

Traffic Congestion Mitigation Tax*

Digest by the Ballot Simplification Committee

Status: Draft for Consideration
On: Wednesday, August 7, 2019
Members: Packard, Anderson, Raveche

Deadline to Request Reconsideration: TBD

The Way It Is Now: Commercial ride-share companies, including transportation network companies, facilitate private passenger rides. Commercial ride-share companies provide pre-approved transportation services for compensation using an internet-enabled application or platform to connect drivers using their personal vehicles with passengers. Commercial ride-share companies also facilitate shared rides, where a passenger requests to ride with other passengers and they each pay a separate fare.

In addition to commercial ride-share companies, private transit services vehicle companies may also provide transportation to the public for fares. Private transit services vehicle companies would include the jitneys that used to operate in San Francisco, but do not include taxi companies.

While it does not do so now, in the future, the State may authorize companies to charge passengers for rides in autonomous vehicles – vehicles that may operate without a driver’s control.

The City does not impose a per-ride tax on fares for private or shared rides offered by these types of transportation companies.

The San Francisco Municipal Transportation Agency (“SFMTA”) is a City agency that oversees the City’s ground transportation system, including Muni buses and trains, bicycles, traffic, parking, and taxis. The San Francisco County Transportation Authority (“SFCTA”) is a State agency separate from the City that funds and plans transportation projects. The San Francisco Board of Supervisors serves as the governing board of the SFCTA.

The Proposal: Starting January 1, 2020, Proposition ___ would impose a tax on commercial ride-share companies and private transit services vehicle companies for fares generated by rides that start in San Francisco at the following rates:

- 1.5% on the fare for a shared ride; and
- 3.25% on the fare for a private ride.

Only the portion of each fare for transportation within San Francisco would be subject to this tax. The same tax rates would also apply in the future to any fares companies may charge for autonomous vehicles. The City would impose these taxes on fares charged by commercial ride-share, private transit services vehicle, and autonomous vehicle companies until November 5, 2045.

From January 1, 2020 until December 31, 2024, fares on passenger rides – private or shared – provided in zero-emission vehicles would be subject to a 1.5% tax rate.

The City would deposit the tax revenues into a Traffic Congestion Mitigation Fund (“Fund”), to spend for the following purposes:

- the SFMTA would receive roughly half of the revenues to improve Muni service frequency and reliability, maintain and expand Muni vehicles and facilities, and improve access in and around Muni stations; and
- the SFCTA would receive roughly half of the revenues to improve pedestrian and bicycle safety, such as for bicycle lanes, pedestrian crossings, and traffic signal improvements.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

Proposition ____ would also allow the City to use these tax revenues to pay for bonds issued to finance the improvements allowed under the Fund.

A "YES" Vote Means: If you vote "yes," you want to impose a per-ride tax of 1.5% on shared rides and 3.25% on private rides on fares charged by commercial ride-share, private transit services vehicle, and autonomous vehicle companies until November 5, 2045, raising an estimated \$XX million annually, to fund improvements in Muni service and reliability and bicycle and pedestrian safety.

A "NO" Vote Means: If you vote "no," you do not want to impose this tax.