

1 [Commuter Benefits]

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3 **Ordinance adding Section \_\_\_\_ of the \_\_\_\_\_ Code to require City of \_\_\_\_\_**  
4 **employers to offer commuter benefits to encourage employees to use public transit or**  
5 **van pools;**

6 Be it ordained by the People of the City of \_\_\_\_\_:

7 Section 1. Findings. The City Council hereby finds and declares:

8 (a) \_\_\_\_\_ is committed to protecting the public health, safety, welfare  
9 and environment. Air pollution is one of the major public health threats in \_\_\_\_\_ and  
10 contributes to asthma and other respiratory diseases. Encouraging commuters to use public  
11 transit and vanpools to reach their place of employment will reduce air pollution from private  
12 cars.

13 (b) Existing Federal Tax law, Internal Revenue Code section 132(f) allows  
14 employers and employees to reduce the cost of public transit by enabling employers to deduct  
15 employer-provided transit benefits as business expenses, or by allowing employees to elect to  
16 purchase qualifying transit passes or vanpool rides with pre-tax dollars.

17 (c) The County of San Mateo currently partially subsidizes its 5,300 employees to  
18 purchase qualifying transit passes and van pool transit through an Internal Revenue Code  
19 section 132(f) qualified Transit Benefit Program.

20 (d) The Peninsula Traffic Congestion Relief Alliance will assist employers in  
21 offering commuter benefits through education and information provided through phone  
22 consultation or onsite outreach, and other technical assistance.

23 (e) Commuter benefits programs will help the City of \_\_\_\_\_ achieve its goal to  
24 reduce greenhouse gas emissions within the city to 1990 levels by the year 2020 per State  
25 Assembly Bill 32.

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**SEC. \_\_\_\_ . COMMUTER BENEFITS PROGRAM**

**(a) Definitions.**

Whenever used in this Section, the following terms shall have the meanings set forth below.

"Alternative Commute Mode" shall mean public transit (bus, train, ferry, etc), vanpool, carpool (Including "casual carpool"), bicycling, and walking.

"Covered Employee" shall mean any person who is on their respective employer's payroll. Employee shall further be defined as any person who is entitled to payment of a minimum wage from an employer under the California minimum wage law, as provided under Section 1197 of the California Labor Code and wage orders published by the California Industrial Welfare Commission.

"Covered Employer" shall mean any person, as defined in Section 18 of the California Labor Code, including corporate officers or executives, who directly or indirectly, or through an agent any other person, employs or exercises control over the wages, hours or working conditions of one hundred (100) or more employees who work at or out of a location within the City of \_\_\_\_\_, including those who perform work outside the geographic boundaries of the City of \_\_\_\_\_ or within the County of San Mateo. [While there is no requirement for employers with 100 or fewer employees, these employers are encouraged to participate in the program. All the educational and outreach support services from the Peninsula Traffic Congestion Relief Alliance are available to employers of any size.]

"Transit Pass" shall mean any pass, debit card, transit smart card (e.g., Clipper Card), voucher or similar item entitling a person to transportation on public transit, including but not limited to, travel by bus, light rail or train by Muni, BART, Caltrain, or SamTrans.

"Vanpool" shall mean any highway vehicle:

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- (1) the seating capacity of which is at least 6 adults (not including the driver), and
- (2) at least 80% of the mileage use of which can reasonably be expected to be-

(A) for the purpose of transporting employees in connection with travel between their residences and their place of employment, and

(B) on trips during which the number of employees transported for such purposes is at least ½ of the seating capacity of such vehicle (not including the driver).

**(b) Transportation Benefit Program**

No later than 90 days after the effective date of this Ordinance, all Covered Employers shall provide at least one of the following transportation benefit programs:

(1) A Pre-Tax Election: A program, consistent with Section 132 of Title 26, United States Code, that offers employees the option to elect to exclude from taxable wages and compensation, employee commuting costs incurred through the use of public transportation or vanpools, up to maximum level allowed by federal tax law, 26 U.S.C. 132 (f)(2), which presently is two hundred and thirty dollars per month (\$230);

(2) Employer Paid Benefit: A program whereby the Covered Employer supplies a transit pass or reimbursement for equivalent vanpool charges at least equal in value to the purchase price of a monthly SamTrans bus pass, which presently is \$64, for the public transit system requested by the employee; or to reimburse vanpool charges; or

(3) Transportation furnished by the employer at no cost to the employee in a vanpool or bus, shuttle or similar multi-passenger vehicle operated by or for the employer.

**(c). Administration and Compliance**

(1) The Peninsula Traffic Congestion Relief Alliance shall alert employers that fall under the category of Covered Employer, that they will need to offer this program per their cities' ordinance code.

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(2) The Peninsula Traffic Congestion Relief Alliance shall maintain an education and advice program to assist employers with meeting the requirements of the Commuter Benefits Program. The Alliance will also outline other commuter support options such as the Guaranteed Ride Home Program and the Shuttle Bus service.

APPROVED AS TO FORM:

\_\_\_\_\_, City Attorney

By: \_\_\_\_\_