

Taxicab Permits



PROPOSITION Y

Shall City law regulating taxicabs be amended to: (1) Increase the total number of taxicab permits from 811 to 1,200 by 1998, (2) create three types of permits, (3) change procedures for issuing permits after 1999, and (4) allow persons driving pursuant to agreement with permit holder to choose whether to work as employees or independent contractors?

YES 
NO 

Analysis

by Ballot Simplification Committee

THE WAY IT IS NOW: The City issues permits for taxis under rules set by "Proposition K," a law passed by the voters on June 6, 1978. That law states that the Police Commission must issue enough permits to provide adequate taxi service throughout the City. There are now 811 taxi permits.

A person seeking a new taxi permit must prove that more taxis are needed. The Police Commission holds a hearing each year for this purpose.

An individual may obtain only one taxi permit. Corporations may not obtain permits, although corporations that had permits before "Proposition K" passed were allowed to keep them. If 10 percent of the corporation changes ownership, all of its permits must be returned to the City.

THE PROPOSAL: Proposition Y is an ordinance that would require the Police Commission to increase the number of taxi permits from 811 to at least 1,000 in 1994. The commission would increase this number to 1,100 in 1996 and to 1,200 in 1998, unless the commission finds there is no "reasonable basis" for these increases. After 1999, the Police Commission would decide how many permits are needed for adequate taxi service.

Proposition Y would also establish three classes of taxi permits:

Class One for taxis;

Class Two for special vehicles designed for the transportation of the disabled and the elderly; and

Class Three for additional permits to participants in the City's subsidized taxi program.

All existing taxi permits would be returned to the City. New Class One permits would be issued only to individuals. New Class Two permits would be issued only to cab companies for the first six years. New Class Three permits would be issued only to cab companies.

All persons who drive taxis for a permit holder could choose to work either as employees or as independent contractors.

A "YES" VOTE MEANS: If you vote yes, you want to make these changes.

A "NO" VOTE MEANS: If you vote no, you do not want to make these changes.

Controller's Statement on "Y"

City Controller Edward Harrington has issued the following statement on the fiscal impact of Proposition Y:

Should the proposed ordinance be approved, in my opinion, it should not affect the cost of government.

How "Y" Got on the Ballot

On August 4, 1993 the Registrar of Voters received a proposed ordinance signed by the Mayor.

The Charter allows the Mayor to place an ordinance on the ballot in this manner.

ARGUMENTS FOR AND AGAINST THIS MEASURE AND ITS FULL TEXT IMMEDIATELY FOLLOW THIS PAGE.



Taxicab Permits

PROPONENT'S ARGUMENT IN FAVOR OF PROPOSITION Y

Your YES vote on Proposition Y will mean better taxi service.

Everyone agrees that San Francisco needs more taxicabs. The expansion of convention space at Moscone Center, the completion of the cultural facilities at Yerba Buena Gardens and the steady growth in our tourist industry have overwhelmed a taxi fleet which has remained substantially the same size for the last twenty years.

The demand for taxi services by the City residents is also increasing. The elderly and disabled need a healthy taxicab industry to help support the City's subsidized paratransit program. With more taxis, outlying neighborhoods will no longer have to compete with the Financial District and the Airport for service.

Along with more permits, we also have to treat taxi drivers fairly. They should have first call on taxi permits, not absentee owners

who have no intention of actually driving a cab. And for those drivers who want them, insurance and other benefits of employment should be theirs as a matter of right.

More taxicabs will make the City a better place to live and a more welcome destination for visitors. More taxis mean more jobs at a time when we need them most. It was for these reasons that with the support of Senator Quentin Kopp, the author of our existing regulation, I put Proposition Y on the ballot.

Senator Kopp and I urge you to vote YES on Proposition Y.

Frank M. Jordan
Mayor

REBUTTAL TO PROPONENT'S ARGUMENT IN FAVOR OF PROPOSITION Y

If the Mayor feels more cabs are needed for better service, why doesn't he ask the Police Commission to put more cabs on the streets? as did Diane Feinstein who between 1984 and 1987 asked for and obtained from the Commission 100 new cabs.

The reason is because of the 1978 law YOU passed, that does not allow the city to give the permits to the companies.

In 1979, 1981 and 1988, the major cab companies tried unsuccessfully to change this law. There are now three classes of permits. The pre-1978, the Corporate and the post-1978 permits.

We too feel that absentee ownership in an industry, in which participants are limited by necessity, is bad.

Almost 74.5% of the total permits are pre-1978, and in the hands of individuals who are not required to drive at all. Many are

multiple permit holders, many do not live in the Bay Area, some not in California and some others live permanently overseas. They are also the bulk of the share holders in the major cab companies.

The Corporate permits are in three major cab companies, the revenue from these 57 permits are over \$3,078,000 annually, and are divided (you guessed it!) among the share holders.

By law, post-1978 permits are required to be issued to qualified drivers, who are required to drive a specific number of hours annually, and may not hold more than one permit each.

Committee against Prop. Y
Jack Trad, Chairman
J. Kejela, Secretary

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Taxicab Permits

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OPPONENT'S ARGUMENT AGAINST PROPOSITION Y

Here we go again ! They've warmed up their phony ideas to see if YOU will swallow them.

In 1978 the voters of San Francisco passed an initiative clearly stating how they wanted the cab industry to be run. But in 1979, 1981 and 1988 the big cab companies and their politician friends tried unsuccessfully to overturn the 1978 law. Since 1978 the Police Dept. has maintained a list of applicants(over 1000 of them) that wish to be cab owners. Cab permits are issued when an owner dies, the first qualified person on the list gets the permit OR if the Police Commission issues new permits. The Commission has had this authority since before 1978. *So why are they coming to the voters for more cabs?* Because the cab companies want YOUR HELP to JUMP the applicant's line, (some of whom have been waiting 14 years) the profit from these permits of over \$54,000/yr. each, will be divided among their share holders. In their proposal they are asking YOU for a 105 permits (sections 14d and 13b)

which would mean an ANNUAL gift of nearly \$6 million to people who already have permits. In March 1993 the cab companies argued before the Commission and following their own investigations determined there were sufficient cabs in San Francisco. Eight months later the cab companies are telling you we need 189 more cabs, of which 105 should be for them.

Please remember this :

The issue is not more or less cabs. It's WHO gets the permits

Who do you believe should get the permits, the drivers that have patiently waited all these years or the owners who *already have some*. ONE man has 11.

VOTE NO ON Y

Committee against Prop. Y

Jack Trad, Chairman

J. Kejela, Secretary

REBUTTAL TO OPPONENT'S ARGUMENT AGAINST PROPOSITION Y

Proposition Y will in fact speed up and further the original intentions of Senator Kopp's Initiative Ordinance of 1978.

The applicant list will not be altered in any way. Working cab drivers on the waiting list will continue to have priority for the receipt of taxi permits.

All corporate permits will be nullified by Proposition Y. The only permits available to companies will be "incentive" medallions to encourage companies to participate in the elderly and disabled transportation programs of the City. These permits will compensate

companies for the added expense of offering these services, will create jobs and pay corporate and payroll taxes that will help the City meet its financial obligations. Companies will be permitted to field these "incentive" permits only as long as they remain in good standing with the Paratransit Programs.

FOR BETTER TAXI SERVICE — VOTE YES ON Y

Frank M. Jordan

Mayor

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Taxicab Permits

PAID ARGUMENTS IN FAVOR OF PROPOSITION Y

San Francisco Republican County Central Committee

We have carefully reviewed Proposition Y, the Taxicab Reform Initiative, and we strongly urge a "YES" vote on Proposition Y. Proposition Y will increase the number of Taxicab permits, allowing for greater competition and therefore better service for the citizens and neighborhoods of San Francisco.

The San Francisco Republican County Central Committee stands for empowering the people of San Francisco and their communities. Proposition Y will promote crosstown travel through better service to the outlying neighborhoods, and

We urge you to vote "YES" on Proposition Y!!

The Republican County Central Committee

Storm Jenkins

Mark Hill

Christopher Bowman

L. Kirk Miller

The Hotel Council of San Francisco is an organization formed by the major hotels in the City to speak on their behalf on issues that affect hotels, tourism and related sectors of our local economy. The Hotel Council strongly recommends a YES vote on Proposition Y.

Hotel guests, and other visitors to San Francisco, often comment on the insufficient number of taxis in the City. Such complaints reflect not only on our international reputation, but also create a poor impression on our visitors — a major contributor to our City's economy, in addition to making it difficult for people who live and work here and rely on taxis for transportation.

Proposition Y will increase the number of taxis. It will upgrade the qualifications for obtaining a taxi permit and provide a real incentive for more taxi drivers electing to make this job their career. Proposition Y will also ensure that San Francisco taxi drivers, like their counterparts in other major cities, maintain a neat, clean professional appearance.

Proposition Y is a winning proposition for all San Franciscans. The Hotel Council urges a YES vote on Proposition Y.

Robert Begley

Executive Director

Hotel Council of San Francisco

The Golden Gate Restaurant Association (GGRA) is a nonprofit organization of food service operators in the San Francisco Bay Area. The GGRA monitors and speaks on issues affecting the general business conditions of the hospitality industry in the area.

The restaurant operators, caterers, their employees and our patrons agree that San Francisco needs more clean taxicabs, not only for the mere convenience but for safety. With more taxicabs, people in the neighborhoods will not have to compete with the demand for cabs from the airport and downtown.

Proposition Y will not only increase the number of taxicabs on the streets, it will also tighten up the eligibility for permits and for taxi drivers who want them, they will be provided with workers' compensation, unemployment insurance and other benefits. Proposition Y will ensure that taxicab drivers maintain a clean professional appearance, which will enhance the image of San Francisco. Proposition Y will help our business, our employees, neighborhoods and visitors. Proposition Y has a potentiality of generating much needed jobs and revenue, while costing nothing to the City.

The Golden Gate Restaurant Association urges a YES vote on Proposition Y.

Cecilia Metz

Executive Director

Golden Gate Restaurant Association

Proposition Y will expand the number of taxis participating in the City's subsidized paratransit program. Those who depend on and need this important form of mass transit will no longer be penalized by lack of transportation. It will become more available to those who need it most.

The introduction of special "ramp taxis" designed to accommodate wheelchairs will bring on-call transportation to the disabled members of our community for the first time. At least 25 "ramp taxis" will be put into service after this ordinance is approved.

We urge you to vote Yes on Proposition Y

Members of the San Francisco Disabled Community

Michael Kwok

Thea E. Lengtat

Arlene Chew Wong

Co-Founder Paratransit Coord. Council

Enola D. Maxwell

Silas Telfor

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PAID ARGUMENTS IN FAVOR OF PROPOSITION Y

In 1978, voters passed Proposition K, which I wrote. It ended profiteering at the public expense by taxicab monopolists. The private sale of taxi permits was outlawed. Permits owned by companies were restricted. The City was directed to issue enough permits to meet the transportation needs of residents and businesses.

Experience has shown that the changes didn't not go far enough. With Proposition Y, we can now complete the taxicab reforms that were begun over 15 years ago for the public good.

By authorizing as many as 400 new permits, and thereby increasing taxicab availability by 50%, Proposition Y aids all of us who want taxicabs. Many of those new permits will be issued to experienced taxi drivers, who deserve them the most.

Proposition Y will also create hundreds of new jobs and guarantee taxi drivers the right to demand workers' compensation, unemployment insurance and other protections afforded employees under current law.

Proposition Y will significantly increase the number of taxis serving the elderly, the disabled and the many people on fixed incomes who participate in the City's subsidized paratransit program. It will also initiate regular taxi service for persons in wheelchairs by introducing a brand new, specially designed "ramp taxi."

Proposition Y means more taxis, better and safer taxis and affordable transportation for all San Franciscans.

The people in the neighborhoods, the elderly, our merchants, the disabled and the hard working men and women who drive our taxis — will all benefit from Proposition Y. I urge you to vote YES on Proposition Y and move our City into a new transportation future.

Kopp's Good Government Committee
Senator Quentin L. Kopp

PAID ARGUMENTS AGAINST PROPOSITION Y

Prop Y does a disservice to wheelchair users, seniors and others who will benefit from the new, roomier wheelchair accessible cabs. A program to put these vehicles on the street is already in place. Prop Y limits SF to only 25 wheelchair accessible cabs until the year 2000.

Charles Rathbone
United Taxicab Workers

We don't need Prop Y to have more cabs. Yearly hearings have added 100 cabs in the last decade, despite fierce cab company opposition. Yellow Cab is now asking for more taxis to get you to vote for the rest of their self-serving proposal.

John Kerr
United Taxicab Workers

A 50% increase in the number of cabs is a reckless experiment with the livelihoods of cab drivers and their families. Drastically lower income will cause experienced drivers to leave the industry, and will make fare increases inevitable.

Richard Koury
United Taxicab Workers

Yellow Cab made strenuous efforts to convince four Supervisors to put their proposal on the ballot. They failed. Finally they went to the mayor, who submitted it minutes before the deadline. This is backroom politics, not reform.

Beverly Graffis
United Taxicab Workers

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Taxicab Permits

PAID ARGUMENTS AGAINST PROPOSITION Y

Proposition Y is a large and complicated revision of the present law regulating taxicab operations in San Francisco. The changes it proposes would greatly benefit the people who run Yellow Cab Co. This is not surprising, since the management of Yellow Cab dreamed it up.

The big attraction of this proposition is that it would "put more cabs on the street." More cabs means better cab service, right? If you use cabs at all, you know that sometimes an empty cab is hard to find.

Ah, but things are never as simple as they seem. The maximum number of cabs on the streets of our city is determined by economics, plain and simple. Cab drivers who can make a living driving a cab usually continue to do so. Those who can't, don't. If the number of legally authorized cabs rises too high, the first group shrinks and the second group increases. Empty cabs sit in the taxi garages because they lack drivers. This has happened before in San Francisco. Laws of supply and demand resist manipulation by taxicab operators, city officials, or anyone else. Magic wands don't work.

So the real question is . . . just how many cabs should we have in San Francisco? Under present law, the Police Commission is required to examine this question in detail every year. They do so, and then make their decision. The Police Commission is made up of public-spirited citizens appointed by the mayor. Who do you think best represents the public interest, the Police Commission, or the guys running Yellow Cab?

Vote NO on Proposition Y.

John Bartholomew
cab driver

THE FASHION POLICE STRIKE AGAIN!

SCENE: A San Francisco street, January 1994. A police officer has just stopped a cabdriver.

OFFICER: You're under arrest.

DRIVER: What for?

OFFICER: For those stripes on your shirt. Haven't you read the new taxi law? All shirts must be "a single muted color without pattern." It's a misdemeanor.

DRIVER: Does that mean jail?

OFFICER: You could be wearing stripes for the next six months.

Joe Mirabile

Taxpayers Beware!

Prop Y pretends to offer drivers a choice of being employees or independent contractors, when in fact, companies, not drivers, will have the choice. By imposing unacceptable conditions on the employee category, companies will force most drivers to sign up as independent contractors. If the scheme holds up legally it will undermine recent California decisions granting drivers employer-financed job benefits such as Workers Compensation and Unemployment Insurance.

When low-paid workers are denied these benefits, they often fall back on taxpayer-financed health and welfare programs. San Francisco can ill-afford such a law.

Marie Malliett

Pres. CWA Local 9410

Frank Tanner

Vice Pres. CWA Local 9410

Between 1984 and 1987, at the request of Diane Feinstein, the Police Commission put 100 new cabs on the streets. Yet the Mayor would like you to believe that the number of cabs has not changed in 20 years.

98% of the pre-1978 permits were issued by the city FREE of charge (other than the annual licensing fee) however the permittees contrary to law, bought and sold the permits. The solution we support and will promote is (a) There should only be one class of permit (b) No one should hold more than one permit (c) With the exceptions of the elderly and the incapacitated ALL permittees should be required to drive the number of hours required by the 1978 law, and thus requiring all permittees to be present so that they may look after the industry that has benefited them all these years

Jack G. Trad, President

Prop. K Permit Operators Association

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PAID ARGUMENTS AGAINST PROPOSITION Y

This ordinance is solely to benefit the major cab companies. In March 1993 the Police Commission, after conducting hearings (in which the cab companies argued there wasn't room for a single more cab) determined that the city doesn't need more cabs. Eight months later the major cab companies are telling you we need 189 more cabs, as long as 105 go to them. Senator Kopp who had defended our present law (specifically forbidding the issuance of permits to companies) and which he authored, is now asking you to change the law so that (a) The companies can get permits and (b) they need your help in BY-PASSING the applicant's who have been waiting in line for over 14 Years. A yes vote means a gift of nearly \$6 Million to the shareholders in these companies, who already own permits and many of whom do not even live in California.

Jack G Trad, Sole Proprietor
S.F. Taxi Cab Company

Last year, Yellow Cab stood before the Police Commission and insisted there was no need for more cabs in the City. Now, at the bottom of a protracted recession they say we need 389 more (a 48% increase). How interesting that their tune changes when they, and not working drivers, hope to benefit.

Drivers' incomes have declined precipitously over the last 5 years. There is no fat to cut out.

The nation is rife with examples of what happens when driver income drops below a certain level — the capable drivers are replaced by those who cannot read a map. Indeed, San Francisco is the last bastion for quality cab drivers. How ironic that Proposition "Y" seeks to repeal the consumer protection of the "clear and convincing" burden of proof — the only thing keeping San Francisco's cab fleet from falling into the abyss of Reagan-era deregulation, as occurred in San Diego, Seattle and other cities.

And how bizarre that Proposition "Y" devotes two lines to driver training, and half a page to a Kafkaesque driver dress code, invoking draconian fines and jail sentences, and more concerned with solid colors than cleanliness or hygiene.

Proposition "Y" is not about intelligent reform. *It's about bottom line greed.*

It's a bad deal all the way around.

Mike Sealey
Cab Driver Association of S. F.

This proposed amendment to the taxicab ordinance of 1978, commonly called "Proposition K", has been written by Senator Quentin Kopp and certain member companies of the San Francisco Taxicab Association. Although DeSoto, Luxor, and Pacific Cab companies are members of the Association, we do not support this proposed ordinance change.

The disputed point is the immediate issuance of 189 new taxicab permits during the two years after the proposition's passage, bringing the cabs on the street to 1,000. By 1998 there could be 1,200 cabs on the streets.

This would be an increase of almost 50%, from 811 to 1,200, in a period of five years. We see no reason to believe that a demand exists to absorb this kind of increase, particularly in light of the present economy.

Additional permits can be issued on a gradual basis, perhaps a few per month over a set number of years. This will prevent a disastrous drop in driver income, and will maintain the high quality level of the drivers and the service they offer.

What the correct number of cabs should be for a city of San Francisco's size will always be open for discussion and will no doubt be debated forever. It will be impossible to adjust the number of permits if the proposed ordinance is passed in its present form.

If 70% of the cabs on the street at any given time are east of Van Ness and north of Market, because that is where the majority of business is, it is easy to imagine the added traffic congestion and air pollution in the financial district, North Beach and Union Square.

We ask that you reject this proposed ordinance.

DeSoto Cab Company
Luxor Cab Company
Pacific Cab Company
Sunshine Cab Company

TEXT OF PROPOSED ORDINANCE PROPOSITION Y

ORDINANCE PROVIDING FOR REGULATION OF TAXICAB OPERATIONS

An ordinance providing regulations, policies and procedures relating to the issuance of taxicab permits by the Police Commission; a minimum number of such permits; nontransferability of permits; a procedure for public convenience and necessity determinations by the Police Commission; incentives for participation in paratransit transportation programs and issuance of special taxicab permits therefor; experience requirements for taxicab permit holders; providing for the issuance of regulations by the Chief of Police; right to elect employee status by non-owner taxicab drivers; respecting various provisions of Appendix F to the charter of the city and county and Part II, Chapter VIII, Article 16 of the San Francisco Municipal Code; and providing a severability clause.

Be it ordained by the people of the City and County of San Francisco:

Section 1. The people of the city and county find that:

(a) For many years prior to June 6, 1978, the taxicab business in San Francisco operated in such a fashion as to deny adequate service to the people of the city and county. Large numbers of taxicab permits were concentrated in corporate ownership, profiteering in the transfer of taxicab permits was rampant, the public convenience and necessity procedure for the issuance of additional taxicab permits operated inconsistently and there was a decided lack of incentives for taxicab drivers to pursue a career in the field because many taxi permits were maintained in the name of absentee owners who had no active role in taxicab operations.

(b) On June 6, 1978, the qualified electors of the city and county adopted Proposition K, Appendix F to the charter of the city and county, with the declared intent of reintroducing free enterprise principles to the taxicab business, eliminating profiteering in the transfer of taxicab permits, reducing the number of permits issued to corporations and promoting the active and continuous involvement of taxicab permit holders in the day-to-day operation of their permits.

(c) Proposition K brought about many needed reforms in the taxicab business, particularly with respect to eliminating transfer of permits for consideration, limiting the issuance of new permits to natural persons, and providing for active operation of taxicabs by permit holders.

(d) However, since the passage of Proposition K other problems in the taxicab business have manifested themselves. The procedure for public convenience and necessity determinations by the Police Commission proved difficult to administer, particularly its "clear and convincing" burden of persuasion. As a result, there has been a relatively small increase in the number of outstanding taxicab permits over the past fifteen years. Furthermore, there was a slower than expected turnover in the ownership of permits by natural persons. This has produced a large backlog of applicants for new permits, many of whom no

longer have any connection with the active operation of taxicabs in the city and county.

(e) The relatively static conditions in the taxicab industry also contributed to an unacceptably high rate of turnover in taxicab drivers. Most drivers lack adequate incentive to pursue a career in taxicab operations because of the large backlog of permit applicants and the practical impossibility of ever securing their own taxicab permit.

(f) The small increase in taxicab permits since 1978, and the ever increasing backlog of permit applicants, has also affected the companies organized to manage the operation of taxicab permits. They have come under increasing pressure to continually raise both the fees charged drivers to operate permits and the fees paid permit holders to lease their permits. This has in turn resulted in pressure to raise taxicab rates charged to the public, the only revenue source for the payment of permit lease and operation fees.

(g) The steady increase in taxicab lease and operation fees has also made it more difficult for taxicab companies to provide employment benefits to drivers, most of whom by contract function as independent contractors. The narrowing gap between revenues and expenses has also resulted in an increased incidence of equipment failures as some taxicab companies delay purchasing newer vehicles for their fleets.

(h) Because the number of outstanding taxicab permits has changed little since the passage of Proposition K in 1978, there has been little or no incentive for taxicab companies to increase their services and expand their markets. This in turn has resulted in a proliferation of van and limousine operations in and around the city and county. Be law these businesses may only transport paying passengers on a prearranged basis. Although vans and limousines are not lawful alternatives to taxicabs, their operations serve to inhibit expanded taxicab services.

(i) The Police Commission conducts annual hearings on public convenience and necessity to determine the number of taxicab permits needed to serve the people of the city and county. In 1978, there were 711 permits issued and outstanding. In 1993, the number is 811. At every public convenience and necessity hearing conducted over this same fifteen-year period, the Police Commission has received complaints from neighborhood organizations, merchants, permit applicants and taxicab drivers that the number of outstanding permits was insufficient to meet the needs of the public. At many hearings, the Commission received complaints that taxicab companies were not aggressively attempting to expand their markets, thereby encouraging the expansion of van and limousine operations.

(j) For thirteen of the last fifteen years, the Police Commission concluded that persons urging the issuance of additional permits had failed to prove by "clear and convincing" evidence that public convenience and necessity required more taxicabs. On each occasion, taxicab companies opposed the issuance of additional permits. Evidence bearing upon the need for more permits,

especially the evidence establishing the number of calls for service not being adequately handled by the existing taxicab fleet, was much more available to taxicab companies than to the persons or groups advocating for more permits.

(k) For many reasons, including staffing shortages, the Police Department has never been able to adequately enforce the provision of Proposition K requiring new permit holders to actively drive a taxicab. As a result, many permit holders have failed to comply with this provision of Proposition K. This situation has been made worse by the length of time applicants have been forced to wait for permits to become available, the disconnection between applicants and the taxicab business and the lure of high permit lease fees offered by some taxicab companies with no requirement that the permit holder actually drive a taxicab.

(l) Over the years since the passage of Proposition K, it has also become increasingly clear that the transportation needs of the handicapped, disabled and elderly population of the city and county are not being adequately served. For several years, a number of taxicab companies have voluntarily participated in paratransit transportation programs at considerable expense to their overall profitability. Recently, specially-equipped "ramp taxis" have been developed which, although too expensive for individual permit holders, would significantly improve paratransit transportation services if operated by taxicab companies. However, the high cost of ramp taxis and the fare discounts demanded by paratransit programs provide little incentive for taxicab companies to agree to provide these needed services.

(m) It is in the public interest to regulate the issuance and operation of taxicab permits so as to maximize service to all neighborhoods and communities within the city and county, recognizing that this goal can only be achieved if permit holders, taxicab companies and taxicab drivers are treated fairly in the process.

Section 2. Taxicab Permits. There are hereby established three categories of permits for the operation of a taxicab in the city and county under the regulation of the Police Commission:

(a) Class One taxicab permits, which shall only be issued to natural persons as provided herein. With the exception of those permit holders who held two or more taxicab permits on June 6, 1978, and persons to whom permits may be issued pursuant to Section 6(b) of this Ordinance, no natural person shall hold more than one Class One permit for the operation of a taxicab. All such permits and all rights granted under them may be revoked by the Police Commission for good cause;

(b) Class Two taxicab permits which, except as otherwise provided herein, shall only be issued to a color scheme permit holder as defined in Part II, Chapter VIII, Section 1125(b) of the Municipal Police Code, or a natural person, for purposes of operating ramp taxis or other specially-adapted vehicles designed to serve the handicapped, disabled and elderly population of the

(Continued on next page)

LEGAL TEXT OF PROPOSITION Y (Continued)

city and county. Each Class Two taxicab permit is terminable by resolution of the Police Commission in the event that the holder, whomsoever it shall be, is determined not to be adequately serving the public welfare needs for which said permit was issued;

(c) Class Three taxicab permits, which shall only be issued to a color scheme permit holder as herein defined in the manner provided in this Ordinance. Class Three taxicab permits shall be revoked by resolution of the Police Commission whenever the holder is not in good standing with the paratransit program administered by the city and county and for the reasons and in the manner provided in Section 14 of this Ordinance.

Section 3. Number of Taxicab Permits. For a period of two years from and after the effective date of this Ordinance, it shall be conclusively determined that the public convenience and necessity can only be adequately served by the issuance of Class One, Class Two and Class Three permits totalling at least 1,000. For the third and fourth years from and after the effective date of this Ordinance, it shall be determined that the public convenience and necessity can only be adequately served by the issuance of at least 1,100 permits unless, upon written objection, the Police Commission concludes after public hearing that there is no reasonable basis upon which such an increase in the total number of permits can be justified. For the fifth and sixth years from and after the effective date of this Ordinance, it shall be determined that the public convenience and necessity can only be adequately served by the issuance of a total of at least 1,200 permits unless, upon written objection, the Police Commission concludes after public hearing that there is no reasonable basis upon which such an increase in the total number of permits can be justified. Thereafter, in the manner provided in Section 10 of this Ordinance, the Police Commission shall issue the number of total taxicab permits needed to furnish adequate taxicab service in the city and county without regard to the minimum numbers set forth herein.

Section 4. Qualifications of Class One Permit Holders.

(a) With the exception of those permit holders described and referred to in Sections 6(b) and 7 of this Ordinance, a Class One taxicab permit shall be issued by the Police Commission only after it has determined that the applicant therefor:

(i) Is financially responsible and will maintain proper financial records;

(ii) Has complied with all provisions of the Municipal Code including pertinent motor vehicle laws;

(iii) Will be a full-time driver within the meaning of Section 8 of this Ordinance; and

(iv) Has for ten (10) of the fifteen (15) years immediately preceding the issuance of the permit actively driven a taxicab in the city and county.

(b) Class One permits may not be issued in the name of more than one natural person.

Section 5. Procedure for Issuance of Class One Permits.

(a) Except as otherwise provided herein, no Class One taxicab permit shall be issued from and

after the effective date of this Ordinance unless the applicant satisfies the requirements of Section 4 of this Ordinance, and such other requirements as the Chief of Police may prescribe by regulation that are consistent herewith;

(b) Whether submitted before or after the effective date of this Ordinance, applications for taxicab permits shall be processed and considered in the order of their receipt;

(c) Applications for taxicab permits do not constitute nor do they create vested property interests in the applicant but are instead in the nature of an expectancy. All taxicab permits issued by the city and county are the property of the people of the city and county and may not be sold, assigned or transferred, either expressly or by operation of law.

(d) All natural persons holding an outstanding taxicab permit on the effective date of this Ordinance must surrender and exchange any such permit for a new Class One permit within ninety (90) days thereafter. Any such surrender and exchange shall be without cost to the permit holder. From and after the ninety-first day after the effective date of this Ordinance, all permits not surrendered for new permits shall be void, and continuance of operation is prohibited.

Section 6. Corporate Permits.

(a) Within ninety (90) days after the effective date of this Ordinance, all taxicab permits which as of March 1, 1993 were substantially in the name of a color scheme permit holder as herein defined, other than a corporation which held such color scheme permit directly or by designee prior to January 1, 1970, shall be surrendered to the Police Commission. From and after the ninety-first day after the effective date of this Ordinance, all such permits not surrendered shall be void and continuance of operation is prohibited.

(b) Within ninety (90) days after the effective date of this Ordinance, each taxicab permit other than those referred to in Section 6(a) above which as of March 1, 1993 was in the name of a corporation, business, firm, partnership or other such entity shall be surrendered to the Police Commission and exchanged for a new Class One permit. Each such new permit shall be issued in the name of a natural person, with no right of survivorship, who as of March 1, 1993 was a shareholder, owner, equity participant or partner in the entity that was the holder of the permit as of that date. Thereafter, each such permit shall be subject to the non-transferability provisions of Section 5 of this Ordinance. From and after the ninety-first day after the effective date of this Ordinance, all such permits not surrendered for new permits shall be void and continuance of operation is prohibited.

Section 7. Existing Permit Holders. The qualifications for and limitations upon issuance of Class One taxicab permits provided for in Sections 2 and 4 of this Ordinance shall have no application to those natural persons who held one or more taxicab permits on June 6, 1978, and those persons to whom Class One permits are issued in accordance with and subject to the limitations of Section 6(b) of this Ordinance; nor shall any such persons be subject to the provisions of Section 8 of this Ordinance. Taxicab permit holders who

were first issued a permit after June 6, 1978 and before the effective date of this Ordinance shall continue to be subject to the active driver provision of Section 8 of this Ordinance.

Section 8. Operation by Permit Holder. Except as otherwise provided herein, each Class One permit holder shall actively and personally engage as a driver and operator of his or her permit on a regular basis in the manner prescribed by regulation issued by the Chief of Police and for the periods required by Section 2 (b) of Appendix F to the Charter of the city and county.

Section 9. Continuous Operation. All taxicab permit holders, regardless of class of permit and date of issuance, shall regularly operate their taxicabs during each day of the year to the extent reasonably necessary to satisfy the public convenience and necessity therefor. Upon abandonment of such business for a period of ten (10) consecutive days by a permit holder, the Police Commission shall, after five days written notice, revoke the permit; provided, however, that the Chief of Police may, for good cause shown, grant to the permit holder permission to suspend operation pursuant to such permit for a period not to exceed ninety (90) calendar days in any one twelve (12) month period.

Section 10. Public Convenience and Necessity Determinations.

(a) Any person may, during the first six months of a calendar year in the manner prescribed by the Police Commission, request that the Commission conduct a hearing to determine whether the then-existing number of outstanding taxicab permits is adequately meeting the public convenience and necessity for taxicab service in the city and county;

(b) Any such written request shall be accompanied by competent evidence as to the adequacy and sufficiency of the number of outstanding permits;

(c) All such requests shall be consolidated before the Police Commission and acted upon by October 1 of the calendar year in which submitted. The Police Commission shall in its discretion determine the number and class of permits that will adequately serve the public convenience and necessity and direct the issuance or revocation of taxicab permits consistent therewith;

(d) Consistent with the provisions of Section 3 of this Ordinance, no request for a public convenience and necessity hearing may be made during the first six years from and after the effective date of this Ordinance.

Section 11. Agreements for Lease or Hire.

(a) Any permit holder, directly or through a color scheme permit holder or other designee, may engage another to operate a taxicab pursuant to a lease, rental or hire agreement, express or implied;

(b) In the event that a permit holder, directly or through a color scheme permit holder or other designee, seeks to engage the services of another to operate a taxicab, the person shall first be offered the option of entering into an employer-employee relationship with that same permit holder, color scheme permit holder or other designee, with all the rights, duties and obligations

(Continued on next page)

LEGAL TEXT OF PROPOSITION Y (Continued)

inherent in such relationship as provided by state and federal law. If a person enters into a lease, rental or hire agreement to operate a taxicab, he or she shall again be offered the option of entering into an employer-employee relationship no less than six (6) months after the commencement of the agreement, and at regular six (6) month intervals thereafter, so long as the lease, rental or hire agreement remains in effect.

All persons operating taxicabs shall be provided worker's compensation insurance and unemployment insurance to the extent required by and consistent with applicable state law, and nothing herein shall be used to eliminate any such rights heretofore received by a taxicab operator.

(c) In the event that an election for an employer-employee relationship is made, its minimum term shall be for a period of one year, absent agreement by the parties to a different term.

Section 12. Management of Operations. Subject to approval by the Chief of Police, each color scheme permit holder may employ a reasonable number of managers to oversee its operations who are also Class One taxicab permit holders. During the period of such employment, the provisions of Section 8 of this Ordinance shall be suspended as to said permit holders.

Section 13. Issuance of Class Two Permits.

(a) An adequate number of Class Two taxicab permits shall be issued by the Police Commission for the operation of ramp taxis and other specially-adapted vehicles. Each such permit shall be issued to a color scheme permit holder and shall be subject to appropriate regulations issued by the Chief of Police to ensure that the permit is principally and primarily utilized for service to the handicapped, disabled and elderly population of the city and county;

(b) During the first six years after the effective date of this Ordinance, there shall be no more than twenty-five (25) Class Two taxicab permits issued by the Police Commission. Thereafter, the Police Commission shall determine whether some or all of the Class Two taxicab permits can be practically and economically operated by permit holders who are natural persons. If the Commission so determines, all or a lesser number of the existing Class Two taxicab permits then outstanding shall be recalled and reissued to permit holders who are natural persons and who have the qualifications set forth in Section 4 of this Ordinance. Class Two taxicab permits issued to natural persons shall also be subject to the provisions of Sections 8 and 9 above, and this section. Class Two taxicab permits which remain outstanding in the name of a color scheme permit holder shall continue to be subject to this section.

Section 14. Issuance of Class Three Permits.

(a) A color scheme permit holder with a minimum of twenty-five (25) taxicab permits shall be entitled to the issuance of Class Three permits as herein provided so long as it remains a participant in good standing with the paratransit program administered by the city and county;

(b) Within sixty (60) days of the effective date of this Ordinance, the Chief of Police shall identify each qualified color scheme permit holder

certified by the paratransit program administration to be a participant in good standing. The Chief of Police shall also specify the number of permits operated by each such color scheme permit holder as of July 1, 1993, if any. Within thirty (30) days thereafter, the Police Commission shall issue in the name of each such identified color scheme permit holder the number of Class Three taxicab permits equalling ten percent (10%) of the number of permits specified by the Chief of Police, rounded to the next highest full number;

(c) Commencing on January 15, 1995, and on each subsequent January 15 thereafter, the Chief of Police shall identify each qualified color scheme permit holder participating in good standing with the paratransit program and the number of Class One permits operated by it. Within thirty (30) days thereafter, the Police Commission shall issue or revoke a sufficient number of Class Three permits so as to furnish each qualified color scheme permit holder with the number of permits equalling ten percent (10%) of the number of permits specified by the Chief of Police, rounded to the next highest full number;

(d) When Class Three permits are first issued after the effective date of this Ordinance, their number shall in no event exceed eighty (80). Thereafter, the number of Class Three permits shall at no time exceed ten percent (10%) of the total number of Class One permits then operated by color scheme permit holders certified by the Paratransit Program Administration to be participants in good standing. In the event that these limits result in color scheme permit holders receiving fewer Class Three permits than they would otherwise be entitled to receive under Section 14(b) or (c), such reductions shall affect each qualified color scheme permit holder proportionately pursuant to regulations issued by the Chief of Police.

Section 15. Regulations. In addition to promulgating regulations expressly provided for herein, the Chief of Police shall within sixty (60) days of the effective date of this Ordinance issue regulations for its fair and efficient administration. Such regulations shall include provisions that: (i) no color scheme permit holder may operate a motor vehicle that is older than five years; (ii) periodic announced and unannounced vehicle inspections shall be performed by the city and county to protect the public safety; (iii) adequate liability insurance must be furnished by each permit holder; (iv) each permit holder must be affiliated with and utilize a radio dispatch service; (v) a uniform and approved training curriculum be provided to all new taxicab permit holders and drivers in the manner specified therein; and (vi) all taxicab drivers must comply with dress, appearance and behavior codes as specified. Dress and appearance regulations shall include, but not necessarily be limited to, requirements that drivers wear a shirt, with collar, which is a single muted color without pattern; trousers shall be full-length and neither frayed, torn nor in need of laundering; shoes shall be worn with socks, and no sandals or open-toed footwear shall be permitted; jackets shall be a single, muted

color which, except for the name of the color scheme, shall display no other emblems, logos or advertising unrelated to the transportation of passengers for hire; hat or caps may display the name of the color scheme; hair, including facial hair, shall be neat and clean at all times.

Section 16. Effective Date. The effective date of this Ordinance is January 15, 1994.

Section 17. Severability: If any section, subsection, subdivision, paragraph, clause or phrase of this Ordinance or any part thereof is for any reason held unconstitutional, invalid or ineffective by a court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. It is hereby declared that this Ordinance and each section, subsection, subdivision, paragraph, clause or phrase thereof, would have been passed irrespective of the fact that any one more other sections, subsections, subdivision, paragraphs, clauses or phrases had been declared unconstitutional, invalid or ineffective.

Section 18. Penalties. Any person violating any provision of this Ordinance shall be guilty of a misdemeanor or an infraction. The complaint charging such violation shall specify whether the violation is a misdemeanor or infraction, which decision shall be that of the District Attorney. If charged as an infraction, upon conviction the violator shall be punished by a fine of not less than \$50 or more than \$100, and/or community service, for each provision violated. If charged as a misdemeanor, upon conviction the violator shall be punished by a fine of not less than \$200 or more than \$500, and/or community service, for each provision violated, or by imprisonment in the County Jail for a period of not more than six months, or by both such fine and imprisonment. In any accusatory pleading charging a violation of this section, if the defendant has been previously convicted of a violation of this section, each such previous violation and conviction shall be charged in the accusatory pleading. Any person violating any provision of this Ordinance a second time within a thirty day period shall be guilty of a misdemeanor and shall be punished by a fine of not less than \$300 and not more than \$500, and/or community service, for each provision violated, or by imprisonment in the County Jail for a period of not more than six months, or by both such fine and imprisonment. Any person violating any provision of this Ordinance a third time, and each subsequent time, within a thirty day period shall be guilty of a misdemeanor and shall be punished by a fine of not less than \$400 and not more than \$500, and/or community service, for each provision violated, or by imprisonment in the County Jail for a period of not more than six months, or by both such fine and imprisonment.

Section 19. Interpretation. Notwithstanding any other provision of law, rule or regulation to the contrary, the provisions of this ordinance shall govern and control the regulation and operation of taxicabs, taxicab permits and the other subjects generally and specifically referred to herein. □