

THIS PRINT COVERS CALENDAR ITEM NO. : 10.8

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Sustainable Streets Division

BRIEF DESCRIPTION:

Amending San Francisco Transportation Code, Division II, by amending Section 1007 to prohibit Bicycle Riding on any Sidewalk except for Children under the age of 13 unless otherwise posted.

SUMMARY:

- This is an amendment to Section 1007 of Division II of the Transportation Code pertaining to bicycle riding on sidewalks.
- No law or policy change will take place because of this change. This change only clarifies existing laws pertaining to bicycle riding on sidewalks.
- On January 1, 2010, an amendment to the California Vehicle Code went into effect that allows bicycle riding on sidewalks unless otherwise prohibited by local ordinance.

ENCLOSURES:

1. SFMTAB Resolution
2. Amendment to Section 1007 of Division II of the Transportation Code

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION

BE RETURNED TO Ricardo Olea

ASSIGNED SFMTAB CALENDAR DATE: _____

PURPOSE

Resolution amending San Francisco Transportation Code, Division II, by amending Section 1007 to prohibit Bicycle Riding on any Sidewalk except for Children under the age of 13 unless otherwise posted.

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.

DESCRIPTION

In 1978, Ordinance 394-78 added Section 96 to the former San Francisco Traffic Code restricting bicycle riding on sidewalks with an exemption for minors under the age of 13:

SEC. 96. BICYCLE RIDING RESTRICTED. It shall be unlawful to ride a bicycle upon any sidewalk area, except at a permanent or temporary driveway or on bikeways heretofore or hereafter established by resolution of the Board of Supervisors; provided, however, that juveniles under the age of 13 and riding a sidewalk bicycle, exercising due care and giving the pedestrian the right-of-way, may ride and operate their sidewalk bicycles upon the sidewalk, except such sidewalks as are in front of schools, stores, or buildings used for business purposes.

As part of the Transportation Code changes approved by the Board of Supervisors and SFMTA Board of Directors after the passage of Proposition A, sidewalk bicycle riding restrictions were added to both Division I and Division II sections of the new Transportation Code. The first regulation, contained in Division I of the Transportation Code, establishes the violation:

SEC. 7.2.12. BICYCLE RIDING RESTRICTED. To ride a bicycle upon any sidewalk in violation of any restriction on riding bicycles on sidewalks set forth in Section 1007 of Division II.

The second regulation is in Division II and currently reads as follows:

SEC. 1007. - SIDEWALK BICYCLE RIDING BY CHILDREN. Children under the age of 13 may ride a Sidewalk Bicycle on any sidewalk except as otherwise posted.

Currently, Transportation Code Sections 7.2.12 and Section 1007 read together do not restrict bicycle riding in the same manner as former Traffic Code Section 96. The proposed legislation restores the long-standing bicycle riding prohibitions aimed at ensuring bicyclist and pedestrian safety.

When the Transportation Code was drafted, sidewalk bicycle riding was already prohibited since the California Vehicle Code prohibited the operation of vehicles on sidewalks. Because bicycle riders are also subject to the same restrictions as vehicle drivers pursuant to California Vehicle Code section 21200, bicycle riding on the sidewalk was also prohibited. However, in January 1, 2010, an amendment to California Vehicle Code Section 21650 took effect that allowed sidewalk riding by bicycles unless otherwise prohibited by local ordinance (the bold portion is the amended language):

21650. Upon all highways, a vehicle shall be driven upon the right half of the roadway, except as follows:

- (a) When overtaking and passing another vehicle proceeding in the same direction under the rules governing that movement.
- (b) When placing a vehicle in a lawful position for, and when the vehicle is lawfully making, a left turn.
- (c) When the right half of a roadway is closed to traffic under construction or repair.
- (d) Upon a roadway restricted to one-way traffic.
- (e) When the roadway is not of sufficient width.
- (f) When the vehicle is necessarily traveling so slowly as to impede the normal movement of traffic, that portion of the highway adjacent to the right edge of the roadway may be utilized temporarily when in a condition permitting safe operation.
- (g) This section does not prohibit the operation of bicycles on any shoulder of a highway, **on any sidewalk, on any bicycle path within a highway, or along any crosswalk or bicycle path crossing**, where the operation is not otherwise prohibited by this code or local ordinance.

The City Attorney's Office has reviewed this report.

ALTERNATIVES CONSIDERED

None

FUNDING IMPACT

None

OTHER APPROVALS RECEIVED OR STILL REQUIRED

None

RECOMMENDATION

SFMTA staff recommend approval of the enclosed resolution amending San Francisco Transportation Code, Division II, Section 1007 to prohibit bicycle riding on sidewalks unless otherwise permitted.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, It has been the policy of the City and County of San Francisco to prohibit bicycle riding on sidewalks; and,

WHEREAS, Effective January 1, 2010, the California Vehicle Code was amended to permit bicycle riding on the sidewalk unless otherwise prohibited by the California Vehicle Code or local law; and,

WHEREAS, SFMTA staff recommend amending Transportation Code, Division II Section 1007 to expressly prohibit bicycle riding on sidewalks unless otherwise permitted; now, therefore, be it

RESOLVED, The Board of Directors approves the amendment to Section 1007 of Division II of the Transportation Code to prohibit bicycle riding on sidewalks unless otherwise permitted.

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

[Prohibiting Bicycle Riding on Sidewalks.]

**Resolution amending San Francisco Transportation Code, Division II, by
amending Section 1007 to prohibit Bicycle Riding on any Sidewalk except for
Children under the age of 13 unless otherwise posted.**

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 1000 of Division II of the Transportation Code is hereby
amended by amending Section 1007, to read as follows:

Sec. 1007. ~~SIDEWALK BICYCLE RIDING ON SIDEWALKS~~ BY CHILDREN.

Bicycle riding on any sidewalk is prohibited except that Cchildren under the age of 13
may ride a ~~Sidewalk~~ Bicycle on any sidewalk except as otherwise posted.

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

By: _____
JOHN I. KENNEDY
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 June 1st, 2010.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Administration, Taxis and Accessible Services

BRIEF DESCRIPTION:

Requesting that the San Francisco Municipal Transportation Agency Board of Directors amend Transportation Code, Division II, Article 1100 governing Motor Vehicles for Hire, to authorize taxi drivers to charge customers a fee of \$0.75 per transaction for taxi fare payments made by credit or debit card, and authorizing a taxi company to collect \$0.75 per transaction from a taxi driver for any credit or debit card transaction that the taxi company processes for the driver through the company's credit card merchant account.

SUMMARY:

- Paratransit Debit Card equipment is currently being installed in every taxicab in the San Francisco fleet, which, for the first time, makes it possible for every San Francisco taxi to accept credit and debit cards as a form of payment.
- Prior to the universal installation of Paratransit Debit Card equipment in the San Francisco taxicab fleet, some taxi companies did not accept credit or debit cards. The companies that have accepted credit or debit cards process credit card transaction receipts from taxi drivers on their own company merchant accounts.
- As credit card processing equipment has become available in every San Francisco taxicab, the volume of credit and debit card transactions has substantially increased. Taxi companies that had not previously accepted credit cards are finding that they have a large and growing new expense to account for in their business model. Taxi companies that have always accepted credit cards are finding that the processing costs for such transactions have increased to unsustainable levels.
- Taxi companies do not receive any share of what the passenger pays to the taxi driver, and by SFMTA regulation, companies are not authorized to pass the credit card processing fees on to taxi drivers. Accordingly, the substantial increase in credit card processing costs to taxi companies has not been accompanied by any corresponding increase in revenues resulting from increased credit and debit card use.
- Taxi Services staff consulted with taxi companies to determine whether a \$0.75 per-transaction fee would be adequate to offset the costs of processing credit and debit card payments through company merchant accounts. Taxi company representatives confirmed to staff that \$0.75 would roughly compensate for companies' credit card processing costs without discouraging the public's use of taxis or the use of credit cards to pay taxi fare.
- The attached proposed regulations are presented for the SFMTA Board of Directors' 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: _____

PURPOSE

To authorize taxi drivers to charge customers a fee of \$0.75 per transaction for taxi fare payments made by credit or debit card, and authorizing a taxi company to collect \$0.75 per transaction from a taxi driver for any credit or debit card transaction that the taxi company processes for the driver through the company's credit card merchant account.

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 improve customer service, safety and security. If the SFMTA does not relieve taxi companies of credit and debit card processing costs, they will look for other ways to reduce other expenditures that could involve the quality and safety of service of service to the public and/or the working conditions of taxi drivers.

Creating a system that encourages the universal acceptance of credit cards will allow customers to travel without having to carry cash, with a corresponding improvement in peace of mind and personal security for customers.

The incentive that currently exists under the regulations for taxi drivers and taxi companies to refuse credit and debit cards from customers is removed by this proposed amendment, as all parties can recover their costs. Refusal of credit cards by taxi companies and taxi drivers could result in stranding passengers without transportation alternatives.

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 geometrically increasing cost of credit and debit card processing costs on taxi companies has become an immediate and serious threat to the sustainability of many of San Francisco's taxi companies. This new, growing and unpredictable expense to companies could easily put many of our taxi companies out of business.

By authorizing companies to collect a flat fee from drivers to offset processing costs, these important San Francisco businesses will not be economically threatened by the implementation of the SFMTA's Motor Vehicle for Hire regulations requiring Paratransit Debit Card equipment capable of accepting credit and debit cards in all San Francisco taxicabs.

By authorizing, but not requiring, taxi drivers to charge customers a flat fee for credit and debit card transactions, drivers have a choice of how to conduct their business. They can pass credit and debit card costs on to the customers so that the use of credit and debit cards does not adversely affect driver income. The driver may also elect to open his or her own credit card merchant account and deduct credit and debit card processing costs as a business expense. Taxi companies are prohibited by regulation from forcing drivers to open their own credit card merchant accounts.

DESCRIPTION

Until recently, some San Francisco taxi companies accepted credit cards and some did not. Given that many taxi rides are short local rides with a fare of \$20 or less, and that San Francisco taxi customers have not come to expect universal acceptance of credit or debit cards, the use of credit and debit cards has not been a particularly common form of payment of taxi fare.

Currently, equipment capable of reading the San Francisco Paratransit Debit Card is being installed in every taxicab in San Francisco, creating the capacity for universal credit and debit card acceptance in San Francisco taxicabs for the first time. This equipment is required by regulation to be installed in all San Francisco taxicabs as part of our Paratransit Program.

At the same time, credit and debit card use is increasing throughout society in preference to carrying cash. Consumers have greater flexibility in using cash-alternative forms of payment, including credit cards, debit cards, pre-paid cards, gift cards, and other forms of magnetic-stripped “plastic” that allows consumers to eliminate the unnecessary step of continually retrieving and carrying cash to make payments for goods and services.

The San Francisco International Airport recently required that as of May 1, 2010, all taxi drivers who pick up passengers at SFO accept credit cards as a form of payment. Taxi Services staff intends to propose that SFMTA regulations also be amended to require universal acceptance of credit cards from taxi customers. However, the new phenomenon of universal payment by and the resulting regulatory requirements for acceptance of plastic cards do not account for the geometrically increasing cost of processing such cards, which has become a dangerous burden on San Francisco’s taxi companies’ continued economic viability.

Taxi companies do not receive any share of what the passenger pays to the taxi driver, and by SFMTA regulation, companies are not currently authorized to pass credit card processing fees on to taxi drivers. Accordingly, the substantial recent increase in credit card processing costs to taxi companies has not been accompanied by any corresponding increase in revenues resulting from increased credit and debit card use.

Taxi Services staff has consulted with taxi company representatives to determine whether a \$0.75 per-transaction fee would substantially compensate a taxi company for processing credit and debit card payments through a company merchant account. Representatives of Yellow Cab Cooperative, DeSoto Cab Cooperative, Town Taxi and the Taxi Coalition confirmed to staff that \$0.75 would roughly compensate for companies’ credit card processing costs without discouraging the public’s use of taxis or the use of credit cards to pay taxi fare.

Some taxi drivers object that they do not want to discourage taxi ridership by charging their customers a fee for the use of a credit or debit card. These proposed amendments do not require a driver to pass on that cost to their customer. A driver may elect not to charge the fee, and could deduct the fee charged by the taxi company for cashing the driver’s transaction receipt as a business expense. The driver may also elect to open his or her own merchant account instead of cashing credit card transaction receipts through a taxi company. A taxi company is prohibited by the regulations from retaliating against a driver for choosing not to open a personal merchant account.

This fee was included in the SFMTA Board of Directors’ declaration of fiscal emergency on March 30, 2010.

The City Attorney has reviewed this report.

PAGE 4.

ALTERNATIVES CONSIDERED

If the proposed amendments are not adopted, some San Francisco taxi companies will soon go out of business. Others will have to radically restructure their business models to account for credit card processing costs. One company recently threatened to stop cashing credit card receipts entirely, requiring any of the company's drivers who wished to accept credit cards to establish his or her own credit card merchant account, notwithstanding company advertisements on vehicles and in the Yellow pages that it accepts credit cards. Without a remedy, it is likely that both taxi companies and taxi drivers will be economically incentivized to either refuse credit cards or find other less direct and potentially unauthorized means to pass on this substantial new business cost.

FUNDING IMPACT

None. This fee would be charged by private businesses to their customers and no part of the fee would be paid to the SFMTA.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

This credit card fee was included in the SFMTA Board of Director's declaration of fiscal emergency on March 30, 2010. No further approvals are required.

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, Due to the recent installation of Paratransit Debit Card equipment, for the first time it possible to use a credit or debit card as a form of payment in every San Francisco taxicab; and

WHEREAS, As credit card processing equipment has become universally available in San Francisco taxis, the volume of credit and debit card transactions has substantially increased; and,

WHEREAS, Taxi companies currently cash credit and debit card transaction receipts for drivers through their own credit card merchant accounts but are not authorized to pass the processing fees on to taxi drivers and do not receive any share of the fare paid by passengers to taxi drivers; and

WHEREAS, The substantial increase in credit and debit card processing costs to taxi companies has not been accompanied by any corresponding increase in revenues resulting from increased credit and debit card use; and

WHEREAS, Taxi companies are finding that the costs of credit and debit card merchant fees have risen to unsustainable levels; and

WHEREAS, Taxi Services staff has consulted with taxi companies to determine whether a \$0.75 per-transaction fee charged to a taxi driver would be adequate to offset credit and debit card payment processing costs through taxi company merchant accounts; and

WHEREAS, Taxi company representatives have confirmed to staff that \$0.75 would roughly compensate for companies' credit and debit card processing costs without discouraging the public's use of taxis or the use of credit and debit cards to pay taxi fare; and

WHEREAS, The proposed amendments to the regulations would authorize but not require taxi drivers to collect \$0.75 from the passenger per credit or debit card transaction; 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

[Credit card transaction fee.]

Resolution approving an amendment to Article 1100 of Division II of the San Francisco Transportation Code to authorize taxi drivers to charge passengers a fee of \$0.75 per transaction for payments made by credit or debit card, and authorizing a taxi company to collect \$0.75 per credit or debit card transaction from the taxi driver for any credit or debit card transaction that the taxi company processes through its own credit card merchant account.

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 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 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) 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.

(B) A Driver shall be authorized to charge the passenger a fee of \$0.75 per transaction when payment is made by credit or debit card. Notwithstanding any other provision of this Article, a Color Scheme may collect \$0.75 per credit or debit card transaction from the Driver for any credit or debit card transaction that it processes through its own credit card merchant 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.

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