
June 30, 2017

Honorable Ed Chau
Chair, Assembly Privacy and Consumer Protection Committee
1020 N Street, Room 156A
Sacramento, CA 95814

Re: SB 182 (Bradford). Transportation Network Company: Single Business License – Notice of Opposition

Dear Assembly Member Chau,

MuniServices respectfully opposes SB 182 (Bradford) which prohibits local agencies from requiring drivers associated with transportation network companies (TNCs) to obtain a business license to operate, unless it is the location where they live. The application of business license taxes to TNC drivers is an issue arising out of the new economy and is only going to get bigger. We remain committed to working with the author and sponsor to identify potential solutions that are fair and balanced. We urge all stakeholders to value the time and research needed to fully vet and consider policy questions and proposals on this topic. MuniServices primary concerns with SB 182 are as follows:

Does Not Fairly Apportion the Benefits and Burdens Between Local Governments: TNC drivers would only be required to obtain a business license in the taxing jurisdiction which is the drivers place of “domicile.” This would disadvantage cities that are “destination” cities, such as San Francisco, which attract large numbers of out-of-city drivers. These cities would bear the burden of the business activity without any compensating tax revenue. Moreover, if the city in which a driver is domiciled does not apply a business license tax, the driver is tax exempt, even if most of the driver’s business activities are in other cities.

Carve-Out for a Single Industry: SB 182 would provide a carve out for a single industry that offers a service with direct interaction with consumers.

Consumer Protection and Local Authority is Compromised: The bill allows TNC drivers to operate a new vehicle anywhere in the state without a business license if the driver lives in a city or county that does not require a business license. SB 182 also limits public access to information about the TNC drivers. This negates the purpose of business licenses as an important tool for safety and accountability. Drivers are exempt from taxes until January 1, 2018 and are also exempt from taxes for their first year of operation.

MuniServices for nearly 40 years has worked *exclusively* as partner to California’s local governments in developing thoughtful revenue enhancement programs that work in conjunction with existing public services. It is our position that municipal agencies are unique and must retain the flexibility to make decisions and adopt policies that best meet the local service needs. If you have any questions regarding MuniServices’ position on this bill please do not hesitate to contact me, or Ben Fay, Attorney with Jarvis, Fay, Doporto & Gibson, LLP at (510) 238-1400 or via email at ben@jarvisfay.com.

Respectfully,



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