

## CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE GG

This measure was placed on the ballot by the City Council.

The measure would impose a general tax on Transportation Network Company ("TNC") trips that originate in City of Berkeley. Commonly referred to as "ridesharing companies," TNCs are companies that enable passengers to prearrange transportation with a driver using an online-enabled application software, website or other system. Users of TNCs would pay a tax of 50 cents for a private trip and 25 cents for a pooled trip, regardless of the total number of passengers. Users would pay the tax to the TNC at the time of payment for the trip, and the TNC would remit the tax quarterly to the City of Berkeley. A pooled trip is one in which the person requesting the trip agrees to share the trip with other potential passengers who are also willing to share a trip. A lower fare is generally charged for these trips. A private trip is one in which the person requesting the trip will not be sharing the trip with anyone other than their own guests. Drivers would not be required to pay City of Berkeley business license fees while the tax is in effect.

Each TNC would be required to register with the City's Finance Department and would be liable to the City for the amount of tax due. The measure would impose penalties and interest on a TNC that fails to remit the tax in a timely manner.

The tax would not apply to

- trips paid or reimbursed by a state or federal government healthcare payor, including trips paid for or reimbursed under Medi-Cal
- trips in Wheelchair Accessible Vehicles as defined by state law.

The City Council could increase the tax annually by the increase in the local cost of living or the per capita personal income growth in the state, whichever is greater. The City Council could also adopt by ordinance additional exemptions, waivers, discounts, or rebates for the tax, such as discounted or free trips for low-income individuals or youth traveling to or from school. The City Council could adopt regulations and procedures for implementing the tax, including any exemptions and tax rate reductions. The City Council could reduce or eliminate the tax without further voter approval.

The measure shall pass if approved by a majority of the voters voting on the measure and would go into effect on January 1, 2021. The tax would remain in effect for 20 years, expiring on January 1, 2041.

### Financial implications

The tax is estimated to generate \$910,000 annually. The revenues from the tax may be used to fund any municipal governmental purpose.

The above statement is an impartial analysis of Measure GG.

s/FARIMAH BROWN  
Berkeley City Attorney