

Member, Board of Supervisors
District 3



City and County of San Francisco

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*** PRESS RELEASE ***

Deal Reached on First-Ever Local Ridehail Tax in California

Sup. Peskin, Assm. Ting, Uber and Lyft Agree to Tax Percentage of San Francisco Trips for Transportation Funding

San Francisco – After weeks of negotiations, Supervisor Aaron Peskin announced Tuesday that the two largest Transportation Network Companies (TNC's) operating in the United States, Uber and Lyft, have agreed to allow San Francisco to tax a percentage of their net ride revenues and dedicate the monies to transportation infrastructure and operations, as outlined in the SF Transportation Task Force (TTF2045) report.

Supervisor Peskin has built a coalition of support for a November 2018 "Equity for Impacts TNC Tax" – a general gross receipts business tax set to be placed on the November ballot at today's Board of Supervisors meeting. In a show of good faith, Supervisor Peskin pulled his tax measure in exchange for agreement on terms for a dedicated tax in 2019 – but not before ensuring key revenue-generating elements of his gross receipts tax were amended into the cannabis tax headed to the November 2018 ballot. (San Francisco would also be one of the first cities in the country to apply the recent *South Dakota v. Wayfair, Inc.* ruling to their business tax, which would allow the City to tax companies not physically present in San Francisco but doing business here.)

"This is a win-win for everyone," said Supervisor **Aaron Peskin**, who also chairs the SF County Transportation Authority (SFCTA) Board. "We have a \$100 million local funding obligation to meet the transportation demands of a growing city. Voters have made it clear that they want corporations to pay their fair share to meet that need, particularly when there is a nexus to issues like congestion and traffic. I'm optimistic that this concession on the part of the TNC's signals a shift in their corporate culture and a willingness to work with – not fight with – local governments."

"Uber is pleased to reach an agreement that will bring dedicated transportation funding to San Francisco," said **Alex Randolph**, Uber's policy lead in Northern California. "We appreciate the constructive and good faith negotiations with San Francisco lawmakers and we look forward to working with city and state officials to ensure a successful campaign in 2019."

"Lyft is focused on improving transportation in cities and we recognize the importance of reliable transportation in San Francisco," said Lyft official, **Brian McGuigan**. "We are glad to have arrived at a solution that will help keep rideshare convenient and affordable and look forward to continuing these conversations with City and State officials."

The terms of the deal include successfully moving State-enabling legislation before the end of this session, which would affirm San Francisco's authority to levy a local tax on TNC and future Autonomous Vehicle trips and have the dedicated funding be remitted to the SFCTA.

"San Francisco streets are more congested and crowded than ever. As we build more housing and add more jobs in San Francisco, we must invest in public transit and transportation infrastructure so we can move more people around our city in the fastest and safest way possible. We need the additional revenue to make these critical transportation investments and improvements," said Assemblymember **Phil Ting** (D-San Francisco), who will author the state legislation. "I'm proud to work with my San Francisco colleagues, Senator Scott Wiener and Assemblymember David Chiu, to help improve San Francisco's transportation systems."

San Francisco is one of the top three most congested cities in the United States. A recent study by the SFCTA estimates that Uber and Lyft combined average about 82 million trips annually, while 80%-90% of TNC drivers come in from outside the City, some driving from as far away as the Oregon border just to pick up lucrative fares in San Francisco. The SFCTA study also found that up to 26% of peak commute hour trips are made by TNC's in the most transit-rich areas of the City. Another "Automobility" study from the former New York Deputy Traffic & Planning Commissioner found that TNC's create more than double the amount of traffic as compared to non-TNC's in major U.S. cities. San Francisco's Transportation Task Force 2045, co-chaired by Supervisor Peskin and the late Mayor Lee, identified \$22 billion in need over the next 27 years to build out critical citywide transit infrastructure and service, as well as pedestrian and bicycle safety facilities.

"Lyft and Uber have an outsize impact on our city's streets, adding tens of thousands of additional vehicles in conflict with our Transit First policy," said **Brian Wiedenmeier**, Executive Director of the SF Bicycle Coalition and member of the TTF2045. "It's only logical that our City, like many others around the country, make them pay their fair share in order to maintain and improve the streets they drive on, and I'm pleased to see them step up and do the right thing."

The local tax proposed for the 2019 ballot would apply a 3.25% tax rate to single-use rides and a 1.5% tax rate to "carpool share" rides across the industry, including Autonomous Vehicles once they are permitted to charge for rides. The tax would sunset in 2045, and is expected to bring in roughly \$30m in the first few years and more in out years. The tax revenue would be remitted to the SFCTA, the congestion management agency for the City and County of San Francisco.

"I'm thrilled that the State and the City are working together, in partnership with the TNC's to begin to manage ridehail impacts and secure the funding we so desperately need," said SFCTA Executive Director, **Tilly Chang**. "These revenues can help build out our transit, biking and pedestrian networks and support vital Vision Zero safety initiatives. While there is still a ways to go, this is a critical first step and commitment on behalf of both the public and private sectors."

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SF Transportation Task Force 2045 Report: <http://sftransportation2045.com/>

SF TNC's Today Report: <https://www.sfcta.org/tncstoday>

"Equity for Impacts" TNC Tax:

<https://sfgov.legistar.com/LegislationDetail.aspx?ID=3476149&GUID=EE3FE6B0-CF89-4CEE-9F26-14F56D1923DF>