

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Taxis and Accessible Services

BRIEF DESCRIPTION:

Requesting the Board of Directors to amend Transportation Code Division II, Sections 1102 and 1116 to transition the Taxi Medallion Sales Pilot Program into a long-term medallion transfer program.

SUMMARY:

- Prior to June 30, 1978, San Francisco taxi medallions were transferable. In 1978, voters passed Proposition K, which, among other things, made San Francisco taxi medallions non-transferable and limited new ownership of medallions to individual working taxi drivers.
- The Board of Supervisors legislated the transfer of regulation of the taxi industry from the former Taxi Commission to the SFMTA in 2009. One of the first initiatives that the SFMTA undertook was reform of the taxi medallion system.
- On February 26, 2010, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors adopted the Taxi Medallion Sales Pilot Program (Pilot Program), which allowed the transfer of taxi medallions by individuals age 70 or over or individuals with a disability. Under that program, a limited number of taxi medallions became transferable. The Pilot Program was later modified to allow individuals over the age of 65 to transfer their medallions.
- Pursuant to the Pilot Program, 250 medallions have been transferred to new permit holders for a fixed transfer amount of \$250,000. The SFMTA has realized \$20,215,779.09 as of July 2012 from the Pilot Program, and the Driver’s Fund has accumulated \$3,125,000.
- The stock of transferable medallions under the Pilot Program will soon be depleted. The SFMTA Board is now in a position to consider permanent reform of the medallion system in light of the lessons learned.

ENCLOSURES:

1. Resolution
2. Amendments to Transportation Code Division II, Article 1100

APPROVALS:

DATE

DIRECTOR _____ 8/16/12

SECRETARY _____ 8/16/12

ASSIGNED SFMTAB CALENDAR DATE: August 21, 2012

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PURPOSE

Requesting the Board of Directors to amend Transportation Code Division II, Sections 1102 and 1116 to transition the Taxi Medallion Sales Pilot Program into a long-term medallion transfer program.

GOAL

Goal 2: Make transit, walking, bicycling, taxi, ridesharing, and carsharing the preferred means of travel.

Improved taxi service is integral to the city's realization of the Transit First Policy. This proposal supports improved taxi service by creating an exit path for medallion holders who have served the city well for many years while providing opportunity for other long-time taxi drivers to acquire medallions. Providing these pathways provides stability for taxi drivers, which will encourage good, hard-working individuals to enter and stay in the industry, which in turn will provide for better taxi service.

Goal 3: Improve the environment and quality of life in San Francisco.

This proposal improves the environment and quality of life for aging or disabled medallion holders, allowing them to exit the industry with some assets. It also allows newer drivers an opportunity to become permit holders and invest in the industry.

DESCRIPTION

1. Current Program

Prior to June 30, 1978, San Francisco taxi medallions were freely transferable among individuals and corporations. In 1978, voters passed Proposition K, which among other things, made San Francisco taxi medallions non-transferable and provided that medallions could only be held by individual working taxi drivers.

The San Francisco Taxi Commission was created in 1999 to assume responsibility for governance of the taxi industry from the Police Commission, and continued to serve as the regulatory body of the taxi industry between 1999 and 2009. The Board of Supervisors legislated the transfer of regulation of the taxi industry from the former Taxi Commission to the SFMTA in 2009. One of the first initiatives that the SFMTA undertook was reform of the taxi medallion system.

Pursuant to the authority granted to the SFMTA Board, the SFMTA Board of Directors adopted the Taxi Medallion Sales Pilot Program (Pilot Program) on February 26, 2010. Under the Pilot Program a limited number of taxi medallions became transferable for the first time in 32 years: specifically, those medallions that were held by individuals age 70 or over or individuals with a disability. Pursuant to the Pilot Program, 250 medallions have been transferred to new medallion holders between August 2010 and July 2012 for a fixed transfer amount of \$250,000.

For each medallion transferred by an individual medallion holder under the Pilot Program, the SFMTA has received \$37,500, or fifteen percent in transfer fees, and the Driver Fund has received

\$12,500, or five percent of the fixed transfer amount. The SFMTA has realized \$20,215,779.09 of new revenue as of July 2012 from the Pilot Program, and the Driver Fund has accumulated \$3,125,000 to be used for the benefit of San Francisco taxi drivers.

2. Proposed New Program

The stock of transferable medallions under the Pilot Program will soon be depleted. The SFMTA Board is requested to adopt amendments to the Transportation Code that will implement a long-term medallion transfer program. The proposed amendments would allow certain medallion holders to surrender their medallions for consideration, allow the SFMTA to transfer each surrendered medallion to a qualified purchaser at an amount fixed by the SFMTA, and allow the person acquiring the surrendered medallion, in turn, to retransfer that medallion to a qualified purchaser for a fixed amount.

a. Relinquishment to and Transfer by the SFMTA

The SFMTA would provide consideration in the amount of \$150,000 to a qualified medallion holder wishing to relinquish his or her medallion. But for the medallion sales pilot program, these medallions would otherwise have no relinquishment value, as they are otherwise non-transferable. The purpose of providing this consideration is to enable medallion holders wishing to exit the industry the means to do so in recognition of their years of service to the San Francisco taxi industry. The SFMTA will in turn transfer medallions relinquished in this manner to a qualified purchaser. Upon transfer from the SFMTA to the purchaser, the Medallion would become a “transferable medallion”.

b. Retransfer

The purchaser of a “transferable medallion” may retransfer the medallion to another qualified purchaser, at any time, for a fixed amount set by SFMTA regulation. Upon retransfer, the transferor would remit 30 percent of the amount to the SFMTA, of which five percent will be placed in the Driver’s Fund. However, for medallions that were purchased under the Medallion Sales Pilot Program, the medallion holder – the individual who acquired the medallion under the Pilot Program – would remit twenty percent of the sales price to the SFMTA upon retransfer, of which five percent will be placed in the Driver Fund. The fixed amount would be the same for an initial transfer by the SFMTA of a relinquished medallion, the first retransfer of a medallion acquired under the Pilot Program, and any other retransfer.

c. Involuntary Transfer

Once a medallion has been purchased under this program, an involuntary transfer may occur under four possible circumstances: 1) when the medallion is revoked by the SFMTA, 2) when a medallion holder dies before retransferring the medallion, 3) when a medallion holder becomes disabled before retransferring the medallion, or 4) when a medallion holder has defaulted on a transferable medallion loan and the medallion is foreclosed upon by the lender.

Because the involuntary transfer may occur when there is little or no equity in the permit, the proposal includes a provision, identical to that contained in the Pilot Program, that would reduce the allocation of the transfer amount to the SFMTA and waive the contribution to the Driver Fund when there is an involuntary transfer within the first nine years of medallion ownership. Otherwise,

a medallion holder or the family of a deceased medallion holder might be forced to pay money to the SFMTA which, when added to the money owed the lender, would exceed the proceeds from the retransfer. If the involuntary transfer occurs in the first year after the transfer, the SFMTA allocation would be zero. The transfer allocation percentage would increase by 5% per year each year thereafter, until it reaches 100 percent in the tenth year.¹

3. Medallion Holders Eligible to Relinquish for Consideration

a. Pre-K and Prop K Medallions

“Prop K” medallions consist of any medallions issued after June 30, 1978. They are principally distinguished from the “Pre-K” medallions, which were issued before June 30, 1978, by the following characteristics:

1. Prop K medallions require the medallion holder to drive at least 800 hours per year, whereas a Pre-K medallion holder has no driving requirement; and
2. Pre-K medallions were purchased by individuals prior to June 30, 1978 and were rendered non-transferable by Proposition K. Prop K medallions were not purchased, but were distributed to working taxi drivers for a nominal fee, and have never been transferable; and
3. Prop K medallions are issued only to individuals, some Pre-K medallions are owned by corporations.

While the number fluctuates over time, there are currently approximately 1,135 Prop-K and 400 Pre-K (300 individual and 100 corporate) medallions in the San Francisco taxi fleet.

b. The 2010 Taxi Medallion Sales Pilot Program

The Pilot Program, approved by the Board, represented the first departure from the Prop K system in 32 years. It allowed limited transferability of medallions based on age (at least 70 years old) or disability of a medallion holder. To qualify as a buyer a person has to show that he or she had driven a San Francisco taxi for at least 800 hours per year or 156 four-hour shifts during four out of the past five years.

c. Effects of February 6, 2012 Modifications to the Pilot Program: Pre-K Permits

At its February 6, 2012 meeting, the Board expanded the opportunity of transferring a medallion to those aged 65 or older, or whose disability prevents them from meeting the medallion permit’s driving requirement. The modification to the Pilot Program excluded Pre-K medallion holders from transferring their medallions. Accordingly, except for those 34 Pre-K medallion holders aged

1. For example, a medallion is transferred at \$300,000 with a 20 percent down payment, leaving a loan balance of \$240,000 and an involuntary transfer occurs in third year. The permit is re-transferred to a new owner for \$300,000, leaving the transferor with \$60,000 after loan payoff. If the SFMTA's allocation is not reduced for this involuntary transfer, the medallion owner or his or her beneficiaries would be responsible for a \$90,000 transfer allocation, and would have to produce \$30,000 above and beyond the medallion transfer proceeds.

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70 or older, or disabled, who had already elected to transfer between August 2010 and February 2012, the opportunity for medallion transfer was limited to Post-K medallion holders.

d. Proposed medallion holders eligible to relinquish for consideration

Under this proposal, Pre-K medallion holders who are over the age of 60 or are disabled will be eligible to relinquish their medallions for consideration, as will all other medallion holders who are over the age of 60 or are disabled and who have met the driving requirement.

4. Proposed Change to Fixed Transfer Amount

The proposal includes establishing a fixed transfer amount at \$300,000, with all future changes in this amount to be approved by the SFMTA Board. The Director of Transportation may, however, raise the sales price without SFMTA Board approval annually in accordance with increases in the consumer price.

The City Attorney has reviewed this report.

ALTERNATIVES CONSIDERED

This proposal follows public discussion on a series of medallion reform proposals submitted by staff and by members of the San Francisco taxi industry, and by the Taxi Advisory Council over the six months preceding this meeting.

FUNDING IMPACT

The proposed amendments are anticipated to result in substantial revenue to the Agency from medallion transfer fees but at a level that will be driven by the market. No changes are anticipated relative to what is budgeted in the FY 2013 and FY 2014 budgets.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

None.

RECOMMENDATION

That the Board of Directors amend Transportation Code Division II, Sections 1102 and 1116 to transition the Taxi Medallion Sales Pilot Program into a long term medallion transfer policy.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, At the June 30, 1978 election San Francisco voters passed Proposition K, which, among other things, made San Francisco taxi medallions non-transferable and limited new ownership of medallions to individual working taxi drivers; and,

WHEREAS, The SFMTA assumed responsibility for regulation of the taxi industry from the former Taxi Commission on March 1, 2009 and undertook reform of the taxi medallion system; and

WHEREAS, On February 26, 2010 the Board of Directors adopted the Taxi Medallion Sales Pilot Program (Pilot Program), which allowed the transfer of taxi medallions by qualifying individuals; and

WHEREAS, Pursuant to the Pilot Program, 250 medallions have been transferred to new owners between August 2010 and July 2012 for a fixed purchase price of \$250,000; and

WHEREAS, The SFMTA has realized \$20,215,779.09 million to date from the Pilot Program, and the Driver's Fund has accumulated \$3,125,000.00 million; and

WHEREAS, The stock of saleable medallions under the Pilot Program will soon be depleted; now therefore be it

RESOLVED, The Board of Directors amends Transportation Code Division II, Sections 1102 and 1116 to transition the Taxi Medallion Sales Pilot Program into a long-term medallion transfer policy.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of August 21, 2012.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Taxi Medallion Transfer Program]

Resolution amending Sections 1102 and 1116 of Division II of the Transportation Code to replace the Taxi Medallion Sales Pilot Program with the Medallion Transfer Program, add new definitions, and delete obsolete definitions.

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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 Sections 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 a written determination of Administrative Probation issued by the SFMTA.

(d) **"Application Fee"** shall mean 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.

(e) **"Citation"** shall mean a notice informing a member of the public that he or she has violated any statute, ordinance or regulation governing the operation or licensing of Motor Vehicles for Hire.

(f) **"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 Color Scheme business that provides taxi service, or a business that provides taxi-related services to affiliated Drivers and Medallion Holders, including any owner, manager, employee, lessee and any agent of such business.

(g) **"Color Scheme Permit"** shall mean a permit issued by the SFMTA, to operate a Color Scheme in the City.

(h) **"Controlled Substance Testing Program"** shall mean a program adopted by the SFMTA Board to comply with California Government Code § 53075.5.

(i) **"Dispatch Service"** shall mean any person, business, firm, partnership, association or corporation that receives communications from the public regarding taxi service for the purpose of forwarding such communications to motor vehicle for hire drivers, and shall include any owner, manager, employee, lessee and any agent of said service. "Dispatch Service" shall not include any service through which the public is able to communicate directly with Drivers, and shall not include any effort on the part of a Driver to market his or her services to the public.

(j) **"Dispatch Service Permit"** shall mean a permit issued by the SFMTA to operate a Dispatch Service in the City.

(k) **"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.

(l) **"Driver Fund Retransfer Contribution Transfer Fee"** shall mean ~~five percent of the percentage of the Medallion Transfer Price to be contributed by the SFMTA to the Driver Fund upon the retransfer of a Transferable Medallion fixed price for the sale of a Medallion as determined in accordance with this Article.~~

(m) **"Driver Permit" or "A-Card"** shall mean a permit issued by the SFMTA to operate a Taxi or Ramp Taxi.

(n) **"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.

(o) **"Electric Vehicle Taxi Medallion"** shall mean a permit issued by the SFMTA to a Color Scheme that meets SFMTA's performance standards to operate a particular battery-switch electric vehicle on a full-time basis, subject to conditions imposed by the SFMTA, for a fixed term of three to five years.

(p) **"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.

(q) **"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.

(r) **"Gas and Gates Medallion"** shall mean a Medallion that is operated by a Color Scheme that owns the Taxi or Ramp Taxi vehicle, schedules the Drivers of the vehicle, and makes regular payments to the Medallion Holder in consideration for the use of the Medallion.

(s) **"Gate Fee"** shall mean any monetary fee or other charge or consideration, or any combination thereof, paid by a Driver who is not a Taxi or Ramp Taxi Medallion Holder for the privilege of driving a Taxi or Ramp Taxi for any period of time, and for receipt of all services provided in connection with such privilege, whether said fee, charge or consideration is set orally or in writing, and regardless of the terms of payment.

(t) **"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).

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

(v) **"Lease"** shall mean an otherwise lawful written agreement that for consideration authorizes the temporary operation of a Taxi or Ramp Taxi Medallion by a Driver or Color Scheme other than the Taxi or Ramp Taxi Medallion Holder.

(w) **"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.

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

(y) **"Medallion Holder"** shall mean the person or entity to which a Medallion was issued.

(z) "Medallion Surrender Payment" shall mean the amount of money paid by the SFMTA to a Medallion Holder in exchange for surrender of his or her Medallion so that the SFMTA may transfer it to a new Medallion Holder.

(aa) **"Medallion Sale Transfer Allocation Fee"** shall mean the percentage of the Medallion Transfer Price that shall be paid to the SFMTA from the proceeds of the retransfer of a Medallion~~fifteen percent of the fixed price for the sale of a Medallion as determined by the SFMTA in accordance with this Article.~~

(bbz) **"Medallion Transfer Sale Price"** shall mean the fixed price paid by the Transferee for the transfer or retransfer sale of a Medallion, to be set as determined by the SFMTA in accordance with this Article.

(cc) "Medallion Transfer Program" shall mean the program allowing the SFMTA to transfer Surrendered Medallions at the Medallion Transfer Price and allowing certain Medallion Holders to retransfer their Transferable Medallions at the Medallion Transfer Price in accordance with the terms of Section 1116 of this Article.

(dd) **"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.)

(~~eebb~~) **"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.

(~~ffee~~) **"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 or Ramp Taxi Medallions and Non-Standard Vehicle permits, and does not include Dispatch Service, Color Scheme or Driver Permits.

(~~gg~~) **"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.

(~~hh~~) **"Notice of Denial"** shall mean a notice informing an applicant for a permit that the SFMTA has decided to deny the application for the permit under Section 1117 of this Article.

(~~ii~~) **"Notice of Grant"** shall mean a notice informing an applicant for a permit that the SFMTA has decided to grant the application for the permit under Section 1117 of this Article.

(~~jj~~) **"Notice of Inactive Status"** shall mean a notice informing an applicant for a permit that the SFMTA has determined that the application is inactive under Section 1103(b) of this Article.

(~~kk~~) **"Notice of Nonrenewal"** shall mean a notice informing a Permit Holder that the SFMTA has determined that the permit will not be renewed in accordance with Section 1105(a)(5)(B) of this Article.

(~~ll~~) **"Notice of Summary Suspension"** shall mean a notice informing a Permit Holder that the SFMTA has decided to summarily suspend the permit in accordance with Section 1119 of this Article.

(~~mm~~) **"Notice of Violation"** shall mean a notice informing a Permit Holder that the SFMTA has determined that the Permit holder has violated a statute, ordinance or regulation governing the operation or licensing of the vehicles and services regulated by this Code.

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

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

(ppH) **"Paratransit Coordinating Council"** shall mean the Community Advisory Committee that advises the SFMTA regarding paratransit services.

(qqe) **"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.

(rrp) **"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 1116(op) of this Article.

(sse) **"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.

(tt#) **"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.

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

(vv†) **"Qualified Lender"** shall mean a lender approved by the Director of Transportation to finance the ~~transfer~~ purchase of Medallions under the former Taxi Medallion Sales Pilot Program or the Taxi Medallion Transfer Program.

~~(uu) "Qualified Purchaser" shall mean a Driver Permit Holder who meets all the requirements for purchase of a Medallion under Section 1116(a)(2).~~

~~(vv) "Qualified Seller" shall mean a Medallion Holder who meets the requirements of Section 1116(a)(1).~~

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

(xx) **"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.

(yy) **"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.

(zz) **"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.

(aaa) **"Renewal Fee"** shall mean a fee in an amount established by the SFMTA Board, payable as a condition for renewal of a permit, and including any late payment penalties or interest for failure to pay in accordance with the requirements of this Article or any other regulation adopted by the SFMTA Board.

(bbb) **"Respondent"** shall mean a person or entity to which a Notice of Violation, Notice of Nonrenewal, Notice of Inactive Status, Notice of Summary Suspension, or a Citation is delivered under Sections 1118, 1119, 1120 or 1123.

(ccc) **"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.

(ddd) **"Single Operator Part-time Taxi Medallion"** shall mean a permit issued by the SFMTA to a Driver or to two Drivers, who qualify on the basis of A-Card Seniority and requisite taxi-related knowledge, to operate a particular hybrid, CNG or electric taxi vehicle, or other vehicle as authorized by the SFMTA, for a fixed period of years on a part-time basis, and in accordance with permit conditions set by the SFMTA.

(eee) **"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.

(fff) **"Surrendered Medallion"** shall mean a Medallion surrendered to the SFMTA in exchange for receipt of the Medallion Surrender Payment in accordance with Section 1116 of this Article.

(gggfff) **"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.

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

(~~iii~~~~hh~~) **"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.

(~~jjj~~) **"Transferable Medallion"** shall mean a Medallion that is transferable because it has been transferred at least once in accordance with Section 1116 of this Article. Medallions that have never been transferred but are held by Medallion Holders who are eligible to transfer their Medallions under the provisions of Section 1116(a)(1) or (a)(2) are not Transferable Medallions.

(~~kkk~~) **"Transferee"** shall mean a Driver Permit Holder who qualifies under Section 1116(c) of this Article as a recipient of the transfer or retransfer of a Medallion.

(~~lll~~) **"Transferor"** shall mean a Medallion Holder who qualifies under Section Section 1116(d) of this Article to retransfer his or her Medallion.

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

(~~nnn~~~~jjj~~) **"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 Section 1116, to read as follows:

SEC. 1116. TAXI MEDALLION SALES PILOT TRANSFER PROGRAM.

(a) **Surrender for Consideration~~Qualified Taxi Medallion Sellers.~~**

(1) The following natural persons are eligible to surrender their Medallions to the SFMTA for consideration in accordance with this Section:

~~(1) Any natural person who attained the age of 70 as of December 31, 2010 or 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 who, by May 14, 2010, notified the SFMTA of his or her interest in participating in the Taxi Medallion Sales Pilot Program, or~~

~~(A2) Any Medallion Holder, whether or not he or she is subject to the Full-Time Driving Requirement, who 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 who, within 30 days of the date of a notice of opportunity to sell issued by the SFMTA, has notified the SFMTA of his or her interest in participating in the Taxi Medallion Sales Pilot Program, or~~

~~(B3) Any Medallion Holder who is subject to the Full Time Driving Requirement, has attained the age of 60 as of December 31, 2012, and who, within 30 days of the date of a notice of opportunity to sell issued by the SFMTA, has notified the SFMTA of his or her interest in participating in the Taxi Medallion Sales Pilot Program, is eligible to sell his or her Medallion in accordance with this Section.~~

(2) A Medallion Holder who is subject to the Full Time Driving Requirement must demonstrate that, as of the date that the Medallion is surrendered, he or she has been a Full Time Driver for four of five consecutive calendar years within the meaning of Section 1104(c)(3).

(3) No Medallion Holder against whom the SFMTA has filed a Notice of Violation, Notice of Summary Suspension, or Notice of Nonrenewal prior to completion of the surrender is eligible to surrender his or her Medallion for consideration until any resultant administrative hearing, administrative appeal, or court proceeding is concluded and the Medallion Holder has served any term of suspension imposed and paid any administrative fine imposed. In the event that the Notice of Violation seeks revocation of the Medallion, the Medallion Holder is not eligible to surrender the Medallion for consideration unless and until the administrative hearing and any resultant administrative appeal or court proceeding is concluded upon a determination that the Medallion will not be revoked.

~~(4) This Section does not confer on a Medallion Holder who meets the age or disability requirements of this Section a vested right to surrender sell a Medallion for consideration. The SFMTA Board of Directors may decide at any time that the Taxi Medallion Sales Pilot Transfer Program is terminated, suspended or otherwise not operational, and that no further surrenders sales by Medallion Holders eligible under this Section 1116 are permitted. No Medallion Holder against whom a revocation proceeding is filed prior to completion of the sale of the Medallion is eligible to sell his or her Medallion under this Section unless and until the revocation proceeding and any resultant administrative appeal or court proceeding is concluded upon a determination that the Medallion will not be revoked.~~

(b) **Medallion Surrender Payment.** As consideration for surrender of a Medallion in accordance with this Section, the SFMTA shall make a Medallion Surrender Payment to the Medallion Holder. The initial Medallion Surrender Payment shall be \$150,000, but the Director of Transportation may reset the amount of the Medallion Surrender Payment upon approval of the SFMTA Board.

(c) **Qualified Medallion Transferees.** Upon surrender, the SFMTA may transfer the Surrendered Medallion under the Taxi Medallion Transfer Program to a Transferee -- a Driver Permit Holder who meets all requirements of this Article to be a Medallion Holder, and who acknowledges and agrees that the Transferable Medallion is subject to the provisions of this Section. The SFMTA

shall make offers of transfer to such Transferees in the order of seniority on the Waiting List, and then in the order of A-Card Seniority.

(d5) Retransfer.

(15) A Medallion that was transferred under the Taxi Medallion Sales Pilot Program, or is transferred under the Medallion Transfer Program, is a Transferable Medallion and a ~~Any~~ Transferee Purchaser of a Medallion under this Section is eligible to retransfer sell the Transferable Purchased Medallion at any time in accordance with this Section, regardless of age or disability status. The Transferee Purchaser may not convey transfer ownership of the Transferable Medallion by gift, bequest or in any manner other than by a bona fide retransfer sale in accordance with this Section. A Transferable Medallion purchased under this Section shall expire upon the death or mental incompetence of the Medallion Holder, upon the foreclosure by a Qualified Lender under subsection 1116(oh), or upon revocation of the Medallion.

(26) In all instances in which retransfer sale of a Medallion is allowed under this Section, the SFMTA may elect to purchase the Medallion from the Medallion Holder Qualified Seller instead of allowing ~~or allow~~ the Medallion Holder Qualified Seller to retransfer offer the Medallion for sale to a Qualified Purchaser.

(37) If the SFMTA chooses at any time to prohibit the future retransfer transfer or assignment of Transferable Purchased Medallions, it shall, at the request of a the Medallion Holder who holds a Transferable Medallion Holder, and upon ten days' notice to a Qualified Lender who has a security interest in the Transferable Medallion, ~~the SFMTA will buy back,~~ purchase the Medallion at the Medallion Transfer Purchase Price paid by the Medallion Holder, ~~a Purchased Medallion that is no longer transferable or assignable.~~ At the request of a Qualified Lender who has complied with the requirements of Section 1116(nm) of this Article, the SFMTA will deduct from the payment made to any Medallion Holder under this Section 1116(da)(34) an amount sufficient to satisfy any outstanding balance on a loan made by the

Qualified Lender and secured by an interest in the Medallion, and shall immediately remit that amount to the Qualified Lender. Upon receipt of this amount, the Qualified Lender shall comply with Section 1116~~(nm)~~(3) and release its security interest in the Medallion. Upon purchase of the Medallion under this Section 1116~~(da)~~(34), the SFMTA shall reissue the Medallion to the Medallion Holder. The reissued Medallion shall not be a Transferable Medallion, and the Medallion Holder will be subject to all the provisions of this Article, including Section 1105(a)(4), which provides that permits issued under this Article are not transferable or assignable.

(48) Any Transferee Purchaser who receives a down payment loan from a Qualified Lender that is secured by funds from the Qualified Transferor Seller as required by written agreement with SFMTA must operate the purchased Transferable Medallion as a Gas and Gates Medallion until the Transferee Purchaser repays the entire amount of the down payment loan.

~~(9) — A Qualified Seller shall become ineligible to sell his or her Medallion if he or she does not execute a sales agreement, in a form provided by the SFMTA, within 15 days of SFMTA's notice to the Medallion Holder that the SFMTA has offered his or her Medallion to a Qualified Purchaser.~~

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

(ee) **Fixed Medallion Transfer Sale Price.** A Surrendered Medallion may be transferred by the SFMTA, and a Transferable Medallion may be retransferred under the supervision of the SFMTA, Any Medallion sold pursuant to this Section shall be sold under the supervision of the

~~SFMTA at a price established by the SFMTA. The initial Medallion Transfer Sale Price shall be \$300,000 established by the Director of Transportation after a public hearing and shall not exceed \$400,000. In setting the initial The Director of Transportation may reset the Medallion Transfer Sale Price~~, based upon his or her determination that commercially relevant factors, including but not limited to ~~the Director of Transportation shall consider~~ the commercial loan terms available to Medallion applicants, the affordability of the monthly payments under such loans, and the anticipated business revenue to be generated from a Medallion, warrant resetting the Price. The Director of Transportation shall present his or her recommendation for a new Medallion Transfer Price to the SFMTA Board for approval. ~~and other commercially relevant factors. Upon setting the initial the Medallion Sale Price, the Director of Transportation shall notify the SFMTA Board of Directors and the public of the Medallion Sale Price.~~ The Director of Transportation may adjust the Medallion Transfer Sale Price without SFMTA Board approval no more frequently than annually in accordance with the percentage by which increase in the Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area has increased since the ~~date that the Medallion Transfer Sale Price was last set or adjusted.~~ ~~The Director of Transportation may increase or decrease the Medallion Transfer Sale Price at any time in accordance with the procedure for setting the initial Medallion Transfer Sale Price.~~ Any changes to the Medallion Transfer Price shall be subject to the restrictions set forth in any agreement between the SFMTA and a Qualified Medallion Lender described in Section 1116(m)(3).

(fd) **Distribution of Medallion Retransfer Proceeds ~~Medallion Transfer Fees.~~**

(1) The Transferor ~~seller of a Medallion~~ shall distribute ~~pay~~ to the SFMTA the Medallion Sale Transfer Allocation Fee and the Driver Fund Transfer Fee at the time of retransfer ~~sale~~. The Medallion Transfer Allocation shall be twenty percent of the Medallion Transfer Price upon the first retransfer of a Transferable Medallion purchased under the Taxi Medallion Sales

Pilot Program, and shall be thirty percent of the Medallion Transfer Price for all other retransfers. The SFMTA shall deposit the Driver Fund Transfer Fee into the Driver Fund.

(2) Notwithstanding Subsection (f4)(1A), ~~1~~ above, in the event that a ~~Medallion Transferee purchaser~~ is required to ~~retransfer~~ ~~re-sell~~ the a Transferable Medallion within ten years of the transfer, or most recent retransfer, due to any of the following involuntary surrender events: (1) revocation; (2) disability that prevents compliance with the ~~Full-time~~ ~~Driving~~ ~~Requirement~~, (3) death of the ~~Medallion~~ ~~Holder~~; or, (4) foreclosure upon the Transferable ~~Medallion~~ in the event of default of any outstanding loan against the Medallion, ~~then~~ the Driver Fund Retransfer Contribution ~~Transfer Fee~~ shall be waived and the Transferor ~~Seller~~ shall ~~distribute~~ pay to the SFMTA the following reduced Medallion Sale Transfer Allocation ~~Fee~~ at the time of retransfer ~~sale~~:

Year of Involuntary Event	Percent of Medallion Sale Transfer <u>Allocation</u> Fee Due Upon Involuntary Surrender	Percent of Medallion Sales Price
1	40%	0.00%
2	5%	0.75%
3	10%	1.50%
4	15%	2.25%
5	20%	3.00%
6	35%	5.25%
7	50%	7.50%
8	75%	11.25%
9	90%	13.50%
10	100%	15.00%

(ge) **Medallion Sales by City.** As part of the ~~Taxi Medallion Transfer Sales Pilot~~ Program, the SFMTA may ~~transfer~~ ~~sell up to 60~~ Medallions that are ~~newly issued full-time Medallions, or Medallions returned to the SFMTA for any reason~~ and, upon authorization of the SFMTA Board, may transfer newly-issued Medallions to ~~Transferees~~ Qualified Purchasers at the Medallion ~~Transfer~~ Sale Price. The SFMTA shall be responsible for payment of the Driver Fund ~~Transfer Fee for each such Medallion sold.~~ The SFMTA ~~may~~ shall continue to issue Medallions to applicants in accordance with Sections 1103 and 1104 of this Article during the pendency of the ~~Taxi Medallion Transfer~~ Sales Pilot Program.

(hf) **Taxi Medallion Retransfer Purchase and Sale Procedures.**

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

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

(3) 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 Transfer Sales Pilot~~ Program.

(ig) **Purchased Transferable Medallions Subject to all Regulations.** A Medallion ~~transferred or retransferred purchased~~ pursuant to this Section remains subject to all applicable laws and regulations and may be suspended or revoked for cause.

(h) ~~Resale of Medallions. Medallions acquired pursuant to this Section are eligible for resale by the Purchaser in accordance with the provisions of this Section.~~

(j) **Ramp Taxi Medallions.** If any Ramp Taxi Medallion Holder who would qualify to ~~surrender sell~~ a Medallion notifies the SFMTA that he or she elects to ~~surrender sell~~ the Medallion, the SFMTA shall exchange the Ramp Taxi Medallion for a ~~Taxi~~ Medallion that is not a Ramp Taxi Medallion to be ~~surrendered sold~~ by the Medallion Holder. Such exchange shall not diminish the size of the Ramp Taxi fleet. No Ramp Taxi Medallion shall be ~~surrendered sold~~ pursuant to this Section.

(k) **Driver Fund and Driver Fund Retransfer Contribution.** The SFMTA shall establish a Driver Fund. The SFMTA shall ~~make deposit all a~~ Driver Fund ~~Retransfer Transfer~~ Contribution Fees into the Driver Fund upon retransfer of a Transferable Medallion and may, in its sole and absolute discretion, elect to deposit other monies into the Fund. The Driver Fund Retransfer Contribution shall be five percent of the Medallion Transfer Price, and is subject to change upon the recommendation by the Director of Transportation and the approval of the SFMTA Board. Monies in the Driver Fund may be expended by the SFMTA.

(l) **Taxi Medallion Sales Pilot Program Advisory Council.**

(1) 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.

(2) 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.

(3) The Advisory Council shall prepare and provide to the Director of Transportation, no later than March 31, 2011, 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 SFMTA.

(4) 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.

~~(m)~~ **Medallion Lender Qualification.**

(1) A Transferee Purchaser of a Medallion may enter into a loan agreement to finance the transfer or retransfer 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.

(2) 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.

(3) 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 Section, the Qualified Lender's agreement to be bound by these provisions, and the SFMTA's promise not to set the Medallion ~~Transfer Sale~~ Price below the highest Medallion ~~Transfer Sale~~ Price paid by a Medallion Holder to whom a Qualified Lender made a loan that is still outstanding.

~~(11)~~ **Security Interests.**

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

(2) Filing Security Interests. A Qualified Lender wishing to evidence a security interest in a ~~Taxi~~Transferable Medallion shall file a notice of the security interest with 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 a copy of 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 Transferable Medallion, and any documents memorializing the perfection of the security interest. The SFMTA will not recognize any security interest in a Transferable Medallion that is not filed and reported in compliance with this rule.

(3) Release of Secured Interest. Upon repayment of the loan secured by an interest in a Transferable Medallion, the Qualified Lender must file notice of release of the

secured interest within five business days of the release with the SFMTA along with any underlying contracts or documents memorializing the terms and conditions of the release.

(o#) **Foreclosure and RetTransfer of Transferable Medallions.**

(1) If the Transferee Purchaser defaults under the agreement with the Qualified Lender beyond any applicable notice and cure period, notwithstanding any other provisions herein to the contrary, the Qualified Lender may foreclose upon its security interest and possess the foreclosed, Transferable Medallion as an owner of the Transferable Medallion with full right, title, and interest thereto, except that Lender shall not be permitted to operate the Medallion. If the Qualified Lender intends to foreclose on the security interest, the qualified Lender shall notify the SFMTA without delay once the Qualified Lender determines the date on which it 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.

(2) Provided that the Qualified Lender has provided notice to the SFMTA under Section 1116(o#)(1), 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 Retransfer sell the Transferable Medallion pursuant to the provisions of this Section to the Transferee Qualified Purchaser identified by the SFMTA at the Medallion Transfer Sales Price. ~~After deducting amounts payable to the SFMTA, t~~The Qualified Lender shall retain sufficient proceeds of such retransfer sale to satisfy Medallion Holder's debt to the Qualified Lender as determined by reference to the unpaid balance under the loan agreement between the Medallion Holder and the Qualified Lender. The Qualified Lender shall then, without delay, remit the applicable Medallion Transfer Allocation, to the extent possible in light of the remaining retransfer proceeds, amount payable to the SFMTA.

(p#) **Disciplinary Revocation and Retransfersale.**

(1) In the event that the SFMTA brings disciplinary revocation proceedings against a Transferable Medallion ~~that has been sold in accordance with this Section~~, the SFMTA shall provide notice of the filing of such proceedings to any Qualified Lender holding a secured interest in the Transferable Medallion if the Qualified Lender has complied with all notice and reporting requirements of ~~this Section~~ 1116(n).

(2) Disciplinary revocation of a Transferable Medallion shall not affect the validity of the lien of a Qualified Lender against the Medallion. Any retransfer sale of the Transferable Medallion after revocation for any reason shall be subject to the lien of the Qualified Lender.

(3) Conduct of Retransfer Sale. Upon revocation of a Transferable Medallion for any reason, the SFMTA ~~shall identify the next qualified applicant and may proceed to transfer sell~~ the Medallion to the next qualified applicant in accordance with the procedures set forth in this Section. If the SFMTA elects not to transfer the Transferable Medallion in accordance with this Section, it must nevertheless satisfy any outstanding balance on a loan secured by a Qualified Lender if the security interest is on file with the SFMTA under Section 1116(n), and shall do so within three months of the revocation, or, if the Medallion Holder files an action challenging the revocation, within three months of the date of the final judgment in that action.

(4) Disbursement of Retransfer Sale Proceeds. At the time of any retransfer sale of the revoked Transferable 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 retransfer~~ Medallion sale retransfer proceeds after deducting the expenses of the retransfer sale and the applicable Medallion Sale Transfer Allocation Fee ~~and the Driver Fund Transfer Fee~~. Any remaining proceeds shall be disbursed to the former Medallion Holder or his or her designees.

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

(op) **Participating Color Schemes.** Any Color Scheme Permit Holder who wishes to participate in the Taxi Medallion Transfer 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 transferred purchased under this Section to affiliate with the Color Scheme in accordance with all applicable rules and regulations, and to continue to operate any such affiliated, Transferable Medallion during the period commencing on the revocation of such Medallion and ending on the retransfer or other disposition sale of the Medallion by the SFMTA, 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.

Section 3. This section is uncodified.

The Taxi Medallion Sales Pilot Program is terminated as of the effective date of this ordinance and replaced by the Medallion Transfer Program. Medallions surrendered, transferred, and/or retransferred on or after September 20, 2012 will be surrendered, transferred and/or retransferred under the terms of the Medallion Transfer Program. A Medallion Holder may, however, elect to transfer his

or her Medallion under all of the terms of the Pilot Program, including the applicable Medallion Sale Price and Medallion Sale Transfer Fee, if he or she: 1) was eligible to sell under the Pilot Program but did not sell; 2) delivers to the SFMTA an executed "Confirmation of Intent to Sell" on a form provided by the SFMTA on or before September 19, 2012; and 3) completes the transfer within ninety days of the date that the "Confirmation of Intent to Sell" is received by the SFMTA. For the purposes of this ordinance, a transfer is completed on the date that the SFMTA issues a "Certificate of Ownership" to the Medallion purchaser. A Medallion transferred under the terms of the Pilot Program shall be considered "purchased under the Taxi Medallion Sales Pilot Program" for the purposes of Section 1116(f)(1).

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