

[Ramp Taxi Medallions]

Resolution amending Section 1109, 1110 and 1116 of Article 1100 of Division II of the Transportation Code by clarifying the requirement that a Medallion Holder affiliate with a Color Scheme, eliminating the ban on Ramp Taxi Medallion Holders accepting another Medallion within three years of issuance of the Ramp Taxi Medallion, exempting Ramp Taxi Medallion Holders from the category of Medallion Holders eligible to surrender their Medallions to the SFMTA for compensation, authorizing the SFMTA to allow Color Schemes to operate returned Ramp Taxi Medallions, and abolishing the Taxi Advisory Council.

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 1109 and 1110, to read as follows:

SEC. 1109. CONDITIONS APPLICABLE TO TAXI AND RAMP TAXI MEDALLIONS.

(a) Affiliation With Color Scheme Required; Color Scheme Change.

(1) A Medallion Holder must affiliate with a single Color Scheme Permit Holder. A Medallion Holder shall be deemed affiliated with a particular Color Scheme when the SFMTA approves his or her application pursuant to this Article, and shall entitle the Medallion Holder to the right to the use of that Color Scheme's trade dress and place of business. ~~Color Schemes shall not unreasonably withhold the use of the trade dress and place of business once affiliation has been approved.~~

(2) Affiliation with a Color Scheme and/or the failure of a Color Scheme to comply with this Article does not relieve the Medallion Holder of his or her responsibility to comply with all requirements of this Article applicable to the Medallion Holder.

(3) A Medallion Holder may apply to the SFMTA for a change in affiliation. The applicant's choice of Color Scheme shall be subject to the prior approval of the SFMTA. A Medallion Holder's request for affiliation with a Color Scheme shall be approved unless the Color Scheme is on Administrative Probation pursuant to Section 1120(d). The SFMTA may delay or deny a change in Color Scheme affiliation by a Medallion Holder if a court of competent jurisdiction issues a temporary or permanent order to prohibit or delay the transfer.

(4) A Medallion Holder who purchases his or her Medallion in accordance with Section 1116 subsection (e) must affiliate with a Participating Color Scheme.

(b) Use of Dispatch Service. All Medallion Holders affiliated with a Color Scheme must utilize the same Dispatch Service.

(c) Full-Time Driving Requirement.

(1) Every Medallion Holder who acquired his or her Medallion after June 6, 1978 ~~subject to the provisions of this section 1109(c)~~ shall be a Full-Time Driver.

(2) Exception for Certain Permits. Notwithstanding any contrary provision in this Article, the requirements set forth in this Subsection 1109(c) shall not apply to any person holding a Medallion issued on or before June 6, 1978.

(3) Declaration Required. No permit to operate a Taxi or Ramp Taxi shall be granted unless the Medallion Holder shall declare under penalty of perjury that he or she will actively and personally continue to engage in Full-Time Driving.

(4) Qualifying Vehicle. All Medallion Holders must drive the Taxi or Ramp Taxi associated with their Medallion when complying with Subsection 1109(c) unless that vehicle is unavailable.

(5) Medallion Holders Responsible for Documenting Compliance. A Medallion Holder has the responsibility to maintain his or her own business records, including, until February 28, 2013, or earlier pursuant to notice from the SFMTA that the Color Scheme for which he or she drives has implemented or affiliated with a Dispatch Service that has implemented a system for generating electronic trip data, paper waybills. Paper waybills, electronic trip data, or other corroborating documentary evidence completed in compliance with all requirements may be used to demonstrate compliance with the Full-Time Driving requirement. Failure of a Color Scheme to maintain business records, including paper waybills or electronic trip data, as required by this Article shall not excuse a Medallion Holder from proving that he or she has satisfied this Subsection 1109(c) or any other requirement.

(6) Partial Years. During the year that a Medallion is first issued or any year in which operation of the Medallion was temporarily suspended with the approval of the SFMTA in accordance with Section 1105(9), the number of driving hours required to meet the Full-Time Driving Requirement shall be reduced by the same proportion as the ratio of the Permit Holder's excused driving hours to the hours remaining in the calendar year.

(7) Exception for Color Scheme Key Personnel.

(A) Alternative Driving Requirement. Medallion Holders who are designated as "Key Personnel" by a Color Scheme may satisfy the Full-Time Driving requirement by driving 120 hours per year and performing 1,500 hours of work per year as Key Personnel for the Color Scheme.

(B) Written Designation of Key Personnel. Each Color Scheme seeking to designate one or more of its employees for a calendar year pursuant to this Subsection 1109(c)(7) must file a written designation by December 1st of the preceding year. A Permit Holder may not be designated as Key Personnel by more than one Color Scheme during a calendar year. The SFMTA will only recognize as Key Personnel only those

Medallion Holders named in a completed designation form filed by the Color Scheme as of December 1st.

(C) Number of Key Personnel Designated at a Color Scheme. Each Color Scheme will be entitled to designate Key Personnel in accordance with the number of Medallions affiliated with that Color Scheme. The number of Medallions affiliated with a particular Color Scheme for a calendar year shall be determined as of December 1st of the previous year, based on the records of the SFMTA. Only individuals already holding a Medallion by December 1 of that year may be considered for Key Personnel designation. The number of designated Key Personnel at a Color Scheme may not be increased or decreased during the subsequent calendar year even if the number of Medallions affiliated with that Color Scheme changes during the year.

A Color Scheme with 1 to 10 Medallions may not designate anyone as Key Personnel.

A Color Scheme with 11 to 20 Medallions may designate one person.

A Color Scheme with 21 to 40 Medallions may designate two people.

A Color Scheme with 41 to 60 Medallions may designate three people.

A Color Scheme with 61 to 80 Medallions may designate four people.

A Color Scheme with 81 to 100 Medallions may designate five people.

A Color Scheme with 101 to 150 Medallions may designate six people.

A Color Scheme with 151 to 200 Medallions may designate seven people.

A Color Scheme with 201 to 300 Medallions may designate eight people.

A Color Scheme with 301 to 400 Medallions may designate nine people.

A Color Scheme with over 400 Medallions may designate nine people, plus one additional person for every 100 Medallions over 400.

(D) Statement of Work by Key Personnel. No later than February 1st of each year, each Color Scheme that has designated one or more employees as Key

Personnel must submit a written Statement of Work on a form provided by SFMTA, demonstrating the number of hours during the previous calendar year that each of its designated Key Personnel worked on tasks related to the business of the Color Scheme, including but not limited to, office duties, dispatching, cashiering, or performing management duties. The Statement of Work shall be signed under penalty of perjury by both the Color Scheme and the Medallion Holder designated as Key Personnel. The Color Scheme shall be responsible for submitting proof of employment with the Statement of Work, which shall consist of state or federal tax forms filed with the appropriate regulatory agency. A Medallion Holder and/or Color Scheme that submit a falsely sworn Statement of Work shall be subject to automatic revocation of his or her Permit.

(E) Partial Completion of Requirements. If a Medallion Holder performs at least 750 hours of work as designated Key Personnel for the a Color Scheme during the year but less than 1,500 hours, the Permit Holder shall be entitled to partial credit against the Full-Time Driving requirement on a pro rata basis. The credit shall correspond to the percentage of 1,500 hours that the designated Permit Holder worked for the company in such capacity. If a Permit Holder does not perform at least 750 hours of work as designated personnel for the Color Scheme during the year, the Permit Holder shall not be entitled to any credit against the Full-Time Driving requirement.

(F) Ramped Taxi Permit Holders Ineligible. Ramped Taxi Permit Holders are not eligible to be designated as Key Personnel.

(d) Corporate Medallion Holders.

(1) Permits Void in Event of Transfer or Sale of Permit Holder. Any Medallion held by a Permit Holder that is not a natural person shall be deemed null and void and revoked if any of the following circumstances has occurred since the issuance of the Medallion:

(A) If the Medallion Holder is or was sold or transferred at any time after June 6, 1978. For the purposes of this Section, a sale or transfer occurs upon a cumulative sale or transfer of either 10 percent or more of the stock or other ownership of the Medallion Holder, or 10 percent of the Permit Holder's assets since June 6, 1978, unless such sale or transfer has the prior written approval of the SFMTA.

(B) If the management or control of the Permit Holder is or has been transferred for consideration since the issuance of the permit;

(C) If the Medallion Holder's rights to receive income derived from the lease of a permit is assigned, transferred or sold.

~~(e) — Limitation on Ramp Taxi Medallion Holders Accepting Other Permits. No person to whom a Ramp Taxi Medallion is issued may accept any other Medallion for a minimum of three years after receipt of the Ramp Taxi Medallion. If a Ramp Taxi Medallion Holder becomes eligible for a Taxi Medallion during his or her first three years as a Ramp Taxi Medallion Holder, and so long as the Ramp Taxi Medallion Holder remains otherwise qualified, the Ramp Taxi Medallion Holder's application shall be kept active and shall be considered for a Taxi Medallion in accordance with the applicant's position on the Waiting List or, if there is no longer a Waiting List, the applicant's A Card Seniority after the three-year period has elapsed.~~

SEC. 1110. CONDITIONS APPLICABLE TO RAMP TAXI MEDALLIONS.

In addition to the conditions specified in Section 1105, the following conditions are applicable to Ramp Taxi Medallion Holders:

(a) Serving Passengers Who Use Wheelchairs.

(1) Ramp Taxi Medallion Holders shall grant priority to requests for service from passengers who use wheelchairs, and may not accept any other service request while en route to a dispatched call from a person who uses a wheelchair. In the absence of a

request for service to a passenger who uses a wheelchair, a Ramp Taxi may transport any person.

(2) A Ramp Taxi Medallion Holder must ensure that any person who is allowed to drive the Ramp Taxi holds a valid Driver Permit and satisfies the training requirement of Section 1104(d)(3).

(3) Every Ramp Taxi Medallion Holder, and every Color Scheme that operates a Ramp Taxi Medallion pursuant to a use agreement with the SFMTA, must ensure that the operation of ~~his or her~~ the Ramp Taxi makes at least eight wheelchair pick-ups per month, at least six of which must be customers of the Paratransit Program as established by reports of usage of San Francisco Paratransit Debit Cards ~~paratransit debit cards~~. If a Ramp Taxi Medallion Holder fails to meet this requirement three times within a six-month period, the Ramp Taxi Medallion shall be suspended for a period of 90 days, and the ~~lease~~ Lease payment from the Color Scheme shall be paid into the Drivers Fund during the term of the suspension. If a Color Scheme that operates a Ramp Taxi Medallion pursuant to a use agreement with the SFMTA fails to meet the wheelchair pick-up requirement three times within a six-month period, or fails to comply with any material term of the Ramp Taxi medallion use agreement, the SFMTA may reassign the Ramp Taxi Medallion to another Color Scheme.

(b) Approval of Use of Ramp Taxi Medallion in Spare Taxi Vehicle.

Notwithstanding any other provisions of law or of this Article, the SFMTA may allow a Ramp Taxi Medallion to be used for the purpose of operating a Taxi upon written request from a Color Scheme. The SFMTA may only approve such request if all of the following requirements are met:

- (1) The Taxi must be a spare vehicle approved by the SFMTA;
- (2) The Taxi must meet all requirements for operation;

(3) The Ramp Taxi Medallion cannot be used in the Medallion Holder's Ramp Taxi because that vehicle is out of service or must be replaced;

(4) The Ramp Taxi Medallion cannot be used in a spare Ramp Taxi because none are available at the Color Scheme with which the Ramp Taxi Medallion is affiliated;

(c) Time Limits on Use of Ramp Taxi Medallion in Spare Taxi. A Ramp Taxi Medallion may be used in a spare Taxi for the lesser of the time that it would take to repair the Ramp Taxi or 30 consecutive days. Upon a showing of good cause, the SFMTA may extend the time limit beyond 30 days in increments of no greater than 15 consecutive days. In no event shall the total time in which a Ramp Taxi Medallion is used in a spare Taxi exceed 90 days within a 12 month period. The authorization to use the Ramp Taxi Medallion in a spare Taxi shall expire by operation of law on the day that the applicable time limit has been reached, or upon completion of repair or replacement of the Ramp Taxi, whichever occurs first.

(d) If a Gas and Gates Ramp Taxi Medallion is returned to the SFMTA for any reason, the SFMTA shall allow the Color Scheme with which the Ramp Taxi Medallion is affiliated to operate the Ramp Taxi Medallion as a Gas and Gates Medallion for the remaining life of the Ramp Taxi vehicle, but only if the SFMTA determines, in its sole and absolute discretion, that the Color Scheme has a record of satisfactory service to passengers who use wheelchairs. If the SFMTA determines that the Color Scheme with which the vehicle is affiliated has not provided satisfactory service to passengers who use wheelchairs, if the returned Ramp Taxi was not operated as a Gas and Gates Medallion, or upon expiration of the Ramp Taxi vehicle's useful life, the SFMTA may allow a Color Scheme of its choosing to operate the Ramp Taxi Medallion upon a determination that the Color Scheme has a record of exemplary service to passengers who use wheelchairs. A Color Scheme may operate a Ramp Taxi Medallion only pursuant to a use agreement with the SFMTA that requires the Color Scheme to make a

monthly payment of \$1500 to the SFMTA. The SFMTA shall deposit \$100 of any such monthly payment into the Driver Fund.

Section 2. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1116, to read as follows:

SEC. 1116. TAXI MEDALLION TRANSFER PROGRAM.

(a) Surrender for Consideration.

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

(A) Any Medallion Holder, except a Ramp Taxi Medallion Holder or a Single Operator Part-time Taxi 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, whether or not he or she is subject to the Full-Time Driving Requirement, or

(B) Any Medallion Holder, except a Ramp Taxi Medallion Holder or a Single Operator Part-time Taxi Medallion Holder, who has attained the age of 60.

(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 a vested right to surrender a Medallion for consideration. The SFMTA Board of Directors may decide at any time that the Medallion Transfer Program is terminated, suspended or otherwise not operational, and that no further surrenders by Medallion Holders eligible under this Section 1116 are permitted.

(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 in an amount equal to two-thirds of the current Medallion Transfer Price; provided, however, that the Medallion Surrender Payment shall never exceed \$200,000.

(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.

(d) Retransfer.

(1) 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 Transferee is eligible to retransfer the Transferable Medallion at any time in accordance with this Section, regardless of age or disability status. The Transferee may not convey the Transferable Medallion by gift, bequest or in any manner other than by a bona fide retransfer in accordance with this Section. A Transferable Medallion shall expire upon the

death or mental incompetence of the Medallion Holder, upon the foreclosure by a Qualified Lender under subsection 1116(~~m~~e), or upon revocation of the Medallion.

(2) In all instances in which retransfer of a Medallion is allowed under this Section, the SFMTA may elect to purchase the Medallion from the Medallion Holder instead of allowing the Medallion Holder to retransfer the Medallion.

(3) If the SFMTA chooses at any time to prohibit the future retransfer of Transferable Medallions, it shall, at the request of a Medallion Holder who holds a Transferable Medallion, and upon ten days notice to a Qualified Lender who has a security interest in the Transferable Medallion, purchase the Medallion at the Medallion Transfer Price paid by the Medallion Holder. At the request of a Qualified Lender who has complied with the requirements of Section 1116(~~l~~h) of this Article, the SFMTA will deduct from the payment made to any Medallion Holder under this Section 1116(d)(3) 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(~~l~~h)(3) and release its security interest in the Medallion. Upon purchase of the Medallion under this Section 1116(d)(3), 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.

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

(e) Fixed Medallion Transfer Price. A Surrendered Medallion may be transferred by the SFMTA, and a Transferable Medallion may be retransferred under the supervision of the SFMTA, at a price established by the SFMTA. The initial Medallion Transfer Price shall be \$300,000. The Director of Transportation may reset the Medallion Transfer Price based upon his or her determination that commercially relevant factors, including but not limited to 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. The Director of Transportation may adjust the Medallion Transfer Price without SFMTA Board approval no more frequently than annually in accordance with the percentage by which the Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area has increased since the Medallion Transfer Price was last set or adjusted. 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(k)(3).

(f) Distribution of Medallion Retransfer Proceeds.

(1) The Transferor shall distribute to the SFMTA the Medallion Transfer Allocation at the time of retransfer. The Medallion Transfer Allocation shall be twenty percent of the Medallion Transfer Price.

(2) Notwithstanding Subsection (f)(1) above, in the event that a Transferee is required to retransfer 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, the Driver Fund Retransfer Contribution shall

be waived and the Transferor shall distribute to the SFMTA the following reduced Medallion Transfer Allocation at the time of retransfer:

Year of Involuntary Event	Percent of Medallion Transfer Allocation Due Upon Involuntary Surrender
1	0%
2	5%
3	10%
4	15%
5	20%
6	35%
7	50%
8	75%
9	90%
10	100%

(g) Medallion Sales by City. As part of the Medallion Transfer Program, and notwithstanding the provisions of Section 1116(e) of this Article, the SFMTA shall transfer 200 medallions that are returned to the SFMTA for any reason, with the exception of Surrendered Medallions, Ramp Taxi Medallions, and Transferable Medallions, to Transferees at the Reduced Medallion Transfer Price of \$150,000. Transfers made at the Reduced Medallion Transfer Price shall be made in the order of seniority on the Waiting List, and shall be made in accordance with and subject to the requirements of this Code. After completing the transfer of 200 Medallions at the reduced Medallion Transfer Price, the SFMTA shall transfer Medallions that are returned to the SFMTA for any reason to Transferees at the Medallion Transfer Price. Upon authorization of the SFMTA Board, the SFMTA may transfer newly-issued Medallions to Transferees at the Medallion Transfer Price, or may transfer newly-issued Medallions to Transferees at the Reduced Transfer Price in order to complete the transfer of 200 medallions at that price.

(h) Taxi Medallion Retransfer Procedures.

(1) Retransfer of a Medallion may only be accomplished by a transaction that complies with all requirements of this Article. Retransfer of a Medallion to a Transferee is not effective until the retransfer is approved by the Director of Transportation.

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

(3) The Director of Transportation may establish such procedures as he or she deems appropriate to carry out the Medallion Transfer Program.

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

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

(jk) Driver Fund and Driver Fund Retransfer Contribution. The SFMTA shall establish a Driver Fund. The SFMTA shall make a Driver Fund Retransfer Contribution to 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.~~

~~(k)~~ Medallion Lender Qualification.

(1) A Transferee of a Medallion may enter into a loan agreement to finance the transfer or retransfer 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 Price below the highest Medallion Transfer Price paid by a Medallion Holder to whom a Qualified Lender made a loan that is still outstanding.

~~(1)~~ Security Interests.

(1) Qualified Lender's Security Interest. Notwithstanding any other provisions herein to the contrary, a Transferee 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 of the Medallion.

(2) Filing Security Interests. A Qualified Lender wishing to evidence a security interest in a 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.

(m) Foreclosure and Retransfer of Transferable Medallions.

(1) If the Transferee 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(m)(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 the Transferable Medallion pursuant to the provisions of this

Section to the Transferee identified by the SFMTA at the Medallion Transfer Price. 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, to the SFMTA.

~~(1P)~~ Disciplinary Revocation and Retransfer.

(1) In the event that the SFMTA brings disciplinary revocation proceedings against a Transferable Medallion 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 Section 1116~~(1H)~~.

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

(3) Conduct of Retransfer. Upon revocation of a Transferable Medallion for any reason, the SFMTA may proceed to transfer 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~~(1H)~~, 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 Proceeds. At the time of any retransfer of the revoked Transferable Medallion, the outstanding balance of the loan secured by a secured interest of a Qualified Lender on file with the SFMTA shall be satisfied with the retransfer proceeds after deducting the expenses of the retransfer and the applicable Medallion Transfer Allocation. Any remaining proceeds shall be disbursed to the former Medallion Holder or his or her designees.

(5) Continued Operation After Revocation. Upon revocation of the Transferable Medallion, the SFMTA shall repossess 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. The Transferable Medallion need not be in the possession of the SFMTA in order to proceed with retransfer or other disposition of the Medallion. Upon revocation, and until the Transferable Medallion is distributed to a new Medallion Holder, the Medallion shall continue to be operated by the Participating Color Scheme with which it is affiliated.

(d) Participating Color Schemes. Any Color Scheme Permit Holder who wishes to participate in the Medallion Transfer 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 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 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.

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 February 19, 2013.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency