion program for San Francisco is likely to increase the stature of the City as a leader in the area of taxi regulation among other jurisdictions.

Goal 4: Financial Capacity: To ensure financial stability and effective resource utilization.

Objective 4.1: Increase revenue by 20 percent or more by 2012 by improving collections and identifying new sources.

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The implementation of the Taxi Medallion Sales Pilot Program through the adoption of these regulations is likely to result in substantial new revenue to the SFMTA from the sale of Taxi Medallions.

DESCRIPTION

Taxi Services staff and the City Attorney's office have consulted with financial institutions that have expressed interest in providing financing for San Francisco's Taxi Medallion loans, and have reviewed the regulations governing the purchase and sale of Taxi Medallions in other municipalities in the United States, including Boston, Chicago, Philadelphia, Miami Dade County and New York City. The proposed regulations are intended to provide a legal and procedural framework for the purchase and sale of San Francisco Taxi Medallions.

The San Francisco Taxi Medallion Sales Pilot Program includes the following features:

1. Only pre-qualified lenders may make loans on Medallions. Pre qualified lenders must be either a bank or a credit union, must agree not to charge any prepayment penalties to borrowers, and must enter into an agreement with the SFMTA prior to being qualified to loan money for Taxi Medallion purchases. This is designed to avoid usurious loan agreements or the exercise of undue influence by companies over drivers through financing Medallion loans. Proof of the source of funds will be required as part of the loan documentation process. Lenders are required to retain at least 10 percent of the loan in order to maintain their status as the "lead lender" for that loan; the loan cannot be later assigned or otherwise transferred to a different lender.
2. Taxi companies that want to be able to affiliate with a Medallion that has been purchased will have to enter into an agreement with the SFMTA and the participating lenders to guarantee loan payments in the event of foreclosure until the Medallion is transferred to a new owner. This system is based on the model that the Taxi Services section has already successfully employed to allow the continued operation of a Medallion without an owner until it can be re-issued to a new Medallion Holder. This has the benefit of reducing risk to the lender (resulting in better loan terms to Drivers) and avoiding the loss of work for other Drivers who depend on that vehicle for shifts until the transition to a new owner.
3. The regulations clarify the respective procedures for the termination of a Medallion Holder's interest in a Medallion based on payment default on the one hand, and disciplinary revocation on the other. When there is a payment default, the lender carries out foreclosure proceedings and re-sells the Medallion to the next qualified buyer identified by the SFMTA. When there is a disciplinary revocation, it is the SFMTA that initiates and conducts the proceedings, and the Medallion Holder has different rights and responsibilities under each of those two circumstances based upon applicable law, regulation, or contract instrument.
4. These amendments clarify that even though Medallion Holders may become eligible to sell their Medallion through the Pilot Program by following the prescribed procedures, the SFMTA Board has the authority to terminate the Pilot Program at any time and halt the further purchase and sale of Medallions by otherwise eligible buyers and sellers. This is because this Pilot Program is designed to test assumptions and measure consequences. If it appears that the Pilot Program is causing damage to the industry or to the public the Board has the authority to cut the program short notwithstanding the existence of qualified buyers and sellers.

5. The SFMTA also has the first right of refusal to purchase any Medallion that is available for sale. This is another tool that is available to the SFMTA to minimize adverse effects of the Pilot Program if it appears necessary to reduce the number of, or eliminate, transferable Medallions.
6. These amendments clarify the nature of the property right that is held by a Medallion purchaser, and that it does not include the right to transfer the Medallion to any other person except by Medallion purchase and sale procedures approved by the SFMTA.
7. The SFMTA would guarantee to lenders that the Medallions that are transferred under the Pilot Program would not be offered for sale at any price less than the original sale price. This is another mechanism to reduce the lenders' risk and thereby procure better loan terms for Medallion buyers.
8. The proposed regulations set forth procedures for lenders to follow to file notice of and to release their security interest in a Medallion with the SFMTA.
9. The Director of Transportation is authorized by these regulations to adopt rules and procedures to implement the Pilot Program.

The City Attorney's Office has reviewed this report.

ALTERNATIVES CONSIDERED

If the proposed amendments are not adopted, the Taxi Medallion Sales Pilot Program cannot be implemented until staff returns to the Board of Directors with satisfactory alternative regulations to govern the financing of Medallion purchases. Financial institutions that have expressed a willingness to provide financing for these purchases require assurances from the SFMTA in the form of regulations about standards, requirements and procedures that will be applied during the Pilot Program. For example, procedures upon default of payment, procedures upon disciplinary revocation, notification of perfected security interests, and minimum qualifications for participating lenders are all critical components of the Pilot Program that must be established before the financial institutions can make medallion financing available.

FUNDING IMPACT

The implementation of the Taxi Medallion Sales Pilot Program is likely to result in substantial new revenue to the SFMTA from Taxi Medallion sales.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

None.

RECOMMENDATION

Staff recommends that the SFMTA Board adopt the proposed amendments to Transportation Code Division II, Article 1100.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The implementation of the Taxi Medallion Sales Pilot Program (“Pilot Program”) requires a body of regulations, forms and procedures for successful implementation, including but not limited to rules and procedures for financing Medallion purchases and the clarification of the parties’ rights during all stages of that process; and

WHEREAS, Taxi Services staff, in consultation with the City Attorney’s Office and participating financial institutions, and after reviewing the applicable regulations from other jurisdictions, has developed proposed regulations to govern the financing of Medallion purchases; and,

WHEREAS, The proposed regulations address minimum qualifications for participating lenders to finance Medallion purchases, requirements for executing a Medallion purchase and sale transaction, notification of perfection of lenders’ security interests in purchased Medallions, and procedures for foreclosure on and resale of a Medallion upon payment default or disciplinary revocation of a purchased Medallion; now, therefore, be it

RESOLVED, The Board of Directors approves and adopts amendments to Article 1100 of Division II of the Transportation Code, regulating Motor Vehicles for Hire.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of _____.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

RESOLUTION NO.

[Taxi Medallion Sales Pilot Program.]

**Resolution amending Article 1100 of Division II of the San Francisco
Transportation Code by amending Sections 1102, 1103 and 1109.**

NOTE: Additions are single-underline Times New Roman;
deletions are ~~strike-through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1102, to read as follows:

SEC. 1102. DEFINITIONS

For purposes of this Article the following words and phrases shall have the meanings set forth below:

- (a) **"A-Card"** or **"Driver Permit"** shall mean a permit issued by the SFMTA to operate a Taxi or Ramp Taxi in the City.
- (b) **"A Card Seniority"** shall mean the seniority status of each Driver Permit Holder based on the original issuance date of the Driver Permit, or the issuance date of the most recent Driver Permit if the Driver has been issued a new Driver Permit in accordance with Section 1108(b)(5) after failure to timely renew his or her Driver Permit.
- (c) **"Administrative Probation"** shall mean the status of being substantially out of compliance with this Article according to by a written determination of Administrative Probation issued by the SFMTA.
- (d) **"Color Scheme"** shall mean either the design or trade dress of a vehicle used as a Taxi or Ramp Taxi that is distinct to the fleet of a business that provides taxi service, or a business that provides taxi service and holds a Color Scheme Permit issued by the SFMTA, including any owner, manager, employee, lessee and any agent of such business.

- (e) "Color Scheme Permit"** shall mean a permit issued by the SFMTA to operate a Color Scheme in the City.
- (f) "Controlled Substance Testing Program"** shall mean a program adopted by the SFMTA Board to comply with California Government Code § 53075.5.
- (g) "Dispatch Service"** shall mean any person, business, firm, partnership, association or corporation which holds itself out to the public as a service by or through which taxis may be summoned or dispatched by radio, telephone, or other means of communication, including any owner, manager, employee, lessee and any agent of said service.
- (h) "Dispatch Service Permit"** shall mean a permit issued by the SFMTA to operate a Dispatch Service in the City.
- (i) "Driver"** shall mean either a person who holds a Driver Permit issued by the SFMTA to operate a Motor Vehicle for Hire or a person engaged in the mechanical operation and having physical charge or custody of a Motor Vehicle for Hire while said Motor Vehicle for Hire is available for hire or is actually hired.
- (j) "Driver Fund Transfer Fee"** shall mean five percent of the fixed price for the sale of a Medallion as determined in accordance with this Article.
- (k) "Driver Permit" or "A-Card"** shall mean a permit issued by the SFMTA to operate a Taxi or Ramp Taxi in the City.
- (l) "Driver Roster"** shall mean a daily shift schedule listing the shift assignment, Driver's name, vehicle number and Medallion number, if different, and the hours worked for that shift.
- (m) "Filing Fee"** shall mean a fee in an amount established by the SFMTA Board, due upon application for a permit, and including any late payment penalties or interest for failure to pay in accordance with the requirements of this Article of any other regulation adopted by the SFMTA Board.

(n) "Found Property" shall mean any personal property found in or about a Motor Vehicle for Hire by a Driver or delivered to a Driver, Color Scheme or Dispatch Service by any person who has found such property.

(o) "Full-Time Driver" or "Full-Time Driving" shall mean any Driver actually engaged in, or the activity comprised of (respectively) the mechanical operation and physical charge and custody of a Taxi or Ramp Taxi which is available for hire or actually hired for at least 156 four-hour shifts or 800 hours during a calendar year.

(p) "Gate Fee" shall mean any monetary fee or other charge or consideration, or any combination thereof, required of a Driver who is not a Taxi or Ramp Taxi Medallion Holder for the privilege of driving a Taxi or Ramp Taxi during a particular shift, or for any period of time, including receipt of all services provided in connection with such privilege, whether said fee is set by contract, lease or other agreement, orally or in writing, and whether said fee is paid by the Driver as a flat rate, as a commission on receipts from fares, or as a specified fee for any other purpose.

(q) "In-Taxi Equipment" shall mean hardware and software that enables the real-time processing of paratransit debit card transactions and consisting of, at a minimum, a Taximeter, magnetic swipe reader, user interface (display and function buttons), high speed receipt printer, GPS receiver, cellular modem and antennae (cellular and GPS).

(r) "Key Personnel" shall mean a Taxi Permit Holder who works in an administrative capacity or performs functions integral to a Color Scheme, who is a bona fide employee on the payroll of the Color Scheme and who works on-site at the Color Scheme's principal place of business.

(s) "Lease" shall mean an otherwise lawful written document, employment contract, or other agreement that for consideration authorizes the temporary operation of a Taxi or Ramp Taxi Medallion by a person or Color Scheme other than the Taxi or Ramp Taxi Medallion Holder.

(t) "Lease Fee" shall mean any monetary fee or other charge or consideration, or any combination thereof, charged by or paid to a Taxi or Ramp Taxi Medallion Holder for the privilege of operating that Medallion during a particular shift, or for any period of time.

(u) "Medallion" shall mean a permit issued by the SFMTA to operate a particular Taxi or Ramp Taxi vehicle in the City.

(v) "Medallion Holder" shall mean the person or entity to whom a Medallion was issued.

(w) "Medallion Sale Price" shall mean the fixed price for the sale of a Medallion as determined by the SFMTA in accordance with this Article.

(x) "Medallion Sale Transfer Fee" shall mean fifteen percent of the fixed price for the sale of a Medallion as determined by the SFMTA in accordance with this Article.

(y) "Motor Vehicle for Hire" shall mean every type of privately owned motor vehicle, as defined in the Vehicle Code, which is available for hire and over which the City may exercise jurisdiction, except as otherwise specified in this Article.

(z) "Motor Vehicle for Hire Permit" shall mean a permit issued by the SFMTA for the operation of an identified vehicle for the purpose of transporting passengers for a price, including Taxi and Ramp Taxi Medallions and Non-Standard Vehicle permits, and does not include Dispatch Service, Color Scheme or Driver Permits.

(aa) "Model Year" shall mean the year model designated at the time of manufacture of first assembly as a completed vehicle (e.g. If a vehicle is produced in 2007, but is designated for sale as a 2008 model, then the vehicle is considered a 2008 Model Year.)

(bb) "Non-Standard Vehicle" shall mean a privately owned, motor-propelled passenger carrying vehicle which may be legally operated on the streets of the

City under all applicable state and local laws and regulations, and which is not defined elsewhere in this Article.

(cc) "O.E.M." shall mean any equipment installed on a vehicle when the vehicle was initially manufactured.

(dd) "Paratransit Broker" shall mean the contractor retained by SFMTA to administer the Paratransit Program.

(ee) "Paratransit Coordinating Council" shall mean the community advisory committee which advises the SFMTA regarding paratransit services.

(ff) "Paratransit Program" shall mean the SFMTA program to provide transit services for people unable to independently use public transit because of a disability or disabling health condition.

(gg) "Participating Color Scheme" shall mean a Color Scheme that has entered into an agreement with the SFMTA for the operation of Medallions that are sold and purchased in accordance with Section 1109(e) of this Article.

(gghh) "Permit Fee" shall mean a fee in an amount established by the SFMTA Board, required to be paid by a permit applicant for permit issuance or renewal, including any late payment penalties or interest for failure to pay in accordance with the requirements of this Article and any other regulations adopted by the SFMTA Board.

(hhii) "Permit Holder" shall mean any person, business, firm, partnership, association or corporation which holds any permit issued by or under the authority of the SFMTA to drive, operate or cause to be operated any Motor Vehicle for Hire or to operate any Dispatch Service or Color Scheme pursuant to this Article, and any agent of such Permit Holder including, but not limited to, any owner, manager, employee or lessee of such Permit Holder.

(ijj) "Police Department" shall mean the Police Department of the City and County of San Francisco.

(kk) “Qualified Lender” shall mean a lender approved by the Director of Transportation to finance the purchase of Medallions under the Taxi Medallion Sales Pilot Program.

(ll) "Qualified Purchaser" shall mean a Driver Permit Holder who meets all the requirements for purchase of a Medallion under Section 1109(e)(2).

(mm) "Qualified Seller" shall mean a Medallion Holder who meets the requirements of Section 1109(e)(1)(A) or 1109(e)(1)(B).

(jjnn) "Ramp Taxi" shall mean a Taxi that is specially adapted with access for wheelchair users.

(kkoo) "Ramp Taxi Medallion" shall mean a permit issued by the SFMTA to operate a particular Taxi vehicle that is specially adapted with access for wheelchair users.

(llpp) “Ramp Taxi Program” shall mean the SFMTA program that oversees the delivery of transportation services to individuals whose disabilities require the use of vehicles equipped with a ramp.

(mmqq) "Rates of Fare" shall mean the fees and charges that are authorized by the SFMTA Board that may be charged to the public by a Permit Holder in consideration for transport by a Motor Vehicle for Hire.

(nnrr) “Response Time Goals” shall mean the measure of industry performance expressed by the time elapsed between the time a Dispatch Service receives a request for service to the time that a Taxi or Ramp Taxi actually arrives at the location specified by the customer for pick up. The currently applicable Response Time Goals are as follows:

1. 70% of the time, a Taxi or Ramp Taxi will arrive within 10 minutes of the service call.
2. 80% of the time, a Taxi or Ramp Taxi will arrive within 15 minutes of the service call.
3. 99% of the time, a Taxi or Ramp Taxi will arrive within 30 minutes of the service call.

~~(ooss)~~ **"SFMTA"** shall mean the San Francisco Municipal Transportation Agency of the City, or any predecessor agency with regulatory jurisdiction over Motor Vehicles for Hire, or its authorized designee.

~~(pptt)~~ **"Taxi"** shall mean a vehicle operated pursuant to a Taxi or Ramp Taxi Medallion that is legally authorized to pick up passengers within the City with or without prearrangement, of a distinctive color or colors and which is operated at rates per mile or upon a waiting-time basis, or both, as measured by a Taximeter and which is used for the transportation of passengers for hire over and along the public streets, not over a defined route but, as to the route and destination, in accordance with and under the direction of the passenger or person hiring such vehicle.

~~(qquu)~~ **"Taxi Medallion Sales Pilot Program"** shall mean the program adopted by the SFMTA Board of Directors for the purchase and sale of certain Taxi Medallions at an established Medallion Sale Price to a purchaser who is qualified to hold a Medallion under these regulations.

~~(rrvv)~~ **"Taximeter"** shall mean a device attached to a Motor Vehicle for Hire which mechanically or electronically calculates the fare to be charged to the passenger, either on the basis of distance traveled or for waiting time, or a combination thereof, and upon which the amount of the fare is indicated by means of numerals in dollars and cents.

~~(ssww)~~ **"Vehicle Number"** shall mean the unique identifying number associated with each Taxi or Ramp Taxi vehicle.

~~(ttxx)~~ **"Waiting List"** shall mean a list of applicants for Taxi or Ramp Taxi Medallions for whom such Medallions are not yet available, maintained in the order of receipt of complete applications from qualified applicants.

Section 2. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1103, to read as follows:

SEC. 1103. PERMIT APPLICATIONS

SFMTA BOARD OF DIRECTORS

(a) Application Forms

Application for any permit issued pursuant to this Article shall be made to the SFMTA on a form provided by the SFMTA. The applicant shall provide such information and documents as the SFMTA requires, which may include a physical examination and/or background check of the applicant. The SFMTA shall record the date and time that a complete application, including the Filing Fee, is received.

(b) Applications Deemed Active

Every application for a permit shall be deemed to remain active and shall be considered until the earliest of the following events:

- (1) The applicant withdraws the application in writing;
 - (2) The applicant is determined to be ineligible for the permit by the SFMTA;
 - (3) The applicant receives a permit;
 - (4) The SFMTA determines that the applicant has engaged in fraud, misrepresentation or other serious misconduct in connection with the permit application process; or
 - (5) The SFMTA attempts to contact the applicant at the mailing address listed on the application on at least two separate occasions and the applicant fails to respond within 30 days of the second notice.
- (6) The SFMTA has offered a Medallion for purchase to the applicant, and the applicant fails to complete the purchase of the Medallion within the deadlines established by the Director of Transportation pursuant to Section 1109(e)(6)(C).

(c) Additional Requirements Applicable to Driver Permit Applications

(1) Application Requirements

In addition to complying with all applicable requirements of this Section 1103, each applicant for a Driver Permit shall:

SFMTA BOARD OF DIRECTORS

- (A) Provide his or her fingerprints; and
- (B) Take and pass a written examination; and
- (C) Take and pass a physical examination if required by the SFMTA; and
- (D) Certify that the applicant has successfully completed an SFMTA-approved Driver training course; and
- (E) Enclose two recent photographs of the applicant of passport photo size, taken no more than 12 months prior to the time of application; and
- (F) Enclose a statement of affiliation signed by the applicant, the Color Scheme and the Dispatch Service associated with the Color Scheme. The applicant's choice of Color Scheme shall be subject to the approval of the SFMTA, which may deny such request if in the SFMTA's judgment the proposed affiliation could be detrimental to the Driver, the Color Scheme or to the public.
- (G) Reserved: Controlled Substance Testing Program.

(2) Driver Qualifications

Each applicant for a Driver's Permit must:

- (A) Be a resident of the United States;
- (B) Be clean in dress and person;
- (C) Be free of any disease, condition, infirmity, or addiction that might render the applicant unable to safely operate a motor vehicle or that otherwise poses a risk to public health and safety;
- (D) Hold a valid California driver's license of a class sufficient for the lawful operation of the motor vehicle to be driven;

(E) Have the physical capacity to operate a motor vehicle for at least four hours per day;

(F) Have no prior convictions of a crime that would, in the judgment of the SFMTA, present a risk to public safety if the permit is granted, including but not limited to convictions involving sexual assault, the use of a vehicle in the commission of a felony, fraud, violence against a person, reckless disregard for public safety, two or more recent convictions of drug-related offenses, or two or more recent convictions of driving under the influence, whether or not such convictions occurred while driving a Motor Vehicle for Hire. The SFMTA may, in its discretion, issue a permit notwithstanding prior convictions if, following review of an individual case, it determines that the applicant or Permit Holder does not pose a current risk to public safety;

(G) Have attained the age of 21;

(H) Speak read and write the English language;

(I) Reserved: Controlled Substance Testing Program.

(d) Additional Requirements Applicable to Taxi and Ramp Taxi Medallion Applications

(1) Waiting List

In the absence of any other preference specified in this Article, applicants for a Medallion shall be processed and considered by the SFMTA in the order of receipt of the Waiting List application, and then in order of A-Card Seniority. The SFMTA shall maintain a Waiting List of Medallion applications arranged in chronological order by the date that each complete Medallion application, including Filing Fees, was received from a qualified applicant. Each applicant for a Taxi or Ramp Taxi Medallion shall have held a valid Driver Permit for a minimum of two consecutive years prior to applying for a Medallion.

(A) Every applicant for a Taxi or Ramp Taxi Medallion must continuously maintain a valid Driver Permit in order to maintain his or her position on the Waiting List.

(B) The SFMTA may periodically require applicants to execute written statements to reaffirm their desire to keep their applications active.

(C) As of December 16, 2009, the SFMTA shall no longer accept applications for the Waiting List. When there are no more qualified applicants on the Waiting List, the SFMTA shall offer Medallions to Driver Permit Holders who meet all other requirements of this Article in order of A-Card Seniority.

(e) Additional Requirements Applicable To Ramp Taxi Medallion Applications

(1) Limitation on Acceptance of Other Permits

No person to whom a Ramp Taxi Medallion is issued may accept any other Medallion for a minimum of three years after receipt of the Ramp Taxi Medallion. If a Ramp Taxi Medallion Holder becomes eligible for a Taxi Medallion during his or her first three years as a Ramp Taxi Medallion Holder, and so long as the Ramp Taxi Medallion Holder remains otherwise qualified, the Ramp Taxi Medallion Holder's application shall be kept active and shall be considered for a Taxi Medallion before other qualified applications after the three year period has elapsed.

(2) Notice of Intent to Leave the Ramp Taxi Program

(A) Upon completion of a minimum of 30 months as a Ramp Taxi Medallion Holder, the Permit Holder may elect to leave the Ramp Taxi program at any time by filing six months' advance written notice of the Permit Holder's intent to leave the program with the SFMTA ("Notice of Intent"). The date that the SFMTA receives the Notice of Intent shall be deemed the date of the Notice.

(B) Notice of Intent Effective Date; Qualification for New Permit

The Permit Holder's decision to leave the Ramp Taxi Program shall become effective six months after the Notice of Intent is filed. Except as

provided by subsections (C) and (D) below, upon completion of the six month notice period, the Ramp Taxi Medallion shall expire by operation of law, and the Permit Holder shall no longer be precluded from accepting another Motor Vehicle for Hire Permit.

(C) If, at the completion of the six-month notice period, the Permit Holder is not yet eligible for a Taxi Medallion, or if no such Taxi Medallion is available, the Permit Holder may elect to remain in the Ramp Taxi program for any period of time until a Taxi Medallion becomes available.

(D) The Permit Holder's decision to leave the Ramp Taxi Program shall become inoperative if, prior to expiration of the of the six-month notice period, the Permit Holder files a statement of his or her decision to withdraw the Notice of Intent. The Permit Holder shall be required to file a subsequent Notice of Intent if he or she later decides to leave the Ramp Taxi Program. The same requirements governing the Permit Holder's initial Notice of Intent, including the full six-month notice period, shall apply to any subsequently filed Notice of Intent to leave the Ramp Taxi Program.

(f) Additional Requirements Applicable to Non-Standard Vehicle Permit Applications

(1) An applicant may request a Non-Standard Vehicle class of permit for any vehicle(s) that is not otherwise included within another class of Motor Vehicle for Hire permits.

(2) If a Non-Standard Vehicle permit applicant proposes to operate along fixed routes within the City, such fixed routes shall be specified in the permit application. Fixed routes proposed for a permit must be approved by the SFMTA and shall be included in the Non-Standard Vehicle permit as a permit condition. Consideration of such routes by the SFMTA shall include evaluation of their impact on public transit.

(g) Additional Requirements Applicable To Dispatch Service Permit Applications

SFMTA BOARD OF DIRECTORS

(1) Submission of Emergency Plans

Applicants for Dispatch Service Permits or permit renewal shall submit a "Standard Emergency Plan for Drivers and Dispatchers" to follow in an emergency. Such plan is subject to SFMTA approval. SFMTA may require revisions to such Emergency Plan in order to coordinate with the emergency plans of the City, other Permit Holders and the Paratransit Program. Such plan shall include emergency communication protocols between Dispatch Services and their Color Scheme affiliates and the emergency evacuation of the public from the City, including but not limited to paratransit customers.

(2) Lost and Found Protocol Compliance

No application for a Dispatch Service Permit shall be approved or renewed if a Dispatch Service Permit applicant cannot demonstrate knowledge of and ability to adhere to SFMTA's protocol for the handling of Found Property.

(h) Additional Requirements Applicable To Color Scheme Permit Applications

Reserved.

Section 3. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1109, to read as follows:

SEC. 1109. CONDITIONS APPLICABLE TO TAXI AND RAMP TAXI MEDALLIONS

(a) Affiliation With Color Scheme Required; Color Scheme Change

(1) A Medallion Holder shall be deemed affiliated with a particular Color Scheme when the SFMTA approves his or her application pursuant to this Article, and shall entitle the Medallion Holder to the right to the use of that Color Scheme's trade dress and place of business. Color Schemes shall not unreasonably withhold the use of the trade dress and place of business once affiliation has been approved.

(2) Affiliation with a Color Scheme and/or the failure of a Color Scheme to comply with this Article does not relieve the Medallion Holder of his or her responsibility to comply with all requirements of this Article applicable to the Medallion Holder.

(3) A Medallion Holder may apply to the SFMTA for a change in affiliation. The applicant's choice of Color Scheme shall be subject to the prior approval of the SFMTA. A Medallion Holder's request for affiliation with a Color Scheme shall be approved unless the Color Scheme is on Administrative Probation pursuant to Section 1118(g). The SFMTA may delay or deny a change in Color Scheme affiliation by a Medallion Holder if a court of competent jurisdiction issues a temporary or permanent order to prohibit or delay the transfer.

(4) A Medallion Holder who purchases his or her Medallion in accordance with subsection (e) must affiliate with a Participating Color Scheme.

(b) Use of Dispatch Service

All Medallion Holders affiliated with a Color Scheme must utilize the same Dispatch Service.

(c) Full-Time Driving Requirement

(1) Every Medallion Holder subject to the provisions of this section 1109(c) shall be a Full-Time Driver.

(2) Exception for Certain Permits

Notwithstanding any contrary provision in this Article, the requirements set forth in this Subsection 1109(c) shall not apply to any person holding a Medallion issued on or before June 6, 1978.

(3) Declaration Required

No permit to operate a Taxi or Ramp Taxi shall be granted unless the Medallion Holder shall declare under penalty of perjury his or her intention actively and personally to engage as a Full-Time Driver.

(4) Qualifying Vehicle

All Medallion Holders must drive the Taxi or Ramp Taxi associated with their Medallion when complying with Subsection 1109(c) unless that vehicle is unavailable.

(5) Medallion Holders Responsible for Documenting Compliance

A Medallion Holder has the responsibility to maintain his or her own business records, including Waybills. Only written Waybills completed in compliance with all requirements may be used to meet the Full-Time Driving requirement. Failure of a Color Scheme to maintain business records, including Waybills, as required by this Article shall not excuse a Medallion Holder from proving that he or she has satisfied this Subsection 1109(c) or any other requirement.

(6) Partial Years

During the year that a Medallion is first issued or any year in which operation of the Medallion was temporarily suspended with the approval of the SFMTA in accordance with Section 1105(9), the number of driving hours required to meet the Full-Time Driving Requirement shall be reduced by the same proportion as the ratio of the Permit Holder's excused driving hours to the hours remaining in the calendar year.

(7) Exception for Color Scheme Key Personnel

(A) Alternative Driving Requirement

Medallion Holders who are designated as "Key Personnel" by a Color Scheme may satisfy the Full-Time Driving requirement by driving 120 hours per year and performing 1,500 hours of work per year as Key Personnel for the Color Scheme.

(B) Written Designation of Key Personnel

Each Color Scheme seeking to designate one or more of its employees for a calendar year pursuant to this Subsection 1109(c)(7) must file a written designation by December 1st of the preceding year. A Permit Holder may not be designated as Key Personnel by more than one Color Scheme during a calendar

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year. The SFMTA will only recognize as Key Personnel only those Medallion Holders named in a completed designation form filed by the Color Scheme as of December 1st.

(C) Number of Key Personnel Designated at a Color Scheme

Each Color Scheme will be entitled to designate Key Personnel in accordance with the number of Medallions affiliated with that Color Scheme. The number of Medallions affiliated with a particular Color Scheme for a calendar year shall be determined as of December 1st of the previous year, based on the records of the SFMTA. Only individuals already holding a Medallion by December 1 of that year may be considered for Key Personnel designation. The number of designated Key Personnel at a Color Scheme may not be increased or decreased during the subsequent calendar year even if the number of Medallions affiliated with that Color Scheme changes during the year.

A Color Scheme with 1 to 10 Medallions may not designate anyone as Key Personnel.

A Color Scheme with 11 to 20 Medallions may designate one person.

A Color Scheme with 21 to 40 Medallions may designate two people.

A Color Scheme with 41 to 60 Medallions may designate three people.

A Color Scheme with 61 to 80 Medallions may designate four people.

A Color Scheme with 81 to 100 Medallions may designate five people.

A Color Scheme with 101 to 150 Medallions may designate six people.

A Color Scheme with 151 to 200 Medallions may designate seven people.

A Color Scheme with 201 to 300 Medallions may designate eight people.

A Color Scheme with 301 to 400 Medallions may designate nine people.

A Color Scheme with over 400 Medallions may designate nine people, plus one additional person for every 100 Medallions over 400.

(D) Statement of Work by Key Personnel

No later than February 1st of each year, each Color Scheme that has designated one or more employees as Key Personnel must submit a written Statement of Work on a form provided by SFMTA, demonstrating the number of hours during the previous calendar year that each of its designated Key Personnel worked on tasks related to the business of the Color Scheme, including but not limited to, office duties, dispatching, cashiering, or performing management duties. The Statement of Work shall be signed under penalty of perjury by both the Color Scheme and the Medallion Holder designated as Key Personnel. The Color Scheme shall be responsible for submitting proof of employment with the Statement of Work, which shall consist of state or federal tax forms filed with the appropriate regulatory agency. A Medallion Holder and/or Color Scheme that submit a falsely sworn Statement of Work shall be subject to automatic revocation of his or her Permit.

(E) Partial Completion of Requirements

If a Medallion Holder performs at least 750 hours of work as designated Key Personnel for the a Color Scheme during the year but less than 1,500 hours, the Permit Holder shall be entitled to partial credit against the Full-Time Driving requirement on a pro rata basis. The credit shall correspond to the percentage of 1,500 hours that the designated Permit Holder worked for the company in such capacity. If a Permit Holder does not perform at least 750 hours of work as designated personnel for the Color Scheme during the year, the Permit Holder shall not be entitled to any credit against the Full-Time Driving requirement.

(F) Ramped Taxi Permit Holders Ineligible

Ramped Taxi Permit Holders are not eligible to be designated as Key Personnel.

(d) Corporate Medallion Holders

(1) Permits Void in Event of Transfer or Sale of Permit Holder

Any Medallion held by a Permit Holder that is not a natural person shall be deemed null and void and revoked if any of the following circumstances has occurred since the issuance of the Medallion:

(A) If the Medallion Holder is or was sold or transferred at any time after June 6, 1978. For the purposes of this Section, a sale or transfer occurs upon a cumulative sale or transfer of either 10 percent or more of the stock or other ownership of the Medallion Holder, or 10 percent of the Permit Holder's assets since June 6, 1978, unless such sale or transfer has the prior written approval of the SFMTA.

(B) If the management or control of the Permit Holder is or has been transferred for consideration since the issuance of the permit;

(C) If the Medallion Holder's rights to receive income derived from the lease of a permit is assigned, transferred or sold.

(e) Taxi Medallion Sales Pilot Program

(1) Qualified Taxi Medallion Sellers

(A) Any ~~Medallion held by a natural person who: (1) has attained or will attain the age of 70 years old or older as of December 31, 2010; or (2) has demonstrated to the satisfaction of the SFMTA that he or she has a bona fide disability that permanently prevents him or her from satisfying the Full-Time Driving requirement, and has notified the SFMTA of that disability by completing the prescribed application and providing the prescribed documentation on or before December 31, 2010; is eligible to sell his or her Medallion for sale in accordance with this subsection (e). This subsection (e)(1)(A) does not confer on a Medallion Holder who meets the age or disability requirements of this subsection a vested right to sell a Medallion. The SFMTA Board of Directors may declare at any time that the Taxi Medallion Sales Pilot Program is terminated and that no further sales by eligible Medallion Holders under this subsection (e)(1)(A) are permitted.~~

(B) Any Purchaser of a Medallion under this subsection (e) is eligible to sell the purchased Medallion in accordance with this subsection (e). The Purchaser may not transfer ownership of the Medallion by gift, bequest or in any manner other than by a bona fide sale in accordance with this subsection (e). A Medallion purchased under this subsection (e) shall expire upon the death or mental incompetence of the Medallion Holder, upon the foreclosure by a Qualified Lender under subsection (e)(14), or upon revocation of the Medallion under Section 1120 of this Article.

(C) In all instances in which sale of a Medallion is allowed under this subsection (e), the SFMTA may elect to purchase the Medallion from the Qualified Seller or to allow the Qualified Seller to offer the Medallion for sale to a Qualified Purchaser.

(2) Qualified Taxi Medallion ~~Buyers~~ Purchasers

The SFMTA shall authorize Medallion sales under the Pilot Program only to Driver Permit Holders who meet all eligibility requirements for Medallion ownership in Sections 1103 and 1104 of this Article and who acknowledge and agree that the Medallion purchased is subject to the provisions of this subsection (e). The SFMTA shall make offers of sale to such ~~Qualified Purchasers~~ Driver Permit Holders in the order of seniority on the Waiting List, and then in the order of A-Card Seniority.

(3) Fixed Medallion Sale Price

Any Medallion sold pursuant to this subsection (e) shall be sold under the supervision of the SFMTA at a price established by the SFMTA. The initial Medallion Sale Price shall be established by the Director of Transportation after a public hearing and shall not exceed \$400,000. In setting the initial Medallion Sale Price, the Director of Transportation shall consider the commercial loan terms available to Medallion applicants, the affordability of the monthly payments under such loans, the anticipated business revenue to be generated from a Medallion, and other commercially relevant factors~~relevant to the economic dimensions of the sale~~. Upon setting the initial Medallion Sale Price, the Director of Transportation shall notify the SFMTA Board of Directors and the public of the Medallion Sale

SFMTA BOARD OF DIRECTORS

Price. The Director of Transportation ~~shall~~may adjust the Medallion Sale Price no more frequently than annually in accordance with the percentage increase in the Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area since the date that the Medallion Sale Price was last set or adjusted over the preceding year. The Director of Transportation may increase or decrease the Medallion Sale Price at any time in accordance with the procedure for setting the initial Medallion Sale Price, subject to the restrictions set forth in any agreement between the SFMTA and a Qualified Medallion Lender described in Section 1109(e)(12)(C).

(4) Medallion Transfer Fees

The seller of a Medallion shall pay to the SFMTA the Medallion Sale Transfer Fee and the Driver Fund Transfer Fee at the time of sale. The SFMTA shall deposit the Driver Fund Transfer Fee into the Driver Fund.

(5) Medallion Sales by City

As part of the Taxi Medallion Sales Pilot Program, ~~the~~ SFMTA may sell up to 60 Medallions that have been returned to the SFMTA for any reason to Qualified Purchasers~~Driver Permit Holders~~ at the Medallion Sale Price. The SFMTA shall be responsible for payment of the Driver Fund Transfer Fee for each such Medallion sold. The SFMTA shall continue to issue Medallions to applicants in accordance with Sections 1103 and 1104 of this Article during the pendency of the Taxi Medallion Sales Pilot Program.

(6) Taxi Medallion Purchase and Sale Procedures

~~Medallions shall be purchased and sold under the Pilot Program in accordance with procedures adopted by the SFMTA.~~

(A) Sale of a Taxi Medallion may only be accomplished by a purchase and sale transaction that complies with all requirements of this Article. Transfer of a Medallion upon sale to a Qualified Purchaser is not effective until the transfer is approved by the Director of Transportation.

(B) The Director of Transportation may require a Medallion purchaser to provide documentation in a form satisfactory to the SFMTA of the source of the funds used to purchase the Medallion.

(C) The Director of Transportation may establish such purchase and sale procedures and other procedures as he or she deems appropriate to carry out the Taxi Medallion Sales Pilot Program.

(7) Purchased Medallions Subject to all Regulations

A Medallion purchased pursuant to this subsection (e) remains subject to all applicable laws and regulations and may be suspended or revoked for cause.

(8) Resale of Medallions

Medallions acquired pursuant to this subsection (e) are eligible for resale by the Purchaser in accordance with the provisions of this subsection (e).

(9) Ramp Taxi Medallions

If any Ramp Taxi Medallion Holder who would qualify to sell a Medallion under subsection (e)(1) notifies the SFMTA that he or she elects to sell the Medallion, the SFMTA shall exchange the Ramp Taxi Medallion for a Taxi Medallion to be sold by the Medallion Holder. Such exchange shall not diminish the size of the Ramp Taxi fleet. No Ramp Taxi Medallion shall be sold pursuant to this subsection (e).

(10) Driver Fund

The SFMTA shall establish a Driver Fund. The SFMTA shall deposit all Driver Fund Transfer Fees into the Driver Fund and may, in its sole and absolute discretion, elect to deposit other monies into the Fund. Monies in the Driver Fund may be expended by the SFMTA.

(11) Taxi Medallion Sales Pilot Program Advisory Council

(A) The SFMTA shall establish a Taxi Advisory Council ("Advisory Council"), which shall monitor the issues that arise during the Taxi Medallion Sales Pilot Program,

evaluate the effects of the Pilot Program on all sectors of the taxi industry, and provide advice to the SFMTA Board of Directors and the Director of Transportation.

(B) The Advisory Council shall consist of 15 members appointed by the Director of Transportation. Three of the members shall be representatives of each of the following companies: Yellow Cab Cooperative, Luxor Cab Company and DeSoto Cab Company. Three of the members shall be representatives of other Color Scheme Permit Holders. Three of the members shall be Medallion Holders who do not represent a Color Scheme, and who are not employed as managers, dispatchers, cashiers, mechanics, or administrative staff of a Color Scheme. Three of the members shall be Drivers who are not Medallion Holders and who are not on the Waiting List. Three of the members shall be Drivers who are not Medallion Holders and who are on the Waiting List. Members shall serve for a term of two years and shall serve at the pleasure of the Director of Transportation. In the event that a vacancy occurs during a member's term, the Director of Transportation shall appoint a successor for the unexpired term.

(C) The Advisory Council shall prepare and provide to the Director of Transportation, no later than December 31, 2010, a report containing its assessment of the Taxi Medallion Sales Pilot Program and its recommendations regarding a long-term Medallion reform program. The Advisory Council shall be staffed by personnel from the Taxi Services section of the SFMTA.

(D) The Advisory Council shall terminate by operation of law two years year after the date that all members have been appointed, unless the SFMTA Board by resolution extends the term of the Council.

(12) Medallion Lender Qualification

(A) A Purchaser of a Medallion may enter into a loan agreement for the purchase of a Medallion only with a Qualified Lender. A Qualified Lender shall not assign, sell or otherwise transfer the Qualified Lender's rights under the loan agreement and ancillary documents with respect to more than 90% of the original loan balance without the express, written consent of the Director of Transportation.

(B) A Qualified Lender must be a financial institution chartered by a state government or the federal government, and may not impose any penalties or otherwise constrain the payment of the balance owed on the loan prior to the expiration of the loan term. The Director of Transportation shall adopt rules setting forth additional requirements for designation by the SFMTA as a Qualified Lender. If the SFMTA determines that a lender has failed to meet or maintain the requirements to be a Qualified Lender, the SFMTA shall deny the application to become a Qualified Lender or suspend or revoke the lender's current status as a Qualified Lender.

(C) All Qualified Lenders must enter into a written agreement with the SFMTA, in a form approved by the SFMTA. The agreement shall include, at a minimum, the Qualified Lender's acknowledgement of the provisions of this subsection (e), the Qualified Lender's agreement to be bound by these provisions, and the SFMTA's promise not to set the Medallion Sale Price below the highest Medallion Sale Price paid by a Medallion Holder to whom a Qualified Lender made a loan that is still outstanding.

(13) Security Interests

(A) Qualified Lender's Security Interest. Notwithstanding any other provisions herein to the contrary, a Medallion Purchaser may encumber a Medallion with a security interest pursuant to an agreement entered into with a Qualified Lender to finance the purchase of the Medallion.

(B) Filing Security Interests. A Qualified Lender wishing to evidence a secured interest in a Taxi Medallion shall file a notice of the security interest with the Taxi Services Section of the SFMTA in a form approved by the SFMTA within ten business days of closing the relevant loan transaction, and shall provide to the SFMTA the promissory note, loan agreement, security agreement, any other underlying contracts or documents memorializing the terms and conditions of the debt that is secured by the Medallion, and any documents memorializing the perfection of the security interest. The SFMTA will not recognize any secured interest in a Medallion that is not filed and reported in compliance with this rule.

(C) Release of Secured Interest. Upon repayment of the loan secured by an interest in a

Medallion, the Qualified Lender must file notice of release of the secured interest within 5 business days of the release with Taxi Services Section of the SFMTA along with any underlying contracts or documents memorializing the terms and conditions of the release.

(14) Foreclosure and Transfer of Medallion

(A) If the Purchaser defaults under the agreement with the Qualified Lender beyond any applicable notice and cure period, and the Qualified Lender intends to foreclose on the security interest, the qualified Lender shall notify the Taxi Services Section of the SFMTA at least 14 days prior to the date on which the Qualified Lender intends to foreclose. The notice shall include the name of the Medallion Holder, the intended date of foreclosure, and the contact information for the representative of the Qualified Lender to whom inquiries may be made.

(B) Provided that the Qualified Lender has provided notice to the SFMTA under subsection (e)(14(A), upon foreclosure in accordance with applicable law and the terms of the security agreement between the Qualified Lender and the Medallion Holder, the Qualified Lender may sell the Medallion pursuant to the provisions of this subsection (e) to the Qualified Purchaser identified by the SFMTA at the Medallion Sales Price. After payment to the SFMTA of the Medallion Sale Transfer Fee and the Driver Fund Transfer Fee, the Qualified Lender shall disburse the proceeds of the sale in compliance with applicable law.

(15) Disciplinary Revocation and Resale

(A) In the event that the SFMTA brings disciplinary revocation proceedings under Section 1120 of this Article against a Medallion that has been sold in accordance with this subsection (e), the SFMTA shall provide notice of the filing of such proceedings to any Qualified Lender holding a secured interest in the Medallion if the Qualified Lender has complied with all notice and reporting requirements of this subsection (e).

(B) Disciplinary revocation of a Medallion shall not affect the validity of the lien of a Qualified Lender against the Medallion. Resale of the Medallion after revocation for any reason shall be subject to the lien of the Qualified Lender.

(C) Conduct of Sale. Upon revocation for any reason, the SFMTA shall identify the next qualified applicant and proceed to sell the Medallion in accordance with the procedures set forth in this subsection (e).

(D) Disbursement of Sale Proceeds. At the time of sale of the revoked Medallion, the outstanding balance of the loan secured by a secured interest of a Qualified Lender in such Medallion on file with the SFMTA shall be satisfied with the Medallion sale proceeds after deducting the expenses of the sale and the Medallion Sale Transfer Fee and the Driver Fund Transfer Fee. Any remaining proceeds shall be disbursed to the former Medallion Holder or his or her designees

(E) Continued Operation During Resale. Upon revocation of the Medallion, the SFMTA shall repossess and sell the Medallion. If the Medallion cannot be repossessed, the SFMTA shall issue a temporary Medallion to replace the Medallion during the pendency of the resale. The Medallion need not be in the possession of the SFMTA in order to proceed with resale. Upon revocation, and until the Medallion is transferred to a new Medallion Holder, the Medallion shall continue to be operated by the Participating Color Scheme with which it is affiliated.

(16) Participating Color Schemes

Any Color Scheme Permit Holder who wishes to participate in the Taxi Medallion Sales Pilot Program as a Participating Color Scheme must enter into a written agreement with the SFMTA. The agreement shall include, but need not be limited to, the agreement of the Color Scheme Permit Holder to allow Medallions purchased under this subsection (e) to affiliate with the Color Scheme in accordance with all applicable rules and regulations, and to continue to operate any such affiliated Medallion during the period commencing on the revocation of such Medallion and ending on the resale of the Medallion, and at any other time upon the request of the SFMTA. During such periods of operation, the Color Scheme shall continue to make the payments that would otherwise have been payable to the Medallion Holder to the SFMTA in accordance with the agreement between the SFMTA and Participating Color Schemes.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Mariam Morley
Deputy City Attorney

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of _____ .

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

THIS PRINT COVERS CALENDAR ITEM NO. : _____

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Administration, Taxis and Accessible Services

BRIEF DESCRIPTION:

Requesting the San Francisco Municipal Transportation Agency Board of Directors to adopt amendments to Transportation Code, Division II, Articles 300 and 1100 governing Motor Vehicles for Hire, to implement a revised penalty schedule for violations of Motor Vehicle for Hire regulations, to prohibit Permit Holders from making false claims for payment to the SFMTA, to prohibit Color Schemes from retaliating against Drivers who elect not to open individual merchant accounts for credit card processing, to establish procedures for issuing administrative citations for violations of the Motor Vehicle for Hire regulations, to authorize Drivers to charge a cleaning fee and to collect bridge tolls in advance of out-of-town trips, and to establish a monthly fee for Medallion operation by Color Schemes pending Medallion re-issuance following the revocation or surrender of a Medallion or the death or incapacity of a Medallion Holder.

SUMMARY:

- Taxi Services staff has reviewed the former Taxi Commission penalty schedule for Motor Vehicle for Hire regulatory violations and has revised the penalty schedule for the purpose of making penalty amounts internally consistent and appropriate to the nature and seriousness of the offense.
- Taxi Drivers should be authorized to collect a cleaning fee from customers who permanently stain or temporarily render a taxi vehicle unfit for use as a Motor Vehicle for Hire, and bridge tolls from customers in advance of out-of-town trips.
- Taxi Drivers should not face retaliation by Color Schemes if they elect not to open individual accounts for credit card payment processing.
- Taxi Services staff requires regulatory authority and established hearing procedures to issue administrative citations to individuals who are not Permit Holders but who are violating Motor Vehicle for Hire laws by operating without a permit from the SFMTA.
- The attached proposed regulations are presented for the SFMTA's consideration and adoption as amendments to Transportation Code Division II, Articles 300 and 1100.

ENCLOSURES:

1. SFMTAB Resolution
2. Proposed Amendments to Articles 300 and 1100

APPROVALS:

DATE

DIRECTOR OF DIVISION _____

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION

BE RETURNED TO Chris Hayashi

ASSIGNED SFMTAB CALENDAR DATE: _____

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PURPOSE

To implement a revised penalty schedule for violations of Motor Vehicle for Hire regulations, to prohibit Permit Holders from making false claims for payment to the SFMTA, to prohibit Color Schemes from retaliating against Drivers who elect not to open individual merchant accounts for credit card processing, to establish procedures for issuing administrative citations, to authorize Drivers to charge a cleaning fee and to collect bridge tolls in advance of out-of-town trips, and to establish a monthly fee for Medallion operation by Color Schemes pending Medallion re-issuance following the revocation or surrender of a Medallion or the death or incapacity of a Medallion Holder.

GOAL

Goal 1: Customer Focus: To provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy.

Objective 1.1: Improve safety and security across all modes of transportation.

Adoption of these amendments would implement an improved regulatory penalty schedule that would create appropriate incentives and disincentives to encourage compliance with regulations. The regulation of Motor Vehicles for Hire is primarily for the purpose of protecting public safety. Therefore, a penalty schedule that creates improved enforcement of and compliance with the regulations will improve the safety of Motor Vehicles for Hire as a mode of transportation.

The authorization of a cleaning fee will tend to better maintain the cleanliness of the San Francisco taxi fleet and keep vehicles in service.

The authorization for Taxi Services staff to issue administrative citations to illegal Motor Vehicle for Hire operators will provide an important enforcement tool to protect the public from dangers that may arise from prohibited conduct.

Goal 3: External Affairs/Community Relations: To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry.

Objective 3.1: Improve economic vitality by growing relationships with businesses, community, and stakeholder groups.

The assessment of administrative penalties is an important element of the relationship between a regulator and the industry that it regulates. A regulated industry has an interest in the fair, consistent and rational enforcement of the rules. The taxi industry has made it clear to staff that it wants the rules enforced consistently and effectively against violators, and that it does not want arbitrary or punitive enforcement against Permit Holders. Irrational, inadequate, excessive or unenforceable penalties detract from the credibility of the regulator and foster contempt for the regulations. Adoption of an improved penalty schedule will improve the credibility of the SFMTA as a rational and consistent regulator and will improve the professionalism of the industry overall.

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The authorization of a cleaning fee will also improve working conditions for Drivers and the cleanliness and availability of taxi vehicles.

The ability to assess effective penalties against for-hire vehicles that do not have SFMTA permits is responsive to the urgent and ceaseless requests of the taxi industry for effective enforcement against illegal operators.

Goal 4: Financial Capacity: To ensure financial stability and effective resource utilization.

Objective 4.1: Increase revenue by 20% or more by 2012 by improving collections and identifying new sources.

With these amendments the penalty amounts for violations of Transportation Code Article 1100 (Motor Vehicles for Hire) are clarified and can be consistently assessed. With these penalty amounts finalized, Taxi Services can order citation stock and begin issuing citations in the field and through the office as a part of its day-to-day functions. While the goal of issuing citations is to encourage regulatory compliance and not to raise revenue, it is probable that these penalties will result in significant new revenue to the SFMTA. In particular, citations issued for unlicensed operation of illegal taxis and limousines are expected to pay a significant percentage of Taxi Services' enforcement costs.

The \$5,000 administrative citation that this legislation authorizes Taxi Services staff to issue to illegal Motor Vehicle for Hire operators is expected to result in substantial revenue, which pursuant to state law must be applied to Taxi services' enforcement costs.

DESCRIPTION

Addition of Administrative Enforcement of Violations

The procedures set forth in the new Section 1123 are adopted pursuant to Government Code Section 53069.4 which authorizes local agencies to issue administrative citations and impose administrative penalties for violations of local law. The addition of the new Section 1123 to Division II of the Transportation Code establishes administrative enforcement procedures to address violations of the Motor Vehicle for Hire regulations. The imposition of administrative penalties is not intended to be punitive in nature, but is instead intended to encourage compliance with the Code and to compensate the public for the injury and damage caused by the prohibited conduct. In accordance with Government Code Section 53069.4, the new Section 1123 sets forth the procedures for (a) issuance and service of administrative citations, (b) administrative hearings, (c) imposition of administrative penalties, and (d) seeking judicial review of administrative decisions by a hearing officer.

Revised Penalty Schedule

The purpose of a penalty schedule for violations of administrative requirements is not to raise revenue or to persecute Permit Holders, but to encourage appropriate behavior that is consistent with the public service and public safety goals of the regulatory agency. An enforcement strategy that is rational,

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measured and consistently applied will support industry predictability, stability and respect for the rules. A penalty schedule that is not well considered, that is internally inconsistent or that is applied in a manner that is arbitrary or punitive will lead to contempt for the rules and resentment toward the regulator. With these principles in mind, Taxi Services staff has reviewed the administrative penalty structure of the Motor Vehicle for Hire regulations and proposes the attached amendments to the current provisions.

The proposed amendments would move the contents of Section 1123 of the Transportation Code, which is located in an Article specific to Motor Vehicles for Hire, into the Article 300 of Division II of the Transportation Code where all other SFMTA penalties and fines are located.

The current penalty schedule for Motor Vehicle for Hire regulations is inadequate for several reasons:

1. The current penalty schedule set forth in Transportation Code Division II, Section 1123 is identical to the penalty schedule that was adopted by the former Taxi Commission. In Section 1123, existing penalties for violations of Taxi Commission rules are applied to roughly corresponding sections of the Transportation Code. The proposed amendments represent a more deliberate revision of penalty amounts based on policy considerations specific to the Transportation Code, such as clarity and consistency of penalties and the seriousness of the violation.
2. There are several violations in the rules that have no associated penalty in the current penalty schedule. Staff reviewed the regulations in preparing these amendments to ensure that a Permit Holder can be cited for a violation of the rules without confusion about whether there is a penalty and the applicable penalty amount. As one example, currently it is not clear that there is any penalty applicable to a Color Scheme that breaks the rule against allowing a Driver to drive despite having actual knowledge that a Driver is under the influence of an intoxicating substance. The proposed amendments would create a \$1,000 per occurrence penalty for such conduct by a business.
3. The penalty amounts needed to be adjusted for consistency. For example, serious violations and minor violations are adjusted to ensure that they have penalties reflecting their relative importance to public safety. Penalty amounts imposed against Drivers are generally made consistent with one another and lower than the fines imposed on businesses. Likewise, penalty amounts imposed against businesses for violations were amended to be internally consistent.

Cleaning Fee

Many Drivers have requested that the SFMTA authorize imposition of a cleaning fee that a Driver could charge to a customer when the customer soils the vehicle such that it is permanently stained or temporarily unfit for further use as a Motor Vehicle for Hire until it is cleaned. The amount of the fee is set at \$100 for two reasons. First, according to Drivers, a high cleaning fee amount is very effective in encouraging preventative customer behavior. Second, if a Driver is not able to prevent a customer from soiling the vehicle, the customer is responsible for compensating the Driver for the fact that they have put the Driver out of work for the rest of the shift.

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Bridge Tolls

The regulations are amended to clarify that if a passenger wants to go beyond the boundaries of the City and County of San Francisco, a Driver may collect bridge tolls in advance of departing to the destination. This is because when a Driver takes a passenger far from the City, the Driver faces a higher risk of loss if the passenger refuses to pay the fare at the destination.

In future amendments to the regulations staff may propose that Drivers also be authorized to collect a portion of the fare prior to departing for an out-of-town destination. However, staff would like to first develop crystal-clear guidelines on the amount that may be charged in advance under such circumstances prior to expressly authorizing Drivers to collect advance payment.

Individual Driver Accounts for Processing Credit Card Payments

The universal installation of Paratransit Debit Card equipment in taxi vehicles has resulted in the ability of all Taxi Drivers to accept credit cards. Before the Paratransit Debit Card created this new ability to use credit cards in all taxis, taxi companies paid all payment processing fees even though the company does not receive any share of the credit card payment. This system was acceptable when credit card usage was relatively low, but now that all taxis are accepting credit cards taxi companies are finding the payment of processing fees economically unsustainable. Some companies have responded by sending Drivers to third parties to cash credit card payment slips at a cost (10 percent) that is higher than normal processing costs (five percent), and some companies have asked the SFMTA to sanction company efforts to encourage Drivers to sign up for their own credit card payment processing accounts. Drivers could benefit from such individual accounts by deducting the costs as a business expense.

There is no public service or public safety reason why a Taxi Driver cannot elect to enter into an individual account for processing credit card payments instead of cashing credit card receipts through their Color Scheme. However, by establishing this regulation and the penalty for non-compliance (\$1,000 per occurrence) the SFMTA intends to make it very clear to Color Schemes that any such arrangement must be voluntary and not under duress or threat of retaliation against a Driver.

The Taxi Services staff is continuing to work with companies and drivers to identify a fair and sustainable long-term solution to the issue of credit card payment processing costs. In the interim, we would like it to be very clear that Drivers may enter into such arrangements but only at their own option.

The City Attorney has reviewed this report.

ALTERNATIVES CONSIDERED

If the proposed amendments are not adopted, the current penalty schedule would remain in place. For all of the reasons listed in the Description above, staff considers the current penalty schedule to be inadequate to achieve the goal of encouraging appropriate and safe behavior in the industry. If these amendments are

rejected, staff would prepare penalty schedule revisions that would be acceptable to the Board of Directors so that we could implement a rational and consistent regulatory program.

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If the proposed amendments are not adopted, Taxi Services' staff will not have the authority to issue administrative citations to illegal Motor Vehicle for Hire operators, and staff's ability to seek a significant potential source of enforcement revenue would be delayed until a new regulation is brought to the Board for consideration.

FUNDING IMPACT

The review and standardization of penalty amounts is one of the steps required to implement a consistent and rational enforcement strategy. As the elements for routine operation of Taxi Services fall into place (regulations, penalties, enforcement staff, etc.) the section will begin generating some relatively stable source of revenue from these penalties. Because the purpose of penalties is not to generate revenue we do not set any revenue goals. Because these regulations and penalties are part of an all new enforcement system through the SFMTA, there is no good historical data that could be the basis for projections. However, there is no doubt that the imposition of penalties will bring a revenue stream from Motor Vehicle for Hire enforcement activity.

These fees and penalties were reviewed by the Board at it's the public hearing conducted on March 30, 2010.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

None.

RECOMMENDATION

Staff recommends that the SFMTA Board adopt the proposed amendments to Transportation Code Division II, Articles 300 and 1100.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Taxi Services staff has reviewed the former Taxi Commission penalty schedule for Motor Vehicle for Hire regulatory violations; and

WHEREAS, Staff has revised the Motor Vehicle for Hire administrative penalties for the purpose of making penalty amounts internally consistent and appropriate to the nature and seriousness of the offense; and,

WHEREAS, Authorizing Taxi Drivers to collect a cleaning fee from customers who permanently stain or temporarily render a taxi vehicle unfit for use as a Motor Vehicle for Hire will improve working conditions for Taxi Drivers and the cleanliness and availability of the taxi fleet; and

WHEREAS, Drivers should be authorized to collect applicable bridge tolls from customers in advance of out-of-town trips; and

WHEREAS, Staff requires legislative authorization to issue administrative citations and collect penalties for violations from illegal Motor Vehicle for Hire operators who do not hold SFMTA permits; now, therefore, be it

RESOLVED, The Board of Directors approves and adopts amendments to Articles 300 and 1100 of Division II of the Transportation Code, regulating Motor Vehicles for Hire.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of _____.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

[Amending Articles 300 and 1100 of Division II of the Transportation Code]

Resolution amending Articles 300 and 1100 of the Transportation Code regulating Motor vehicles for Hire.

NOTE: Additions are single-underline Times New Roman;
 deletions are ~~strike through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 300 of Division II of the Transportation Code is hereby amended by adding Section 310, to read as follows:

SEC. 310. SCHEDULE OF FINES

Violation of any of the following subsections of the San Francisco Transportation Code governing the operation of a motor vehicle for hire shall be punishable by the administrative penalties set forth below.

<u>TRANSPORTATION CODE SECTION</u>	<u>DESCRIPTION</u>	<u>FINE AMOUNT</u> <u>1st/2nd/3rd offense</u>
<u>CONDITIONS APPLICABLE TO ALL PERMITS</u>		
<u>Div II § 1105(a)(1)</u>	<u>Operating without a permit</u>	<u>\$5000</u>
<u>Div II 1105(a)(6)</u>	<u>Failure to comply with laws and regulations</u>	<u>\$75/\$150/\$450</u>
<u>Div II § 1105(a)(7)</u>	<u>Failure to comply with SFMTA orders</u>	<u>\$200 per occurrence</u>
<u>Div II § 1105(a)(8)</u>	<u>False statements to SFMTA</u>	<u>\$250/\$400/\$500</u>
<u>Div II § 1105(a)(9)</u>	<u>Failure to arrange continuous operation of a permit</u>	<u>Possible revocation</u>
<u>Div II § 1105(a)(10)</u>	<u>Accepting and/or soliciting gifts from Drivers</u>	<u>\$200/\$400/\$600</u>
<u>Div II 1105 (a)(8)</u>	<u>Making false claim or request for payment or approval</u>	<u>\$500 per occurrence</u>
<u>Div II § 1105(a)(13)</u>	<u>Failure to shift change at company property</u>	<u>\$75/\$150/\$450</u>

<u>TRANSPORTATION CODE SECTION</u>	<u>DESCRIPTION</u>	<u>FINE AMOUNT</u> <u>1st/2nd/3rd offense</u>
<u>Div II § 1105(a)(14)</u>	<u>Failure to keep address current</u>	<u>\$25/\$50/\$100</u>
<u>Iv II 1105 (a)(17)</u>	<u>Failure to meet Response Time Goals</u>	<u>\$50/\$10/\$150</u>
<u>CONDITIONS APPLICABLE TO COLOR SCHEME PERMITS</u>		
<u>Div II § 1106(a)</u>	<u>Operating without a Color Scheme permit</u>	<u>\$500</u>
<u>Div II § 1106(b)</u>	<u>Failure to submit photos upon request</u>	<u>\$25/\$50/\$100</u>
<u>Div II § 1106(c)</u>	<u>Failure to adhere to dispatch service rules</u>	<u>\$75/\$150/\$450</u>
<u>Div II § 1106(d)</u>	<u>Failure to maintain business premises requirements</u>	<u>\$75/\$150/\$450</u>
<u>Div II § 1106(e)</u>	<u>Failure to inform SFMTA before changing location and/or selling or transferring the business</u>	<u>\$250 per day for each day out of compliance</u>
<u>Div II § 1106(f)</u>	<u>Failure to list Color Scheme in telephone directory</u>	<u>\$250/\$400/\$500</u>
<u>Div II § 1106(h)</u>	<u>Failure to employ adequate staff</u>	<u>\$75/\$150/\$450</u>
<u>Div II § 1106(i)</u>	<u>Failure to comply with worker's compensation laws</u>	<u>\$45 per day for each day without insurance</u>
<u>Div II 1106(j)</u>	<u>Failure to execute contract with paratransit broker</u>	<u>\$250/\$400/\$500</u>
<u>Div II § 1106(k)(1)</u>	<u>Failure to provide facility to clean vehicles</u>	<u>\$250 per occurrence</u>
<u>Div II 1106 (k)(2)</u>	<u>Failure to maintain properly working vehicle equipment</u>	<u>\$1000 per occurrence</u>
<u>Div II 1106(k)(4)</u>	<u>Operating unsafe vehicle/vehicle equipment</u>	<u>\$1000 per occurrence</u>
<u>Div II § 1106(l)(2-7)</u>	<u>Violations related to designation and use of spare vehicles</u>	<u>\$75/\$150/\$450</u>
<u>Div II 1106(l)(8)</u>	<u>Use of a spare vehicle without a Medallion</u>	<u>\$5,000 per occurrence</u>
<u>Div II § 1106(n)</u>	<u>Failure to post required certificates and other materials</u>	<u>\$75/\$150/\$400</u>
<u>Div II 1106(o)</u>	<u>Failure to comply with notification procedures</u>	<u>\$75/\$150/\$400</u>

<u>TRANSPORTATION CODE SECTION</u>	<u>DESCRIPTION</u>	<u>FINE AMOUNT</u> <u>1st/2nd/3rd offense</u>
<u>Div II § 1106(p)</u>	<u>Failure to meet obligations related to Drivers</u>	<u>\$75/\$150/\$400</u>
<u>Div II 1106(q)(4)</u>	<u>Color Scheme having actual knowledge that a Driver is operating under the influence of an intoxicating or controlled substance</u>	<u>\$1000 per occurrence</u>
<u>Div II § 1106(r)</u>	<u>Failure to properly handle Found Property</u>	<u>\$75/\$150/\$400</u>
<u>Div II 1106(s)</u>	<u>Failure to file Dissolution Plan with SFMTA</u>	<u>\$50 per day until received by SFMTA</u>
<u>CONDITIONS APPLICABLE TO DISPATCH PERMITS</u>		
<u>Div II § 1107(a)</u>	<u>Failure to maintain an emergency plan</u>	<u>\$50 per day until received by SFMTA</u>
<u>Div II § 1107(c)</u>	<u>Failure to ensure adequate Ramp Taxi response</u>	<u>\$75/\$150/\$400</u>
<u>Div II § 1107(d)</u>	<u>Failure to keep adequate records of service calls</u>	<u>\$75/\$150/\$400</u>
<u>Div II § 1107(e)</u>	<u>Failure to maintain adequate communications equipment</u>	<u>\$50 per day for each day out of compliance</u>
<u>Div II § 1107(f)</u>	<u>Failure to maintain adequate staff for service calls</u>	<u>\$75 per occurrence</u>
<u>Div II § 1107(g)</u>	<u>Failure to advise customers of service delay</u>	<u>\$75 per occurrence</u>
<u>Div II § 1107(h)</u>	<u>Failure to advise customers of anticipated time of service</u>	<u>\$75 per occurrence</u>
<u>Div II § 1107(i)</u>	<u>Failure to identify service staff with unique identifier</u>	<u>\$75/\$150/\$400</u>
<u>Div II § 1107(j)</u>	<u>Failure of service staff to identify themselves to customer</u>	<u>\$75 per occurrence</u>
<u>Div II § 1107(k)</u>	<u>Failure to dispatch requested Color Scheme to customer</u>	<u>\$250/\$400/\$500</u>
<u>Div II 1107(m)</u>	<u>Failure of Dispatch Service to be in compliance with workers compensation laws</u>	<u>\$300 for each day without insurance</u>

<u>TRANSPORTATION CODE SECTION</u>	<u>DESCRIPTION</u>	<u>FINE AMOUNT</u> <u>1st/2nd/3rd offense</u>
<u>Div II 1107(n)</u>	<u>Failure to follow lost and found procedures</u>	<u>\$75 per occurrence</u>
<u>CONDITIONS APPLICABLE TO DRIVER PERMITS</u>		
<u>Div II § 1108(a)</u>	<u>Failure to carry, wear, or display proper identification</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1108(b)(3)</u>	<u>Failure to report criminal convictions</u>	<u>\$250/\$400/\$500</u>
<u>Div II 1108(b)(4)(A)</u>	<u>Operating a Motor Vehicle For Hire while under the influence</u>	<u>Summary suspension/ possible revocation of permit</u>
<u>Div II §1108(b)(4)(B)</u>	<u>Use, sale or possession of controlled substance</u>	<u>\$250/\$400/\$500</u>
<u>Div II § 1108(c)</u>	<u>Failure to notify the SFMTA of change of Color Scheme affiliation, failure to return Driver permit after terminating Color Scheme affiliation</u>	<u>\$5 per day for each day out of compliance</u>
<u>Div II § 1108(d)(2)-(3)</u>	<u>Failure to perform duties at beginning of shift</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(d)(1)</u>	<u>Failure to take vehicle out of service when safety equipment is inoperable</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1108(e)(3).</u>	<u>Refusal to transport person with a disability in the front seat</u>	<u>\$50/\$100/\$150</u>
<u>Div II § 1108(e)(1)</u>	<u>Refusing to convey a passenger</u>	<u>\$50/\$100/\$150</u>
<u>Div II § 1108(e)(2)</u>	<u>Refusing to transport luggage</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1108(e)(4)</u>	<u>Refusing to transport a service animal or a contained animal</u>	<u>\$50/\$100/\$150</u>
<u>Div II § 1108(e)(5)</u>	<u>Refusing to assist loading and unloading</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1108(e)(6)</u>	<u>Refusing to assist and secure a person with disabilities</u>	<u>\$50/\$100/\$150</u>
<u>Div II § 1108(e)(7)</u>	<u>Failure to accept dispatch calls</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(8)</u>	<u>Soliciting or accepting additional passenger</u>	<u>\$25/\$50/\$75</u>

<u>TRANSPORTATION CODE SECTION</u>	<u>DESCRIPTION</u>	<u>FINE AMOUNT</u> <u>1st/2nd/3rd offense</u>
	<u>without prior consent of a passenger who previously engaged the vehicle</u>	
<u>Div II 1108(e)(9)</u>	<u>Collecting from combined passenger payments an amount in excess of the fare shown on the Taximeter when the last passenger reaches their destination</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108 (e)(10)</u>	<u>Failure to comply with passenger request to turn down, turn off or change the channel of any audible device that is not required for safe operation of the vehicle</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(11)</u>	<u>Using non-emergency or dispatch related communication device while passenger is in vehicle</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(12)</u>	<u>Failure to comply with state law regarding cell phone usage in vehicles</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(14)</u>	<u>Operating a Motor Vehicle For Hire in a reckless or dangerous manner</u>	<u>\$50/\$100/\$150</u>
<u>Div II 1108(e)(15)</u>	<u>Failure to operate in accordance with Ramp Taxi service rules</u>	<u>\$50/\$100/\$150</u>
<u>Div II § 1108(e)(16)</u>	<u>Requesting gratuities or extra charges</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(17)</u>	<u>Failure to keep required audio communication devices audible, or visual communication devices visible, to driver</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(18)</u>	<u>Failure to inform passenger of meter and a half rates for a destination 15 miles from City limits, or 15 miles from SFO and not within City limits</u>	<u>\$25/\$50/\$75</u>
<u>DIV II 1108(e)(19)</u>	<u>Failure to carry sufficient cash to be able to provide change for 20 dollars</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(20)</u>	<u>Failure to inform passenger of toll charges at the beginning of the trip</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(22)</u>	<u>Failure to give receipt upon request to person paying fare</u>	<u>\$25/\$50/\$75</u>

<u>TRANSPORTATION CODE SECTION</u>	<u>DESCRIPTION</u>	<u>FINE AMOUNT</u> <u>1st/2nd/3rd offense</u>
<u>Div II § 1108(e)(24)</u>	<u>Failing to return Found Property during or after shift</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1108(e)(25)</u>	<u>Keeping unsafe Taxi or Ramp Taxi in operation after discovery of safety issues</u>	<u>\$100/\$150/\$300</u>
<u>Div II 1108(e)(26)</u>	<u>Placing loose items on dashboard or rear shelf of vehicle</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(27)</u>	<u>Failure to maintain clean trunk and/or baggage area</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1108(e)(29)</u>	<u>Threatening, harassing or abusing another person</u>	<u>Summary suspension and re-training</u>
<u>Div II § 1108(e)(30)</u>	<u>Using excessive physical force against a person</u>	<u>\$100/\$150/\$200 plus summary suspension and re-training</u>
<u>Div II 1108(e)(31)</u>	<u>Failure to be clean in dress and person</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(32)</u>	<u>Failure to turn off the Taximeter when pulled over by a peace officer</u>	<u>\$25/\$50/\$75</u>
<u>Div II 1108(e)(33)</u>	<u>Burning any substance, drinking or eating while a passenger is in the vehicle</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1108(f)(1)-(2)</u>	<u>Failure to perform duties at end of shift</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1108(f)(3)</u>	<u>Failure to turn in Found Property at end of shift</u>	<u>\$50/\$100/\$150</u>
<u>CONDITIONS APPLICABLE TO TAXI AND RAMP TAXI MEDALLIONS</u>		
<u>Div II § 1109(b)</u>	<u>Failure to utilize Dispatch Service of affiliated Color Scheme</u>	<u>\$25/\$50/\$150</u>
<u>Div II § 1109(c)</u>	<u>Failure to comply with Full-Time Driving Requirement</u>	<u>\$250 multiplied by percentage of hours short of the full time driving requirement</u>
<u>CONDITIONS APPLICABLE TO RAMP TAXI MEDALLIONS</u>		
<u>Div II § 1110(a)(1)</u>	<u>Failure to grant priority to service requests from wheelchair users</u>	<u>\$75/\$150/\$300</u>

<u>TRANSPORTATION CODE SECTION</u>	<u>DESCRIPTION</u>	<u>FINE AMOUNT</u> <u>1st/2nd/3rd offense</u>
<u>Div II 1110(a)(2)</u>	<u>Accepting another fare once dispatched to a wheelchair service call</u>	<u>\$75/\$150/\$300</u>
<u>Div II 1110(d)</u>	<u>Failure to ensure Drivers are qualified to operate Ramp Taxi</u>	<u>\$75/\$150/\$300</u>
<u>VEHICLE EQUIPMENT REQUIREMENTS</u>		
<u>Div II § 1113(a)</u>	<u>Failure to maintain Taxis and Ramp Taxis in safe operating condition</u>	<u>\$75/\$150/\$300</u>
<u>Div II § 1113(b)</u>	<u>Improper equipment placement</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(c)(1)-(2), (4)-(5)</u>	<u>Failure to meet exterior display requirements</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(c)(3)</u>	<u>Failure to display proper inspection certificates</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(d)</u>	<u>Failure to meet interior display requirements</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(e)</u>	<u>Failure to provide communication equipment</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(f)</u>	<u>Failure to provide working Taximeter</u>	<u>\$100/\$150/\$300</u>
<u>Div II § 1113(h)</u>	<u>Failure to provide emergency equipment</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(i)</u>	<u>Improper vehicle signage</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(j)</u>	<u>Failure to maintain vehicle lights</u>	<u>\$100/\$150/\$300</u>
<u>Div II § 1113(k)</u>	<u>Failure to maintain standard vehicle equipment</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(l)</u>	<u>Failure to maintain vehicle tires</u>	<u>\$100/\$150/\$300</u>
<u>Div II § 1113(m)</u>	<u>Failure to maintain vehicle windows</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(n)</u>	<u>Failure to maintain security cameras</u>	<u>\$100/\$150/\$300</u>
<u>Div II § 1113(o)</u>	<u>Failure to maintain sanitary condition</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1113(p)</u>	<u>Failure to meet vehicle title requirements</u>	<u>\$250 per occurrence</u>

<u>TRANSPORTATION CODE SECTION</u>	<u>DESCRIPTION</u>	<u>FINE AMOUNT</u> <u>1st/2nd/3rd offense</u>
<u>Div II § 1113(q)-(r)</u>	<u>Operating vehicle with excessive mileage/age</u>	<u>\$250 per occurrence</u>
<u>Div II § 1113(s)</u>	<u>Failure to comply with inspection rules; failure to remove vehicles from service</u>	<u>\$250 per occurrence</u>
<u>Div II 1113(s)(7)</u>	<u>Fraudulent conduct in connection with inspection</u>	<u>\$250 plus revocation of permit</u>
<u>Div II § 1113(t)</u>	<u>Failure to ensure safe vehicle condition</u>	<u>\$100/\$150/\$300</u>
<u>Div II § 1113(u)</u>	<u>Failure to submit replacement vehicle for inspection</u>	<u>\$250 per occurrence</u>
<u>Div II § 1113(v)</u>	<u>Failure to provide working Ramp Taxi ramp</u>	<u>\$100/\$150/\$300</u>
<u>Div II § 1113(w)</u>	<u>Failure to remove markings from vehicles prior to re-sale</u>	<u>\$250 per occurrence</u>
<u>Div II 1113(x)</u>	<u>Placing or maintaining or causing or allowing to be placed or maintained, any advertising or promotion of cigarettes or tobacco products on any Taxi or Ramp Taxi</u>	<u>\$250 per occurrence</u>
<u>RECORDS AND REPORTING REQUIREMENTS</u>		
<u>Div II § 1114(a)</u>	<u>Failure to maintain or provide records in manner required</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1114(b)(1)</u>	<u>Failure of Driver to provide receipts to passengers upon request</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1114(b)(2)</u>	<u>Failure of Driver to provide badge number to passenger upon request</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1114(b)(3)</u>	<u>Failure to maintain medical certificate</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1114(b)(4)</u>	<u>Failure of Driver to keep Waybills as required</u>	<u>\$25/\$50/\$75</u>
<u>Div II § 1114(e)(1)</u>	<u>Failure of Color Schemes to meet Waybill requirements</u>	<u>\$75/\$150/\$400</u>
<u>Div II 1114(e)(2)</u>	<u>Failure to properly maintain Medallion Holder files</u>	<u>\$75/\$150/\$400</u>

<u>TRANSPORTATION CODE SECTION</u>	<u>DESCRIPTION</u>	<u>FINE AMOUNT</u> <u>1st/2nd/3rd offense</u>
<u>Div II 1114(e)(3)</u>	<u>Failure to retain Color Scheme Identification Cards of former Drivers</u>	<u>\$75/\$150/\$400</u>
<u>Div II § 1114(e)(4)</u>	<u>Failure to issue receipts to Drivers for payments made</u>	<u>\$75/\$150/\$400</u>
<u>Div II § 1114(e)(6)</u>	<u>Failure to submit vehicle inventory changes</u>	<u>\$75/\$150/\$400</u>
<u>Div II § 1114(e)(7)</u>	<u>Failure to maintain current business information</u>	<u>\$75/\$150/\$400</u>
<u>Div II § 1114(e)(8)</u>	<u>Failure to meet weekly reporting requirements</u>	<u>\$75/\$150/\$400</u>
<u>Div II 1114(e)(9)</u>	<u>Failure to submit a written Emissions Reduction Plan</u>	<u>\$50 per day until received by the SFMTA</u>
<u>Div II § 1114(f)(1)</u>	<u>Failure of Dispatch Service to provide annual service report</u>	<u>\$50 per day until received by the SFMTA</u>
<u>Div II § 1114(f)(2)</u>	<u>Failure to provide reports of and receipts for Found Property</u>	<u>\$25/\$50/\$75</u>
<u>RATES AND CHARGES</u>		
<u>Div II 1122(b)(5)</u>	<u>Retaliation against a Driver for electing not to open a credit card merchant account</u>	<u>\$1000 per occurrence</u>
<u>Div II 1122(c)</u>	<u>Overcharging Gate Fees</u>	<u>\$500 per occurrence</u>
<u>Div II § 1122(d)</u>	<u>Overcharging a passenger for luggage</u>	<u>\$25/\$50/\$150</u>

Section 2. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1105, to read as follows:

SEC. 1105. GENERAL PERMIT CONDITIONS

(a) Conditions Applicable to All Permits

(1) Permits Required

No person, business, firm, partnership, association or corporation shall drive, or operate or cause to be operated any Motor Vehicle For Hire within the City, nor shall any person, business, firm, partnership, association or corporation operate any Dispatch Service or Color Scheme, without a permit issued by the SFMTA authorizing such driving or operation in accordance with this Article.

(2) Permits Held By Businesses; Taxi Medallions Held by Individuals

(A) Any permit issued to a business pursuant to this Article shall be registered in the name of and with contact information for at least one natural person who complies with all permit requirements except those that by their nature can have no application to a natural person.

(B) No Taxi or Ramp Taxi Medallion shall be issued except to a natural person and in no case to any business, firm, partnership, association or corporation, and no Medallion shall be issued to, or in the name of, more than one person.

(3) Permits a Privilege

Permits granted pursuant to this Article constitute a privilege and are not the property of the Permit Holder.

(4) Permits Not Transferable

Except as expressly provided in this Article or in permit conditions, no permit issued pursuant to this Article shall be transferable or assignable, either expressly or by operation of law.

(5) Duration of Permits

(A) Unless earlier revoked or suspended, Taxi and Ramp Taxi Medallions shall expire on the first day of July next following their issuance or renewal, and all

other permits shall expire the first day of January next following their issuance or renewal.

(B) As a condition of renewal, a Permit Holder must meet the eligibility requirements required for new applicants listed in Section 1104, and may be required to sign a statement under penalty of perjury affirming eligibility for the permit.

(6) Compliance with Laws and Regulations

Every Permit Holder shall comply with, and shall ensure that their affiliated vehicles, employees, Permit Holders, lessees, Dispatch Service and Color Scheme shall comply with the provisions of this Article, the San Francisco Charter and Municipal Code, the California Vehicle Code, California Worker's Compensation laws, the Americans with Disabilities Act, and all regulations adopted by the Oakland and San Francisco International Airports, San Francisco Department of Public Health, and any other governmental jurisdictions through which the Permit Holders traverse.

(7) Cooperation with Lawful Orders

Every Permit Holder shall cooperate with and obey any lawful request or order of a Parking Control Officer, peace officer or the Director, or his or her designee, at all times, including, but not limited to, providing upon request the Permit Holder's name, the permit number, official identification, and any documents required by this Article to be in the Permit Holder's possession. All Permit Holders shall respond to routine SFMTA or Police Department inquiries within 24 hours, and shall immediately respond to any SFMTA or Police Department emergency request.

(8) Cooperation with Regulatory Agencies; False Statements

Every Permit Holder shall at all times, fully cooperate with a Parking Control Officer, peace officer or the Director, or his or her designee, on all matters relating to regulatory compliance at all times, including but not limited to compliance with requests for the inspection of

records. Permit Holders shall not hinder, delay or knowingly make false or misleading statements to a peace officer or to the SFMTA or withhold information on any matter relating to regulatory compliance. No Permit Holder shall make any false claim or false request for payment or approval to the SFMTA, its contractors or employees.

(9) Continuous Operation Requirement; Temporary Suspension; Revocation

(A) With the exception of Non-Standard Vehicle Permit Holders and Medallion Holders who obtained their Medallion prior to June 6, 1978, all Permit Holders shall operate or arrange for the operation of their permit on each day of the year, or other dates or times during which the permit conditions require operation of the permit. Non-Standard Vehicle Permit operation shall be in accordance with the times and dates of required operation specified in the permit.

(B) Permit Holders may temporarily suspend permit operations only with the prior written approval of the SFMTA. SFMTA approval is not required in the case of bona fide emergencies, natural disasters or other similar major events beyond the control of the Permit Holder.

(C) Upon written request the SFMTA may grant permission to suspend a permit for good cause shown for a period not to exceed 90 days in a 12 month period. The SFMTA may, in its sole and absolute discretion, allow another Permit Holder to operate the permit during the period of temporary suspension if the other Permit Holder is qualified and such operation would be in the public interest. This subparagraph (C) does not suspend the application of the Full-Time Driving requirement.

(D) If a permit is not operated for a period of 15 calendar days in violation of applicable permit conditions, the SFMTA shall notify the Permit Holder that the permit will be revoked if operation of the permit is not resumed within five calendar days of the notice. If permit operation is not resumed within five days of the notice, as

determined by the Permit Holder's substantial compliance with all permit conditions, then SFMTA may immediately revoke the permit.

(E) This subsection (9)(E) does not apply to Driver Permits.

(10) Gifts and Gratuities

No Permit Holder or agent of a Permit Holder may accept or solicit gifts and/or gratuities or anything of value from any Driver, other than Gate Fees, Lease Fees, payments for goods actually received, or other payments authorized by this Article. A Permit Holder or agent of a Permit Holder shall issue a receipt for any payment received from a Driver.

(11) Lease of Taxi and Ramp Taxi Medallions

Reserved.

(12) Participation in Paratransit Program

Each Color Scheme, Dispatch Service, Medallion Holder and Driver meeting the qualifications established by the SFMTA must participate in and shall at all times operate subject to and in compliance with the regulations of the SFMTA's Paratransit Program.

(13) Shift Change at Color Scheme Required for All Vehicles; Unattended Vehicles

All Permit Holders shall ensure that taxi vehicles which they operate begin and end all shifts at the Color Scheme's place of business, except with the prior written approval of the SFMTA. When a vehicle is not being operated for hire, the Permit Holder shall either leave the vehicle at the Color Scheme's place of business or make a written request for SFMTA approval of an alternative location that is off the public street and sidewalk. No Taxi vehicle may be left unattended on a public street for more than four hours.

(14) Current Address Required; Emergency Contact Notification

All Permit Holders shall keep contact information current with the SFMTA. All Medallion Holders and Drivers shall keep contact information current with their Color Schemes. Every

natural person who holds a permit from the SFMTA pursuant to this Article shall give written notice to the SFMTA within ten days of any change of residence address, and shall accept mail at the address provided to the SFMTA. Color Scheme and Dispatch Service changes of address are subject to the prior written approval of the SFMTA. No Permit Holder may use a post office box as a current address.

(15) Service of Process

All Permit Holders agree to accept service of process, official notices, and correspondence (“service of process”) from the SFMTA as a condition of retaining a permit. Color Schemes must accept service of process from the SFMTA on behalf of any Permit Holder affiliated with that Color Scheme.

(16) Payments Due

No permit shall be issued or renewed until the applicant has paid all fines, fees, taxes, liens, judgments or other debts owing to the City.

(17) Response Time Goals

All Permit Holders shall make best efforts to comply with Response Time Goals at all times.

Section 3. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1106, to read as follows:

SEC. 1106. CONDITIONS APPLICABLE TO COLOR SCHEME PERMITS

In addition to all other conditions applicable to a Color Scheme Permit, each Color Scheme Permit Holder shall meet the following requirements and performance standards:

(a) Rights of Color Scheme Permit Holder; Permit Required

A Color Scheme Permit entitles the Permit Holder to operate a business that provides taxi service using vehicles painted with trade dress authorized by the permit and unique to that business. Any major change in trade dress colors of a Color Scheme Permit Holder shall

require a permit application requesting the issuance of a new Color Scheme Permit. Minor changes in trade dress may be approved by SFMTA without a new permit application. SFMTA shall determine, in its sole discretion, whether a requested change of trade dress is major or minor. No person shall operate a Color Scheme business without a valid permit from the SFMTA.

(b) Color Scheme Trade Dress

Upon request, the Color Scheme Permit Holder shall provide to SFMTA electronic, high-resolution copies of color photographs of the front, sides and rear of each make and model of Taxi and Ramp Taxi vehicle affiliated with the Color Scheme.

(c) Use of Dispatch Service

Each Color Scheme shall ensure that all Medallion Holders affiliated with that Color Scheme utilize the same Dispatch Service utilized by the Color Scheme. A Color Scheme must obtain the prior written approval of the SFMTA before changing Dispatch Services. A Color Scheme request for change of Dispatch Service shall be approved unless the Color Scheme or the Dispatch Service have been declared ineligible for new affiliations based on a finding, following a hearing, that the Color Scheme or the Dispatch Service has continuing permit violations or a pattern of repeated permit violations that affect the quantity or quality of taxi service to the public or which threaten public health and safety. Upon such finding by a hearing officer, the Permit Holder regarding which the finding was made may not undertake any new affiliations until the ongoing violations listed in the hearing officer's findings are cured.

(d) Principal Place of Business

All Color Schemes shall maintain a principal place of business within the City, which must be staffed by at least one person Monday through Friday from 9:00 A.M. to 5:00 P.M., excepting federal holidays. Every Color Scheme must have the capacity to send and receive faxes and

email messages at all times, and the fax number and email address must be provided to the SFMTA.

(e) Change of Business Location; Transfer of Color Scheme Permits

A Color Scheme must obtain the prior written approval of the SFMTA before changing its principal place of business, selling or otherwise transferring the business. Prior to approving a transfer of a Color Scheme Permit the SFMTA shall conduct an investigation to ensure that the proposed transferee meets all requirements of this Article. For the purpose of this subsection, the transfer of a business means the transfer of 50% or more of an ownership interest in the business to a person or entity that does not already hold an ownership interest in the business as of June 19, 2009.

(f) Telephone Access

Every Color Scheme shall subscribe to a telephone service and publish the name of the business, the Color Scheme Permit number and the telephone number to which requests for service and inquiries about Found Property may be addressed in the Yellow Pages section of the San Francisco telephone directory. The published telephone number shall not be used for the conduct of any business enterprise other than the business of the Color Scheme. If a change occurs in the name of the company or telephone number under which taxi service is provided the Color Scheme shall promptly request to change the listing in the Yellow Pages section of the San Francisco telephone directory. During those times when the current listing in the Yellow Pages section of the San Francisco telephone directory is incorrect or when a new listing cannot be made until the next printed copy is published, the Color Scheme shall maintain a current listing, including the name of the company and telephone number, with the San Francisco directory assistance (411) and the City's 311 system.

(g) Designated Manager

(1) All Color Schemes shall designate a natural person as a manager who shall serve as the central point of contact for all matters of regulatory compliance. This manager

shall be an individual who has not had Motor Vehicle for Hire Permit issued by the SFMTA suspended or revoked in the past five years, except as otherwise approved in writing by the SFMTA. A Color Scheme may designate additional managers for specialized matters subject to the prior written approval of the SFMTA.

(2) The designated manager of a Color Scheme shall be the agent for service of process for the Color Scheme.

(3) Designation of a manager for purposes of this subsection 1106(g)(3) does not qualify the manager as Key Personnel for the Color Scheme.

(h) Staffing Requirements

Every Color Scheme shall employ some combination of qualified staff, contracted services and/or automated devices adequate to perform at least the following functions and provide the following capabilities:

- (1) Receive and dispatch requests for service in a timely fashion.
- (2) Receive inquiries about Found Property on a 24-hour basis.
- (3) Receive and respond to communications and information requests from the SFMTA.
- (4) Document and track all Found Property and turn it over to the Color Scheme's Dispatch Service for processing.
- (5) Comply with all state laws regarding Found Property.

(i) Workers' Compensation Requirements

Color Scheme Permit Holders shall comply with all applicable state laws and regulations concerning Workers' Compensation.

(j) Participation in Paratransit Program

Color Schemes qualifying for the Paratransit Program must execute a contract with the Paratransit Broker defining the rights and obligations of the parties. Thereafter, each such Color Scheme shall operate at all times subject to the rules and regulations of the Paratransit Program, and every contract entered into between a participating Color Scheme and a Driver affiliated with that Color Scheme shall require the Driver to operate at all times subject to the rules and regulations of the Paratransit Program.

(k) Vehicle Maintenance and Cleaning

(1) Every Color Scheme shall provide Drivers free access to a facility that is adequate to thoroughly wash all affiliated vehicles and that is in compliance with all applicable laws and regulations, including but not limited to environmental and zoning requirements.

(2) When a Color Scheme receives notice of a problem with the equipment of a vehicle affiliated with that Color Scheme, the Color Scheme and the Medallion Holder are jointly and severally responsible for compliance with all of the following requirements:

(A) Ensuring that all equipment on the vehicle that is required by this Article is working properly, including but not limited to Ramp Taxi ramps, wheelchair securements and In-Taxi Equipment.

(B) Taking out of service and repairing any vehicle immediately if the failure of any equipment presents a safety issue, if communications equipment is not in working order, or if the Taximeter seal (paper, wire, etc.) is broken, removed, destroyed, marred or otherwise tampered with.

(3) The Color Scheme with which a vehicle is affiliated and the Medallion Holder are jointly and severally responsible for complying with any written order issued by the San Francisco Department of Public Health that relates to a Motor Vehicle For Hire.

(4) When a Color Scheme receives notice from a Driver assigned to a Taxi or Ramp Taxi vehicle that any equipment in or on that vehicle is unsafe, the Color Scheme is required to promptly provide the Driver with another Taxi or Ramp Taxi vehicle that is in compliance with this Article.

(I) Spare Vehicles

(1) Taxis or Ramp Taxis that are taken out of service must either return to service within 30 days or be permanently replaced by another vehicle, except as otherwise approved by SFMTA.

(2) A spare vehicle may operate with a Medallion borrowed from a Taxi or Ramp Taxi. Spare vehicles shall only be used to replace temporarily disabled Taxi or Ramp Taxi vehicles. During any time a spare vehicle is operating, the Taxi or Ramp Taxi it is replacing shall be available for inspection by the SFMTA.

(3) During any time a spare vehicle is in operation as a Motor Vehicle For Hire, the Taxi or Ramp Taxi it is replacing shall be available for inspection by the SFMTA.

(4) Color Schemes with which one or more Ramp Taxis are affiliated shall maintain at least one Ramp Taxi spare vehicle for every three spare non-Ramp Taxi vehicles. If three or fewer Ramp Taxi Medallions are affiliated with a Color Scheme, only one Ramp Taxi Medallion may be used in a spare Taxi vehicle at any time. For each additional three Ramp Taxi Medallions, or any fraction thereof, affiliated with a Color Scheme, an additional Ramp Taxi Medallion may be used in a spare Taxi.

(5) Each Color Scheme shall be issued a series of "spare numbers" at the ratio of one spare number for every five vehicles operating at that Color Scheme.

(6) All spare vehicles shall be kept at the Color Scheme's place of business or other location approved by SFMTA when not in actual use with a Medallion.

(7) Once a vehicle is designated as a spare, it may not be re-introduced to the fleet except by approval of the SFMTA. All spare vehicles must be owned by the Color Scheme and shall be registered and insured as required by all applicable law.

(8) Color Schemes may not lease a spare vehicle, whether on a per-shift, weekly, monthly, or other basis, unless such vehicle is using a Medallion which is not in use in any other vehicle. Any Color Scheme found to be violating this Section shall be deemed to be operating a vehicle without a permit.

(m) Reduced Emissions by Color Scheme

Beginning on June 1, 2011, each Color Scheme Permit Holder shall maintain average per vehicle greenhouse gas emissions at a level set by the Department of the Environment to achieve the goal of a 20% reduction in taxi fleet greenhouse gas emissions from 1990 levels by the year 2012. For the purpose of this requirement, Ramp Taxis shall not be included in calculation of the Color Scheme's average per vehicle greenhouse gas emissions.

(n) Information Required to be Posted

All Color Schemes shall post the following information at their place of business in a place where it is easily visible to Drivers and Color Scheme employees:

(1) Certificate of Worker's Compensation

A copy of a current and valid Certificate of Worker's Compensation Insurance and information about how to file a claim.

(2) Gate Fees

The amounts charged for Gate Fees including the amount charged for each available shift over the seven days of the week.

(3) Information Provided by SFMTA

From time to time, other industry-related printed matter provided by the SFMTA. The SFMTA may require a Color Scheme to distribute designated materials to each Driver, including the requirement that the Color Scheme obtain written acknowledgments of receipt, within a time period specified by SFMTA.

(o) Required Notifications

(1) Color Schemes must notify the SFMTA of any injury accident involving any Taxi or Ramp Taxi affiliated with the Color Scheme within 24 hours of the accident.

(2) Color Schemes must notify the SFMTA in advance of any change in the name, address or telephone number under which taxi service is provided by the Color Scheme. A change of name or address require the prior approval of the SFMTA.

(3) Color Schemes have an affirmative obligation to report to the SFMTA any actual knowledge that a Driver is engaged in the sale, use, or possession of drugs or alcohol in a Taxi or Ramp Taxi vehicle.

(4) Color Schemes must notify the SFMTA when Found Property is returned to its owner.

(5) Death of Driver or Medallion Holder

Upon receiving notice of the death of a Driver or Medallion Holder affiliated with or employed by a Color Scheme, the Color Scheme must notify the SFMTA within 14 calendar days of receipt of the notice of the death. If the deceased was a Medallion Holder, then the Color Scheme must return the Medallion within 14 calendar days of notice to the SFMTA. The SFMTA, may, in its discretion, extend the deadline for return of the Medallion to the SFMTA if it determines that the Medallion could not be promptly re-issued to an applicant on the Waiting List, and that such an extension would be in the public interest. During any such period of extension, in lieu of making any medallion lease payments made by the Color Scheme to the former Medallion Holder, shall be paid to the SFMTA the Color Scheme shall pay to the

SFMTA a monthly fee of \$1900 beginning as of the 15th day following the notice of death and until such date as the SFMTA requires the return of the Medallion.

(p) Color Scheme Obligations Related To Drivers

(1) Each Color Scheme shall ensure that every Driver starts and ends each shift at the Color Scheme's principal place of business, except with the prior written approval of the SFMTA.

(2) Each Color Scheme shall ensure that every affiliated Driver holds a valid A-Card, and shall not allow any Driver to operate a vehicle affiliated with the Color Scheme if the Driver does not have a valid California drivers' license or a valid A-Card.

(3) A Color Scheme shall not charge an applicant for a Driver Permit for the statement of affiliation required by Section 1103(c)(1)(F).

(4) A Color Scheme shall issue receipts for payments received from any Driver for fuel, Gate Fees, Lease Fees or other payments.

(5) Medical Certification of Drivers

Every Color Scheme shall ensure that all affiliated Drivers undergo any medical examination required by the SFMTA in accordance with SFMTA requirements.

(6) A Color Scheme shall not charge a Driver for any merchant account processing fees for fares paid by credit card.

(q) Controlled Substance Testing Program; Controlled Substances

(1) Reserved: Controlled Substance Testing Program.

(2) A Color Scheme having actual knowledge that a Driver has tested positive for a controlled substance as defined in 40 Code of Federal Regulations Title 49 shall not permit the Driver to operate a Taxi or Ramp Taxi until such time as the Driver has tested negative.

(3) Color Schemes shall maintain drug- and alcohol-free workplaces.

(4) No Color Scheme having actual knowledge that a Driver has used and is currently under the influence of a intoxicating or controlled substance, as defined in 21 Code of Federal Regulations Section 1308.01 et seq., shall permit that Driver to operate or continue to operate a Taxi or Ramp Taxi.

(r) Found Property

(1) Color Scheme Permit Holders shall take reasonable measures to attempt to return Found Property to its rightful owner in a timely fashion. If the owner cannot be found, the property shall be held for safekeeping for a period of not less than 120 days. A receipt shall be issued to the Driver for each item turned in.

(2) If the Found Property is currency, is of the value of \$100 or more, is either a serialized item or an electronic device or contains owners identification information, within 30 calendar days the Color Scheme Permit Holder or the designee shall transfer the property to the Taxi Detail, make a Police Report, and obtain both Police Incident Report Number and a receipt of the items processed.

(3) Color Scheme Permit Holders shall advise passengers claiming to have lost property of value in a taxicab, to make a lost property police report if their property has not been found. Color Schemes shall not inform customers to call 311 to report or recover Found Property.

(s) Dissolution Plan

Any Color Scheme that will be terminating its business operations as a Color Scheme and surrendering its permit shall file a dissolution plan with the SFMTA at least 30 days prior to the date that the Color Scheme anticipates that it will cease to respond to requests for taxi service. The dissolution plan shall include but not be limited to plans for the disposition of records and preservation of Waybills and Driver Rosters, Driver and Medallion Holder files and Leases, handling Found Property, notifying the public of the termination in service and contact information for future inquiries.

Section 4. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1122, to read as follows:

SEC. 1122. FEES, RATES AND CHARGES

(a) Beginning in calendar year 2010 and at least every other calendar year thereafter the SFMTA Board shall hold a hearing to determine, in its sole discretion, whether the rates of fare and cap on gate fees then in effect should be increased, decreased or remain unchanged.

(b) Taxi Fares

(1) The fare for Taxis and Ramp Taxis shall be as follows: \$3.10 for the first fifth of a mile or "flag"; \$0.45 for each additional fifth of a mile or fraction thereof; \$0.45 for each one minute of waiting or traffic delay time.

(2) Out-of-Town Trips

Drivers are authorized to collect 150 percent of the metered rate for out-of-town trips exceeding 15 miles beyond City limits., the fare will be 150 percent of the metered rate; for For trips exceeding 15 miles from San Francisco International Airport and not terminating within the City limits of San Francisco, the fare will be 150 percent of the metered rate except for those trips ~~from originating at the San Francisco International Airport traversing through San Francisco going to Marin County or to the East Bay with a destination across the Golden Gate or Bay Bridges~~ the 15-mile limit will apply from the City limits of San Francisco as set forth above. For taxicab trips originating at San Francisco International Airport that incur an airport trip fee, the taxicab driver may collect \$2.00 of that trip fee from the passenger upon receipt of cab fare from the passenger.

(3) Bridge Tolls

Drivers are authorized to collect bridge tolls in advance from passengers whose destination requires the crossing of a toll bridge, regardless of the direction in which the toll is collected.

(4) Cleaning Fee

Drivers are authorized to collect a cleaning fee of up to \$100 from any passenger who permanently stains the interior of the vehicle or who renders the vehicle temporarily unfit for for-hire passengers because of spillage of any substance such that the vehicle must be taken out of service and cleaned.

(5) Credit Card Processing Fees

A Driver may elect to establish his or her own account for credit card charge processing services. No Color Scheme may retaliate against a Driver for electing not to establish his or her own credit card processing account.

(c) Gate Fees

(1) Cap on Gate Fees

The mean gate fee charged drivers by a taxicab company may not exceed \$96.50 for a shift of 10 hours or longer. The cap shall be prorated at \$9.65 per hour for shifts shorter than 10 hours. The mean gate fee shall be determined by adding together the gate fees charged by the company for all available shifts during one week and dividing that total by the number of available shifts during the week.

(2) Gate Fee Surcharge For Low Emission Vehicles

Notwithstanding subsection 1122(c)(1), a Color Scheme may collect a surcharge of \$7.50 on any gate fee charged for use of a low emission vehicle, subject to the requirements of this subsection. The surcharge shall be for a shift of ten hours or longer, and shall be prorated at \$0.75 per hour for shifts shorter than ten hours. The surcharge shall be in addition to the company's basic gate fee and any other surcharges, increases, or adjustments to the gate fee cap authorized by the City, and may be collected for the life of the vehicle.

(3) Definition of "Low Emission Vehicle." For purposes of this Section, "low emission vehicle" means a Taxi or Ramp Taxi approved by the SFMTA that is rated as SULEV (Super Ultra Low Emission Vehicle) or better by the California Air Resources Board. "Low emission vehicle" shall also include a vehicle that is rated as ULEV (Ultra Low Emission Vehicle) if that vehicle was approved by the Taxi Commission and placed into service as a San Francisco Taxi or Ramp Taxi prior to March 1, 2009.

(d) Oversized Luggage Fee

A Driver is entitled to charge an additional amount not to exceed \$1 for each piece of luggage that cannot be conveyed either in the passenger compartment of the vehicle or in the vehicle's trunk with the trunk-lid closed. Each passenger shall be entitled to have conveyed without charge such valise or small package as can be conveniently carried within the vehicle. Other than the charges authorized by this subsection, no charge shall be made by the driver for loading or unloading baggage.

(e) Emergency Rates

During any period of emergency, strike or other impairment or lack of municipal railway transportation declared by the Mayor and affecting the entire City or any part thereof, Drivers of Motor Vehicles for Hire shall accept passengers traveling in the same general direction, though each passenger or passengers may have differing points of pickup or discharge. At each stop for the pickup or discharge of a passenger or passengers, a Driver may collect, or tabulate for later collection at the passenger's point of discharge, the pro-rata share of the amount due as indicated by the meter, and said meter shall then be reset. The rates shall be those set forth in Section 1122(b).

(f) Deduction for Time While Disabled

In the event that a taxicab breaks down while conveying for hire any passenger or passengers, the Driver may not charge any passenger for the time during which the vehicle is disabled.

Section 5. Article 1100 of Division II of the Transportation Code is hereby amended by deleting Section 1123 in its entirety and replacing it with the following:

Sec. 1123. ADMINISTRATIVE ENFORCEMENT OF VIOLATIONS

(a) Whenever the Taxi Section determines that a violation of this Article has occurred, the Taxi Section may issue and serve a citation on any person or entity responsible for the violation.

(b) Issuance and Service of Citations

(1) Whenever the Taxi Services Section determines that a provision of this Article has been violated and determines to pursue administrative enforcement of the violation pursuant to this Section 1123, the Taxi Services Section shall issue to the responsible person or entity a citation:

(A) imposing an administrative penalty;

(B) ordering the responsible person or entity to appear at a hearing and show cause why an administrative penalty should not be imposed; and/or

(C) ordering a Permit Holder to appear for re-training. Such citation shall be served on the person or entity responsible for the violation.

(2) The citation shall include the following information:

(A) The name of the person or entity to whom the citation is issued;

(B) Identification of the section or sections of this Article violated;

(C) A description of the condition or circumstances constituting the violation(s), including the date and, where applicable, the address or location of the violation;

(D) At least one of the following statements:

(i) The administrative penalty to be imposed for each violation and the procedure for requesting an administrative hearing on the alleged violation(s);

(ii) An order setting a time and place of a hearing at which the responsible party is ordered to appear and show cause why an administrative penalty should not be imposed for the violation(s) specified in the citation; or

(iii) The time and date of re-training for which a Permit Holder is ordered to appear; and

(E) The signature of the citing member of the Taxi Services Section.

(c) Administrative Hearing

(1) Any person appealing the issuance of an administrative citation issued under subsection (b)(2)(D)(i) may request a hearing in accordance with the procedure set forth in Section 1116(b)(2).

(2) Administrative hearings held pursuant to subsection (b)(2)(D)(ii) an order in the citation shall be scheduled no sooner than 30 calendar days after the issuance of the citation.

(3) All administrative hearings under this Section 1123 shall be conducted in accordance with Sections 1116 and 1118.

(d) Penalties

(1) Administrative penalties imposed for violations of Article 1100 of Division II of the Transportation Code shall be consistent with Section 310 of Division II of the Transportation Code.

(2) The penalties and methods of enforcement set forth in this Section are in addition to any other penalties or methods of enforcement authorized by law.

(e) Requirement to Exhaust Administrative Remedies

The failure of the person or entity cited to follow the procedures set forth in subsection (c) shall constitute a failure to exhaust administrative remedies and shall preclude the person cited from asserting standing for judicial review of the validity of the citation.

(f) Right to Judicial Review

Any person aggrieved by the action of a hearing officer taken pursuant to this Section 1123 may obtain review of the administrative decision by filing a petition for review in accordance with the timelines and provisions set forth in California Government Code Section 53069.4.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Mariam Morley
Deputy City Attorney

I certify that the foregoing resolution was adopted by the San Francisco Municipal
Transportation Agency Board of Directors at its meeting of _____ .

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency