
BUSINESS AND TAX REGULATIONS CODE



New Ordinance Notice

Publisher's Note: This Code includes sections affected by new legislation. [Clickhere](#) for a list of the new legislation and the affected sections.

The Business and Tax Regulations Code was last amended by Ordinance [225-24](#), File No. 240728, approved September 20, 2024, effective October 21, 2024.

See the Comprehensive Ordinance Table for information regarding amendments to other portions of the San Francisco Municipal Code.



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Building Code

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Comprehensive Ordinance List

PREFACE TO THE

BUSINESS AND TAX REGULATIONS CODE

This electronic version of the City and County of San Francisco Municipal Code is updated as amending legislation is approved. New Ordinance Notices are inserted where applicable to call the user's attention to material that has been affected by legislation that has been passed but is not yet effective. Any references to such legislation are also compiled in a table at the end of this Code. The amendments are then incorporated into the Code when they become effective.

Beginning with ordinances passed in 2011, all ordinances affecting this Code are summarized in a table that lists the identifying information (ordinance and file numbers), effective date, short title, and sections affected for each such ordinance. Users should note that the operative date of an ordinance may be later than the effective date of the ordinance. A delayed operative date will be noted in the ordinance.

This Code may contain various Editor's Notes (explaining the disposition of or cross referencing various provisions), and/or Codification Notes (documenting scrivener's errors and the like found in the underlying ordinances). Such notes have been inserted by the publisher for the convenience of the user or as historical references. They have not been approved or adopted by the City and County of San Francisco, and are of no legal force or effect.

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Editor's Notes:

Sections designated 6.1-1 through 6.24-1 are codified in Article 6.

Sections designated 15A.1 et seq. are codified in Article 15A.

SEC. 1. DESIGNATING DEPARTMENTS FOR ISSUANCE OF PERMITS.

Permits shall be issued for the location and conduct of the businesses, enterprises or activities, enumerated hereinafter in Sections 1.1 to 1.77, inclusive, by the department or office authorized by Sections 1.1 to 1.77, inclusive, and Section 2 of this Article 1 to issue each such class of permit, and subject to the approval of other departments and offices of the City and County, where specifically designated in any such case; provided that permit or license fees as required by ordinance shall be collected by the Tax Collector as provided in Section 3 of this Article.

(Amended by Ord. 242-69, App. 7/29/69; Ord. 443-86, App. 11/13/86; Ord. 367-88, App. 8/5/88; Ord. [230-17](#), File No. 171042, App. 12/6/2017, Eff. 1/5/2018)

SEC. 1.1. AMUSEMENT PARKS.

For the establishment, maintenance and operation of amusement parks – by the Entertainment Commission.

(Added by Ord. 274-64, App. 10/16/64; amended by Ord. 193-05, File No. 051027, App. 7/29/2005)

SEC. 1.2. MASQUERADE BALLS.

For the holding of masquerade balls – by the Entertainment Commission.

(Added by Ord. 274-64, App. 10/16/64; amended by Ord. 193-05, File No. 051027, App. 7/29/2005)

SEC. 1.3. CIRCUSES OR WILD WEST SHOWS.

For the holding of circuses or wild west shows – by the Entertainment Commission.

(Added by Ord. 274-64, App. 10/16/64; amended by Ord. 193-05, File No. 051027, App. 7/29/2005)

SEC. 1.4. BALLOON ADVERTISING.

For balloon advertising – by the Police Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.5. STREETCARS FOR DISPLAYING ADVERTISING SIGNS.

For use of streetcars for displaying advertising signs – by the Police Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.6. DISCHARGE OF FIREARMS.

For the discharge of firearms – by the Police Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.7. SECONDHAND DEALER.

For the establishment, maintenance and operation of the business of secondhand dealer – by the Police Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.8. SHOOTING GALLERIES.

For the establishment, maintenance and operation of shooting galleries – by the Police Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.9. MINIATURE AND PRACTICE GOLF COURSES.

For the establishment, maintenance and operation of miniature and practice golf courses – by the Police Department; provided, that if the establishment of any such business requires the remodeling of any structure, this shall also require a building permit as required by ordinance.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.10. VEHICLES FOR HIRE.

For the operation of vehicles for hire – by the Police Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.11. RESERVED.

(Amended by Ord. 348-77, App. 7/22/77; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 1.11.1. RESERVED.

(Added by Ord. 379-79, App. 7/13/79; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 1.12. RESERVED.

(Repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 1.13. RESERVED.

(Amended by Ord. 394-81, App. 7/3/81; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 1.13.1. RESERVED.

(Amended by Ord. 394-81, App. 7/3/81; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 1.13.2. RESERVED.

(Amended by Ord. 394-81, App. 7/3/81; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 1.14. RESERVED.

(Added by Ord. 274-64, App. 10/16/64; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 1.15. PUBLIC DISPLAY OF FIREWORKS.

For the conducting of a public display of fireworks – by the Fire Department; subject to approval of the Police Department insofar as matters of traffic control are involved.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.16. OPEN OUTDOOR FIRES.

For maintaining or igniting open outdoor fires – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.17. SERVICE STATIONS.

For the establishment, maintenance and operation of service stations – by the Fire Department; subject to the approval of the Department of Public Works insofar as traffic control is involved.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.18. RESERVED.

(Added by Ord. 274-64, App. 10/16/64; repealed by Ord. 219-10, File No. 100639, App. 8/12/2010)

SEC. 1.19. ACETYLENE GENERATOR.

For the operation and use of an acetylene generator – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.20. PUBLIC REPAIR GARAGES, PUBLIC STORAGE GARAGES, COMMERCIAL AND TRUCK GARAGES, AND AUTOMOBILE SALES GARAGES.

For the establishment, maintenance and operation of public repair garages, public storage garages, commercial and truck garages and automobile garages – by the Fire Department; subject to the approval of the Department of Public Works insofar as traffic control is concerned.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.20.1. AUTOMOBILE REPAIR SHOPS.

For the establishment, maintenance and operation of special branches of automobile repair shops – by the Fire Department.

(Added by Ord. 200-67, App. 7/28/67)

SEC. 1.21. REMOVING PAINT FROM BUILDINGS BY BURNING.

For the removing of paint from buildings by burning – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.22. OIL-BURNING APPARATUS.

For the installation and use of oil-burning apparatus – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.23. STORAGE OF CALCIUM CARBIDE.

For the storage of calcium carbide – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.24. DOG HOSPITALS OR KENNELS OR HOSPITALS FOR SICK ANIMALS.

For the establishment, maintenance and operation of dog hospitals and kennels or hospitals for sick animals – by the Health Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.25. LAUNDRIES.

For the establishment, maintenance and operation of laundries including laundry delivery services doing business in the City and County of San Francisco – by the Health Department; subject to the approval of the Fire Department.

(Amended by Ord. 53-82, App. 2/11/82)

SEC. 1.26. STABLES.

For the construction and maintenance of stables – by the Health Department; subject to the approval of the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.27. MEDICAL COLLEGES.

For the establishment and maintenance of medical colleges – by the Health Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.28. USE OF CITY AND COUNTY PROPERTY FOR DECORATION PURPOSES.

For the use of City and County property for decoration purposes – by the Real Estate Department; subject to the approval of any department having charge, management and control of the specific property involved.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.29. BILLBOARDS.

For the erection and maintenance of billboards on City property – by the Real Estate Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.30. ROCK-CRUSHING MACHINES.

For the establishment and operation of rock-crushing machines – by the Central Permit Bureau; subject to the approval of the Department of Public Works.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.31. TEMPORARY BUILDINGS.

For the construction and maintenance of temporary buildings – by the Central Permit Bureau; subject to the approval of the Bureau of Building Inspection, Fire Department and Health Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.32. BLASTING OPERATIONS.

For conducting blasting operations – by the Central Permit Bureau; subject to the approval of the Department of Public Works and Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.33. BOILERS, ENGINES, AND CUPOLA FURNACES.

For the installation and operation of boilers, engines and cupola furnaces – by the Central Permit Bureau; subject to the approval of the

Bureau of Building Inspection and Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.34. GAS WORKS.

For the construction and operation of gas works – by the Central Permit Bureau; subject to the approval of the Bureau of Building Inspection and Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.35. EMPLOYMENT OFFICES.

For the establishment and maintenance of employment offices – by the Police Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.36. VENDING.

For Vending – by the Department of Public Works; subject to the approval of the Public Health Department for food Vending, if applicable (See Article 5.9 of the Public Works Code).

(Amended by Ord. 242-70, App. 7/14/70; amended by Ord. [118-21](#), File No. 210566, App. 8/4/2021, Eff. 9/4/2021; Ord. [44-22](#), File No. 211292, App. 3/22/2022, Eff. 4/22/2022)

SEC. 1.37. PAWNBROKER ESTABLISHMENTS.

For the maintenance and operation of pawnbroker establishments – by the Police Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.38. COMBUSTIBLE FIBRES.

For the storing and handling of combustible fibres – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.39. EXPLOSIVES.

For the receiving of explosives – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.40. IMPORTING AND/OR EXPORTING FIREWORKS.

For importing and/or exporting fireworks – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.41. TRANSPORTING OF FIREWORKS.

For the transporting of fireworks – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.42. WHOLESALING OF FIREWORKS.

For the wholesaling of fireworks – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.43. APPLICATION OF FLAMMABLE FINISHES.

For the application of flammable finishes – by the Fire Department; subject to the approval of the Health Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.44. FLAMMABLE LIQUIDS.

For the storage, handling, use, manufacturing, processing, refining or dispensing of flammable liquids – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.45. FLAMMABLE FUMIGANTS AND FOGS.

For the use of flammable fumigants and fogs – by the Fire Department; subject to the approval of the Health Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.46. HAZARDOUS CHEMICALS.

For the storage of hazardous chemicals – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.47. WASTE MATERIAL HANDLING PLANTS.

For the operation and maintenance of waste material handling plants – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.48. LIQUEFIED PETROLEUM GASES.

For the storage of liquefied petroleum gases – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.49. STORAGE OF LUMBER AND READILY COMBUSTIBLE MATERIALS.

For the storage and handling of lumber and readily combustible materials – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.50. MAGNESIUM AND TITANIUM PROCESSING.

For the processing of magnesium and titanium – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.51. MOTION PICTURE THEATERS, THEATERS, PUBLIC ASSEMBLY UNITS, AND OPEN-AIR ASSEMBLY UNITS.

For the maintenance of motion picture theaters, theaters, and for the maintenance, operation and use of public assembly units and open-air assembly unit – by the Fire Department; subject to the approval of the Bureau of Building Inspection; for the operation of motion picture theaters, closed-circuit television theaters, live entertainment in theaters or any combination thereof – by the Police Department.

(Amended by Ord. 29-71, App. 2/10/71)

SEC. 1.52. NITROCELLULOSE MOTION PICTURE FILM.

For the processing, storage and use of nitrocellulose motion picture film – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.53. NITROCELLULOSE PLASTICS.

For the processing and storage of nitrocellulose plastics – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.54. INDUSTRIAL BAKING AND DRYING OVENS.

For the operation and use of industrial baking and drying ovens – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.55. STANDING ROOM, CANDY COUNTERS AND VENDING MACHINE SPACES.

For the use of standing room, candy counters and vending machines spaces – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.56. COMPRESSED GASES.

For the storage, handling and use of compressed gases – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.57. TENTS.

For the erection and use of tents – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.58. TIRE REBUILDING PLANTS.

For the conduction and maintenance of tire rebuilding plants – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.59. WELDING AND CUTTING OPERATIONS.

For the conduction of welding and cutting operations – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.60. FLAMMABLE LIQUID TANK VEHICLES.

For the operation and use of flammable liquid tank vehicles – by the Fire Department.

(Added by Ord. 274-64, App. 10/16/64)

SEC. 1.61. ESTABLISHMENT, MAINTENANCE AND OPERATION OF FOOD PRODUCTS AND MARKETING ESTABLISHMENTS.

For the establishment, maintenance and operation of food product and marketing establishments – by the Health Department.

(Amended by Ord. 242-70, App. 7/14/70)

SEC. 1.62. MAINTENANCE AND OPERATION OF MEAT AND MEAT FOOD PRODUCT VEHICLES.

For the maintenance and operation of meat and meat food products vehicles – by the Department of Public Health.

(Added by Ord. 94-68, App. 4/19/68)

SEC. 1.64. ESTABLISHMENT, MAINTENANCE AND OPERATION OF FOOD PREPARATION AND SERVICE ESTABLISHMENTS.

For the establishment, maintenance and operation of food preparation and service establishments – by the Health Department.

(Amended by Ord. 242-70, App. 7/14/70)

SEC. 1.65. ESTABLISHMENT, MAINTENANCE AND OPERATION OF SALVAGE GOODS AND MERCHANDISE DEALERS.

For the establishment, maintenance and operation of salvage goods and merchandise dealers as defined in the Health Code – by the Department of Public Health.

(Added by Ord. 94-68, App. 4/19/68)

SEC. 1.66. ESTABLISHMENT, MAINTENANCE AND OPERATION OF CIGAR AND MATTRESS FACTORIES.

For the establishment, maintenance and operation of cigar and mattress factories – by the Department of Public Health.

(Added by Ord. 94-68, App. 4/19/68)

SEC. 1.67. ESTABLISHMENT, MAINTENANCE AND OPERATION OF PET SHOPS.

For the establishment, maintenance and operation of pet shops – by the Department of Public Health.

(Added by Ord. 94-68, App. 4/19/68)

SEC. 1.68. MAINTENANCE AND OPERATION OF GARBAGE VEHICLES.

For the maintenance and operation of vehicles used for the transportation of refuse or garbage – by the Department of Public Health.

(Added by Ord. 94-68, App. 4/19/68)

SEC. 1.69. ESTABLISHMENT, MAINTENANCE AND OPERATION OF SWIMMING POOLS.

For the establishment, maintenance and operation of swimming pools – by the Department of Public Health.

(Added by Ord. 94-68, App. 4/19/68)

SEC. 1.70. MAINTENANCE AND OPERATION OF PRIVATE AMBULANCES.

For the maintenance and operation of private ambulances – by the Department of Public Health.

(Added by Ord. 94-68, App. 4/19/68)

SEC. 1.71. USE OF HYDROCYANIC GAS, ETC.

For the use of hydrocyanic gas, etc. – by the Department of Public Health.

(Added by Ord. 94-68, App. 4/19/68)

SEC. 1.72. BUSINESS OF RETAIL FIREARMS DEALER, OPERATION AND MAINTENANCE OF.

For the establishment, maintenance and operation of the business of firearms dealer – by the Police Department.

(Added by Ord. 242-69, App. 7/29/69)

SEC. 1.73. FOOD VENDING MACHINES.

For food vending machines – by the Health Department.

(Added by Ord. 242-70, App. 7/14/70)

SEC. 1.74. MOBILE CATERING VEHICLES.

For the operation of mobile catering units – by the Police Department subject to approval by the Health Department.

(Added by Ord. 229-71, App. 9/10/71)

SEC. 1.75. WELLS AND WELL WATER.

For the operation, maintenance and use of wells and well water – by the Department of Public Health.

(Added by Ord. 450-77, App. 10/6/77)

SEC. 1.76. TESTERS OF BACKFLOW PREVENTION OR CROSS-CONNECTION CONTROL DEVICES.

For the licensing of certified testers of backflow prevention or cross-connection control devices – by the Department of Public Health.

(Added by Ord. 356-84, App. 8/24/84)

SEC. 1.77. CANNABIS BUSINESSES.

For the establishment, maintenance, and operation of Cannabis Businesses by the Office of Cannabis.

■ (Added by Ord. 275-05, File No. 051250, App. 11/30/2005; amended by Ord. [230-17](#), File No. 171042, App. 12/6/2017, Eff. 1/5/2018)

SEC. 2. APPROVAL OF CITY PLANNING COMMISSION.

The head of any department or office authorized to issue permits or licenses shall secure the approval of the City Planning Commission for any application for a permit or license, in any case where it is not clearly prescribed by the zoning ordinances and regulations of the City and County that the business, enterprise or activity for which application for a permit is made, can legally be established on or at the location covered in the application for permit.

SEC. 3. CERTAIN PERMITS TO BE DELIVERED TO TAX COLLECTOR.

All permits issued by departments or offices as outlined in Section 1 of this Article that require the payment of a permit or license fee shall be issued by the departments designated, as a permit for the conduct of the specified business, enterprise or activity at the specified location, and such permit shall be delivered to the applicant by the Tax Collector on the payment to the Tax Collector of the fee required by law or ordinance.

SEC. 5. NOTICE OF ISSUANCE OF PERMITS.

Permits affecting a change of the use or occupancy theretofore authorized by the City Planning Commission for a building or structure, or by the provisions of Chapter II (City Planning Code) Part II of the San Francisco Municipal Code, which change requires approval of the City Planning Commission, permits for moving of buildings from one site to another, and permits for new buildings and structures other than billboards erected for outdoor advertising display, shall be posted on the premises or property affected as hereinafter provided in this Section; provided, however, in the event any other Section of this Code or any ordinance of the City and County shall provide for the posting on the premises or property or advertising in the official newspaper of the City and County of any such permit or application for the same, the provisions of this Section shall not apply. Within two days after the issuance of said permits the department or officer issuing the same shall cause a copy thereof and the notice described in Section 6 hereof to be posted in a conspicuous place on the subject property or location affected by said permit. Posting shall be made on each lot on which a structure affected is located or is to be located, unless any such structure occupies more than one lot, in cases both of individual and multiple construction. Said copy shall remain so posted until the expiration of the 10-day period provided for appeal from the issuance of said permit.

■ (Amended by Ord. 6007, App. 5/3/50)

SEC. 6. NOTICE TO BE ATTACHED TO COPY POSTED – COST OF POSTING.

Each copy of a permit, posted as required in Section 5 of this Article, shall have attached thereto, during such posting, a notice which shall specify the following:

- (a) The name and address of the permittee.
- (b) That said permit has been issued authorizing the doing of the things set forth.
- (c) That any person who may deem that his interests or property or that the general public interest will be adversely affected as the result of operation authorized by or under such permit shall have the right to appeal to the Board of Appeals; that such right may be exercised by filing a notice of appeal from the order or decision granting said permit with the Board of Appeals at its office, within 10 days after the issuance of the permit, and that said notice of appeal may include a statement of grounds of appeal or objections to the issuance of said permit.
- (d) The date of the last day within which said notice may be filed.

Unless otherwise provided by law, the cost of all posting required by Sections 5 and 6 hereof shall be paid by the applicant at the time of issuance of permit. The cost of each such posting shall be \$2.50, except that only one fee of \$2.50 shall be charged as to such posting of permits issued simultaneously to any one owner for the construction of two or more new buildings or structures of the same use or occupancy, size and construction located on the same or adjoining lots. In such instances, a fee of \$0.25 shall be added as the cost of each such additional related posting. For this purpose, adjoining lots shall be deemed to include all lots facing on any one street which constitute a single area of land in any one block.

(Added by Ord. 4541, App. 7/30/47)

***Editor's Note:**

Sections 6.1-1 through 6.23-1 are located in Article 6 of this Code.

SEC. 7. INTERFERENCE WITH POSTING OR TAMPERING WITH NOTICE PROHIBITED – PENALTY.

Any person removing, tampering with or obliterating any notice posted, as provided herein, as well as any person who interferes with the posting of any such notice, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not to exceed \$250 or imprisonment in the County Jail for not more than six months, or both such fine and imprisonment.

■ (Added by Ord. 4541, App. 7/30/47)

SEC. 8. METHOD OF APPEAL TO THE BOARD OF APPEALS.

(a) Except for variance decisions and permits issued by the Entertainment Commission or its Director, and as otherwise specified in this Section 8, appeals to the Board of Appeals shall be taken within 15 days from the making or entry of the order or decision from which the appeal is taken. Appeals of variance decisions shall be taken within 10 days.

(b) Appeals to the Board of Appeals of permit decisions made pursuant to Planning Code Section 343 shall be taken within 10 days of the permit decision. This subsection (b) shall expire on the Sunset Date of Planning Code Section 343, as defined in that Section. Upon the expiration of this subsection, the City Attorney shall cause this subsection to be removed from the Business and Tax Regulations Code.

(c) Appeals to the Board of Appeals of permit decisions made pursuant to Planning Code Section 207, subsection (c)(6), shall be taken within 10 days of the permit decision.

(d) Appeals of actions taken by the Entertainment Commission or its Director on the granting, denial, amendment, suspension, or revocation of a permit, or on denial of exceptions from regulations for an Extended-Hours Premises Permit, shall be taken within 10 days from the making of the decision. Nothing in this Section 8 is intended to require an appeal to the Board of Appeals if any provision of Article 15, Article 15.1 (Entertainment Regulations Permit and License Provisions), or Article 15.2 (Entertainment Regulations for Extended-Hours Premises) of the Police Code governing these permits otherwise provides.

(e) Appeals shall be taken by filing a notice of appeal with the Board of Appeals and paying to said Board at such time a filing fee as follows:

(1) Zoning Administrator, Planning Department, Director of Planning, and Planning Commission.

(A) For each appeal from the Zoning Administrator's variance decision, the fee shall be \$600.

(B) For each appeal from any order, requirement, decision, or other determination (other than a variance) made by the Zoning Administrator, the Planning Department or Commission or the Director of Planning, including an appeal from disapproval of a permit which results from such an action, the fee shall be \$600.

(2) Department of Building Inspection.

(A) For each appeal from a Department of Building Inspection denial, conditional approval, or granting of a residential hotel or apartment conversion permit, the fee shall be \$525.

(B) For each appeal from the granting or denial of a building demolition or other permit (other than residential hotel conversion).¹ the fee shall be \$175.

(C) For each appeal from the imposition of a penalty only, the fee shall be \$300.

(3) Police Department and Entertainment Commission.

(A) For each appeal from the denial or granting of a permit or license issued by the Police Department, Entertainment Commission, or the Director of the Entertainment Commission, to the owner or operator of a business, the fee shall be \$375; for each such permit or license issued to an individual employed by or working under contract to a business, the fee shall be \$150.

(B) For each appeal from the revocation or suspension of a permit or license by the Police Department, Entertainment Commission, or the Director of the Entertainment Commission, the fee shall be \$375 for an entity or individual.

(4) Department of Public Works. For each appeal from the decision of the Director of the Department of Public Works concerning street tree removal by a City agency, commission, or department, the fee shall be \$100.

(5) For each appeal from any other order or decision, the fee shall be \$300.

(6) For requests for rehearing under Section 16 of this Article 1, the fee shall be \$150.

(7) For requests for jurisdiction, the fee shall be \$150.

(8) An exemption from paying the full fee specified in subsections (e)(1) through (7) herein may be granted upon the filing under penalty of perjury of a declaration of indigency on the form provided and approved by the Board. All agencies of the City and County of San Francisco are exempted from these fees.

(9) Additional Requirements.

(A) Notice of appeal shall be in such form as may be provided by the rules of the Board of Appeals.

(B) On the filing of any appeal, the Board of Appeals shall notify in writing the department, board, commission, officer, or other person from whose action the appeal is taken of such appeal. On the filing of any appeal concerning a structural addition to an existing building, the Board of Appeals shall additionally notify in writing the property owners of buildings immediately adjacent to the subject building.

(C) Except as otherwise specified in this subsection (e)(9)(C), the Board of Appeals shall fix the time and place of hearing, which shall be not less than 10 nor more than 45 days after the filing of said appeal, and shall act thereon not later than 60 days after such filing or a reasonable time thereafter.

(i) In the case of a permit issued by the Entertainment Commission or its Director, the Board of Appeals shall set the hearing not less than 15 days after the filing of said appeal, shall act thereon not more than 30 days after such filing, and shall not entertain a motion for rehearing.

(ii) In the case of a decision on a permit application made pursuant to Planning Code Section 343, the Board of Appeals shall set the hearing not less than 10 days after the filing of said appeal, shall act thereon not more than 30 days after such filing, and shall not entertain a motion for rehearing. This subsection (e)(9)(C)(ii) shall expire on the Sunset Date of Planning Code Section 343, as defined in that Section. Upon the expiration of this subsection, the City Attorney shall cause this subsection to be removed from the Business and Tax Regulations Code.

(iii) In the case of a decision on a permit application made pursuant to Planning Code Section 207.2, the Board of Appeals shall set the hearing not less than 10 days after the filing of said appeal, shall act thereon not more than 30 days after such filing, and shall not entertain a motion for rehearing.

(iv) In the case of a decision on a permit or determination of compliance regarding a homeless shelter located on City owned or leased property during a declared shelter crisis, the Board of Appeals shall set the hearing not less than 10 days after the filing of said appeal, shall act thereon not more than 30 days after such filing, and shall not entertain a motion for rehearing.

(D) With respect to any decision of the Board of Appeals related to any “dwelling” in which “protected class members” are likely to reside (each as defined in Administrative Code Chapter 87), the Board of Appeals shall comply with the requirements of Administrative Code Chapter 87 which requires, among other things, that the Board of Appeals not base any decision regarding the development of such units on information which may be discriminatory to any member of a “protected class.”

(E) Pending decision by the Board of Appeals, the action of such department, board, commission, officer or other person from which an appeal is taken, shall be suspended, except for: (i) actions of revocation or suspension of a permit by the Director of Public Health when determined by the Director to be an extreme public health hazard; (ii) actions by the Zoning Administrator or Director of the Department of Building Inspection stopping work under or suspending an issued permit; (iii) actions of suspension or revocation by the Entertainment Commission or the Director of the Entertainment Commission when the suspending or revoking authority determines that ongoing operation of the activity during the appeal to the Board of Appeals would pose a serious threat to public safety; (iv) actions of the Director of the Office of Cannabis awarding a Temporary Cannabis Business Permit; (v) actions pursuant to a permit or determination of compliance by the Departments of Public Works or Building Inspection regarding homeless shelters during a declared shelter crisis; and (vi) actions of the Director of Public Health under Section 4613(c) of the Health Code summarily suspending an Overdose Prevention Program permit or revoking such a permit after a summary suspension.

(Amended by Ord. 315-81, App. 6/21/81; Ord. 95-86, App. 3/21/86; Ord. 27-88, App. 1/28/88; Ord. 255-88, App. 6/22/88; Ord. 434-88, App. 9/16/88; Ord. 285-89, App. 8/2/89; Ord. 340-92, App. 11/5/92; Ord. 61-96, App. 2/9/96; Ord. 128-97, App. 4/9/97; Ord. 191-98, App. 6/12/98; Ord. 295-98, Eff. 11/4/98; Ord. 306-99, File No. 990497, App. 12/3/99; Ord. 223-01, File No. 011578, App. 11/16/2001; Ord. 193-05, File No. 051027, App. 7/29/2005; Ord. 102-09, File No. 090543, App. 6/23/2009; Ord. 239-09, File No. 080323, App. 11/20/2009; Ord. [172-11](#), File No. 110506, App. 9/12/2011, Eff. 10/12/2011; Ord. [195-14](#), File No. 140776, App. 9/19/2014, Eff. 10/19/2014; Ord. [230-17](#), File No. 171042, App. 12/6/2017, Eff. 1/5/2018; Ord. [281-18](#), File No. 180453, App. 12/7/2018, Eff. 1/7/2019, Oper. 1/7/2019; Ord. [60-19](#), File No. 190045, App. 4/4/2019, Eff. 5/5/2019; Ord. [116-19](#), File No. 181156, App. 6/28/2019, Eff. 7/29/2019; Ord. [105-20](#), File No. 200243, App. 7/10/2020, Eff. 8/10/2020; Ord. [62-24](#), File No. 230310, App. 3/28/2024, Eff. 4/28/2024)

CODIFICATION NOTE

- 1. So in Ord. [281-18](#).

SEC. 8(a). EFFECTIVE DATE FOR COLLECTION OF FILING FEE.

The fee to be paid by the appellants as provided in Section 8 hereof shall become effective and be due for all appeals pending as of October 31, 1947, and thereafter upon filing notice of appeal, appellants shall pay the filing fee to the Secretary of the Board.

- (Added by Ord. 4757, App. 12/22/47)

SEC. 9. INFORMATION TO BE FURNISHED TO BOARD OF APPEALS.

Upon receiving such notice it shall be the duty of the department, board, commission or person making the order or decision appealed from, to forthwith scrutinize the same and within three days notify the Board of Appeals, in writing, of the names and addresses of any known persons, firms, corporations or associations not named in the notice of appeal who or which opposed appellant in the matter in which the appeal is taken.

- (Amended by Ord. 128-97, App. 4/9/97)

SEC. 10. RECORD FORWARDED TO BOARD OF APPEALS.

Upon receipt of notice of appeal it shall be the duty of the department, board, commission or person from whose decision the appeal is taken to transmit to the Board of Appeals the original application or complaint upon which the license or permit was granted, refused or revoked, and all affidavits, exhibits, letters, maps or other documents used upon the hearing before such department, board, commission or person. The application or complaint and all documents, exhibits and records forwarded therewith shall be returned to the department, board, commission or person from whose order or decision the appeal was taken, immediately after final decision by the Board of Appeals, with a statement of the decision of said Board, certified by the President or Vice-President and Secretary thereof.

■ (Amended by Ord. 128-97, App. 4/9/97)

SEC. 11. COURT REPORTER – FEES; VIDEOTAPE OF PROCEEDINGS AS ADMINISTRATIVE RECORD.

(a) **Court Reporter; Fees.** The Board of Appeals shall designate a competent court reporter as official reporter of the Board. Except as provided in subsection (b) below, the reporter shall attend all hearings of the Board and shall take down by phonographic report all the testimony, the objections made, the rulings of the Board, and all statements and remarks made, oral instructions given by the Board and the voting on all cases heard by the Board. The fees for the reporter for reporting all of the proceedings and testimony as outlined above shall be a legal charge against the City and County of San Francisco.

When requested to do so by any party or parties in writing the official reporter must, within a reasonable time after the request has been made, transcribe such specific portions as may be requested and certify to the same as being correctly reported and transcribed. The fees for such transcription shall be at the expense of the party requesting the transcript thereof. The Board of Appeals shall approve the reporter's schedule of rates and fees for reporting and transcription services in connection with Board of Appeals' proceedings.

(b) **Videotape or Audiotape of Proceedings as Administrative Record.** In lieu of attendance at the hearing by a court reporter, the Board is authorized to use the Department of Telecommunications and Information Technology's Citywatch Cable Channel videotape of the Board's proceedings as the administrative record of the hearing. When requested to do so by any party or parties in writing, a copy of the videotape or such specific portions as may be requested must be provided by Citywatch within a reasonable time after the request has been made. The fee for such videotape copy shall be at the expense of the party requesting it. It shall be the burden of the party requesting the videotape to obtain at its own expense any transcription of the tape. If such a transcription is made, the party obtaining the transcription shall provide a copy to the Board for its records.

■ (Amended by Ord. 154-66, App. 7/6/66; Ord. 128-97, App. 4/9/97; Ord. 53-02, File No. 020319, App. 4/26/2002)

SEC. 11(a). CITY ATTORNEY – REPRESENTATION OF PLANNING AND BUILDING DEPARTMENT STAFF.

For appeals from decisions of the Planning Commission, the Zoning Administrator, the Building Inspection Commission, and the Planning and Building Departments, the following procedure shall be followed by staff to ensure that there is adequate legal advocacy on behalf of those departments in matters that involve important public policy or legal significance.

(1) Staff of the Board of Appeals shall send to the Deputy City Attorney who has been designated by the City Attorney to be counsel to the Planning Department and the Department of Building Inspection a copy of (1) the advance or draft agendas at regular intervals and the final agenda for each meeting as soon as it is prepared, (2) all Notices of Appeal within 5 working days of when they are received by the staff of the Board of Appeals; and (3) any brief submitted to the Board of Appeals immediately upon receipt by the staff of the Board of Appeals.

(2) The Zoning Administrator, Planning Department staff, and the Building Department staff member assigned to the Board of Appeals shall consult with their designated Deputy City Attorney concerning any appeals of decisions involving their respective commissions or departments.

(3) The department staff representative shall determine whether an appeal presents any issues of important public policy and the City Attorney's Office shall have the discretion to determine whether an appeal presents any issues of legal significance. The City Attorney's Office shall have the discretion to determine what level of participation by the City Attorney's Office is appropriate in order to defend the department's decision before the Board of Appeals. The applicable department will allow for the City Attorney's Office representation based on that determination.

The criteria used to make these determinations shall include, but not be limited to, whether the appeal:

- (a) Challenges a decision of the Planning Commission or Building Inspection Commission;
- (b) Challenges a Zoning Administrator interpretation of a provision of the Planning Code;
- (c) Involves a matter that is likely to lead to litigation;
- (d) Raises novel issues of law.

The services of the City Attorney's Office in advising and representing the Planning Department, including the Zoning Administrator, and Building Department in matters before the Board of Appeals shall be funded by those departments and not chargeable to the Board of Appeals.

(4) The Zoning Administrator, Planning Department staff, and the Building Department staff member assigned to the Board of

Appeals shall ensure that Section 10 of the Business and Tax Regulations Code is complied with such that the complete record from the department whose decision is being appealed from shall be made available to each Commissioner at least one week before the hearing on the appeal. Any staff report that was prepared below shall be included in the packet for each hearing.

■ (Added by Ord. 253-06, File No. 061212, App. 10/11/2006)

SEC. 12. MAILING NOTICE OF HEARING.

Notices of hearing appeals shall be sent by the Secretary of the Board by United States mail to the appellant and all other parties interested as shown by the record of the Board at such time before the hearing as the rules of the Board may prescribe, and the certificate of the Secretary of mailing said notices shall be evidence thereof. In addition, notice of the hearing shall be sent to all owners and, to the extent practical, occupants of properties within 150 feet of the property that is the subject of the appeal in the same Assessor's Block and on the block face across from the subject property. When the subject property is a corner lot, notice shall further include all property on both block face across from the subject property, and the corner property diagonally across the street. The latest City-wide Assessor's roll for names and addresses of owners shall be used for said notice.

■ (Ord. 173-06, File No. 060143, App. 6-29-06)

SEC. 13. FILING REQUEST FOR NOTICE OF HEARING.

Any person, firm, corporation, association or City and County department, board, commission or City and County official may file with the secretary of the Board of Appeals a request for notice of hearing of the appeal, and such person, firm, corporation, association, City and County department, board, commission or City and County official shall be added to the list of parties and thereafter receive notice of all proceedings before the Board as herein prescribed.

■ (Amended by Ord. 128-97, App. 4/9/97)

SEC. 14. HEARING AND DECISION.

The Board of Appeals shall hear the applicant, the permit holder or other interested parties, as well as a representative of the department from whose action the appeal is taken. After said hearing and such further investigations as the Board may deem necessary, but not later than 60 days or a reasonable time after the filing with it of the first appeal, the Board may concur in the action of the department authorized to issue, transfer or revoke the permit, or may overrule the action of said department and order that the permit be granted, restored, denied, or permitted to be transferred, as the case may be.

Any immediately adjacent property owner who requested discretionary review of a permit by the Planning Commission and prevailed, in whole or in part, shall have the status of a party under this Article or the Board's rules in any appeal of the permit to the Board of Appeals by the project sponsor. Status of a party includes, but is not limited to, the right to any notices provided to parties, the right to receive service of papers filed by other parties to the appeal, equal time for an oral presentation including rebuttal time, service of the Board's decision, and the right to request a rehearing; provided, however, that if there is more than one such adjacent property owner, the Board of Appeals may, at its discretion, limit the time for oral presentation to three minutes for each adjacent property owner and a combined total of three minutes rebuttal for all adjacent property owners.

■ (Amended by Ord. 128-97, App. 4/9/97; Ord. 205-00, File No. 000800, App. 9/1/2000)

SEC. 15. SEAL.

A form of seal shall be adopted by the Board, which shall be impressed upon all orders and decisions and certified copies thereof.

SEC. 16. REHEARINGS.

Rehearings may be had only upon motion of a member of the Board and upon the vote of at least four members thereof, or if a vacancy exists, by a vote of three members.

■ (Amended by Ord. 280-98, App. 8/28/98)

SEC. 17. PERMITTING SUBSTITUTES FOR METAL BADGES.

Wherever in Part III of the Municipal Code or in any other part of said Code there appears a requirement for a metallic badge, plate, tag or shield, the officer responsible for the issuance thereof may substitute a nonmetallic material therefor.

■ (Added by Ord. 509-60, App. 10/21/60)

SEC. 22. PROVIDING FOR POSTING AND FORM OF NOTICE OF HEARING, APPLICATIONS FOR CERTAIN PERMITS.

On the filing of any application for the issuance or transfer of a permit for any purpose specified in this Section, or the filing of a notice of intention to revoke any permit, except in any case where such proposed revocation is due to the failure to pay the fee fixed by law or ordinance, the department responsible for the approval of such application, shall fix the time and place of hearing thereon, which shall be not less than 10 nor more than 20 days from the filing of said application, and shall cause to be conspicuously posted upon the premises involved in such application not less than 10 days before said public hearing, notice of such application and the time and place of hearing thereon. Said notice shall also set forth the name of the applicant and the purpose for which the application is made. The department in which the application is filed shall cause said notice to be posted. The lettering of the words in said notice, "Notice of Application for...Permit," shall be one-inch type, and all other lettering shall be one-half-inch type. After the posting of said notice the applicant shall maintain said notice as posted the required number of days.

The classes of permits referred to in this Section are: Service stations, commercial parking permits, public repair garages, public storage garages, commercial and truck garages, automobile sales garages, hospitals of any character, including hospitals for sick animals, dog kennels, places of refuge and detention, laundries including laundry delivery services doing business in San Francisco, junkyards or premises, livery stables, riding academies and riding schools, pawnbrokers, secondhand dealers, secondhand clothing dealers and secondhand furniture dealers, encounter studios, retail firearms dealers, nursing homes, day nurseries, nursery schools, play schools, kindergartens, and children's institutions, but shall not include private family boarding homes for aged or children.

■ (Amended by Ord. 355-85, App. 7/12/85; Ord. 219-10, File No. 100639, App. 8/12/2010)

SEC. 23. ACTION ON OTHER APPLICATIONS.

All other applications for the issuance, transfer or revocation of permits shall be subject to action on or issuance by the department or office specified by law or ordinance; provided, however, that those classes of business or occupation required to secure quarterly or other periodical permits from the Entertainment Commission or Police, Health or Fire Departments, respectively, as provided by ordinance shall, after their original approval and issuance thereof by the department concerned, be subject to issuance by the Tax Collector for each successive period on the application of the person, firm or corporation conducting such business or occupation. The Tax Collector is hereby authorized to issue the license for the next quarter or other period fixed by law or ordinance unless:

1. The department issuing the permit files written objection with the Tax Collector to such renewal or continuance;
2. The permittee does not have a current business tax registration certificate, when such business tax registration certificate is required pursuant to Article 12 of the Business and Tax Regulations Code.

In case of any such objection by the department concerned, or when the permittee does not have a current business tax registration certificate when so required by Article 12 of the Business and Tax Regulations Code, the license applied for shall not be continued or renewed by the Tax Collector, and the applicant therefor must file application with said department for the renewal or continuance of the original permit.

The Tax Collector shall, within 45 days after the expiration of the period covered by any quarterly or other periodical permit, notify the department authorized to issue said permit of the failure of any permit holder to apply for a renewal or a continuance thereof, and shall likewise immediately notify the Chief of Police or Entertainment Commission of any delinquency on the part of any permit holder in paying the fees required by law or ordinance for such permit.

■ (Amended by Ord. 345-88, App. 8/4/88; Ord. 193-05, File No. 051027, App. 7/29/2005)

SEC. 24. INSPECTION BY DEPARTMENT – REVOCATION OF PERMITS.

Any department authorized to issue, revoke or transfer permits or to act on applications for any of said purposes, may detail such members or employees of said department as are required for the investigation and inspection of applications for permits subject to issuance by said department, and for the inspection or regulation of the conduct of any business or occupation, under such permit. Any department may revoke any permit subject to issuance by said department when it shall appear that the business or calling of the person, firm, or corporation to whom it was granted is conducted in a disorderly, improper or hazardous manner, or that the place in which the business is conducted or maintained is not a proper or suitable place in which to conduct or maintain such business or calling.

SEC. 25. ADVISORY BOARD.

The Police Commission and the Fire Commission, respectively, shall serve as advisory boards to the Chief of Police and the Chief Engineer of the Fire Department, respectively, in the hearings on permit applications, transfers and proposed revocations required by Section 22 of this Article, and each of said advisory boards shall make such recommendation to the head of the department concerned as in its judgment the facts established by any such hearing shall warrant.

■ (Amended by Ord. 2928, App. 10/9/44)

SEC. 26. FACTS TO BE CONSIDERED BY DEPARTMENTS.

(a) Subject to subsection (b), in the granting or denying of any permit, or the revoking or the refusing to revoke any permit, the granting or revoking power may take into consideration the effect of the proposed business or calling upon surrounding property and upon its residents, and inhabitants thereof; and in granting or denying said permit, or revoking or refusing to revoke a permit, may

exercise its sound discretion as to whether said permit should be granted, transferred, denied, or revoked.

(b) In the granting or denying of any permit, or the revoking or the refusing to revoke any permit with respect to a "dwelling" in which "protected class members" are likely to reside (each as defined in Administrative Code Chapter 87), the granting or revoking power shall comply with the requirements of San Francisco Administrative Code Chapter 87 which requires, among other things, that the granting or revoking power not base any decision regarding the development of "dwellings" in which "protected class" members are likely to reside on information which may be discriminatory to any member of a "protected class" (As all such terms are defined in San Francisco Administrative Code Chapter 87).

(c) A department authorized to issue or transfer permits shall not issue or transfer a permit to any person who does not have a current business tax registration certificate when such person is required to obtain a business tax registration certificate pursuant to Section 1003 of Part III of the San Francisco Municipal Code.

(d) Notwithstanding Subsection (a) of this Section, the provisions of Article 15.1 (Entertainment Regulations Permit and License Provisions) and Article 15.2 (Entertainment Regulations for Extended-Hours Premises) of the Police Code shall govern actions taken on the granting, denial, amendment, suspension and revocation of permits regulated under those Articles, not the standards set forth in Subsection (a).

(e) Notwithstanding subsection (a), the provisions of Planning Code Section 343 shall govern actions taken on the granting, denial, amendment, suspension, and revocation of permits regulated under that Section 343, not the standards set forth in subsection (a) of this Section 26. This subsection (e) shall become operative upon receipt of preliminary approval of Planning Code Section 343 by the California Department of Housing and Community Development under California Government Code Section 66202. This subsection shall expire by the operation of law in accordance with the provisions of Planning Code Section 343(k). Upon its expiration, the City Attorney shall cause this subsection to be removed from the Business and Tax Regulations Code.

(f) Notwithstanding subsection (a), the provisions of Planning Code Section 207.2 shall govern actions taken on the granting, denial, amendment, suspension, and revocation of permits regulated under that Section 207.2, not the standards set forth in subsection (a) of this Section 26.

(Amended by Ord. 345-88, App. 8/4/88; Ord. 307-99, File No. 990498, App. 12/3/99; Ord. 239-09, File No. 080323, App. 11/20/2009; Ord. [281-18](#), File No. 180453, App. 12/7/2018, Eff. 1/7/2019, Oper. 1/7/2019; Ord. [116-19](#), File No. 181156, App. 6/28/2019, Eff. 7/29/2019; Ord. [62-24](#), File No. 230310, App. 3/28/2024, Eff. 4/28/2024)

SEC. 27. FEES.

Persons applying for permits enumerated in Section 22 of this Article which are subject to the approval of the Fire Department shall, upon filing the application, pay a fee of \$27 to cover the posting and advertising costs of said application, which fee shall be paid to the department to which said application is made.

(Amended by Ord. 13-85, App. 1/11/85)

SEC. 28. PUBLICATION, CERTAIN APPLICATIONS.

All applications for the classes of permits referred to in Section 22 of this Article and applications for the transfer thereof, also notice to revoke same, except in any case where such proposed revocation is due to the failure to pay the license or permit fees fixed by law or ordinance, shall be published once in the official newspaper of the City and County, within 10 days after the filing thereof with the department concerned. The cost of the publication of applications for permits and applications for transfer of permits shall be paid by the applicant at the time of filing. The cost charged shall be the rate for such publication set by the official newspaper in effect on the date of application.

(Amended by Ord. 175-80, App. 5/2/80)

SEC. 29. POSTING NOTICE OF ISSUANCE OF PERMITS.

Written notice of the issuance of all other permits by departments shall be posted for a period of five successive days by the department issuing such permit on a bulletin board to be maintained in a conspicuous place accessible to the public in the office where the original application is filed.

The issuance, revocation or transfer of any permit enumerated in Section 22 of this Article shall not take effect until 10 days after action thereon, during which period appeal may be made to the Board of Appeals from the action taken by the department concerned.

(Amended by Ord. 128-97, App. 4/9/97)

SEC. 30. APPEALS TO BOARD OF APPEALS.

On the issuance, denial or revocation of any permit, any applicant for a permit who is denied such permit, or any permittee whose permit is ordered revoked, or any person who deems that his interest or property, or that the general public interest will be adversely affected as the result of operations authorized by or under any permit granted or issued, or the transfer thereof, may appeal to the Board of Appeals. Such appeal shall be in writing, and except for variances, shall be filed with the Board of Appeals not later than 15 days after the action of the department from which the appeal is taken. An appeal from the decision on a variance shall be filed with the Board of

Appeals not later than 10 days after the action of the Zoning Administrator.

The form and notice of said appeal, and the procedure thereon, shall be as provided by ordinance, and when not so provided then in such form as is provided by the Board of Appeals.

■ (Amended by Ord. 255-88, App. 6/22/88; Ord. 128-97, App. 4/9/97)

SEC. 31. APPLICATIONS BARRED FOR ONE YEAR.

Whenever any person, firm or corporation shall make application for any permit, pursuant to the provisions of this Article, and said permit shall be denied by any officer, board, department or commission having jurisdiction so to do, and no appeal from the denial of said permit shall be taken, as provided in this Article, or when any appeal shall be taken to the Board of Appeals from any action or order of any officer, board, department or commission granting or denying any permit in connection with which appeal to the Board of Appeals is provided for and said Board of Appeals shall, in the instance where said permit has been granted, overrule, and in the instance where such permit had been denied, concur in, the judgment or order of said officer, board, department or commission, said application for said permit, nor for a like permit covering the same location, shall not be renewed nor shall the same be heard by the officer, board, department or commission to whom or to which the original application was made until the expiration of one year from the date of the action on said original application by said officer, board, department or commission and there shall be no appeal to said Board of Appeals for failure or refusal to hear any such application within said one-year period, provided that when any permit is denied by reason of definite existing conditions which prevent the granting of said permit, and said conditions are removed or remedied, the one-year's prohibition against reapplication will not apply.

■ (Amended by Ord. 992, App. 1/14/41; Ord. 128-97, App. 4/9/97)

SEC. 32. COORDINATED AND STREAMLINED CITY REVIEW OF THE ESTABLISHMENT, MODIFICATION, AND/OR OPERATION OF A PRINCIPALLY PERMITTED COMMERCIAL USE; EXPEDITED PROCESS AND WAIVER OF ADDITIONAL FEES WHERE DEPARTMENT ERROR REQUIRES ADDITIONAL PROCESSING.

(a) **General Requirement.** City departments that are responsible for reviewing permit applications for the establishment, modification, and/or operation of a principally permitted storefront commercial use shall develop a process for the coordinated and streamlined review of those permit applications, with timely responses from applicants, and any inspections required in connection with the applications, in order to (1) ensure that San Francisco's commercial corridors remain thriving, (2) support existing businesses in adapting their business models in a changing economic environment, (3) improve access for business owners from all backgrounds to successfully open their business in San Francisco, and (4) protect the City's tax base.

(b) **Deadline for Implementation of Coordinated and Simplified Review Process.** The City departments subject to this Section 32 include, but are not limited to, the Planning Department, Department of Building Inspection, Fire Department, Department of Public Works, and Health Department. No later than 30 days from the effective date of this Section 32, the subject City departments shall implement a coordinated and simplified process for the review of all applications for principally permitted storefront commercial uses, and shall periodically review and update the process.

(c) **Concurrent Review of Complete Permit Applications.** Relevant departments shall perform a concurrent review of the permit application, when such review would reduce the length of the permit review process, provided the applicant submits a complete and accurate application. To the maximum extent feasible, this review shall be completed within 30 days of the date a complete application is submitted. If this review is not or cannot be completed within 30 days, the reason or reasons therefor shall be provided to the applicant, explaining why a decision could not be made on the permit application, the necessary steps to complete review, and the time needed to finalize review after receiving any additional information necessary to complete such review.

(d) **Pre-Approval Inspections.** If inspection of the proposed use is required before operation may begin, the inspection shall be limited to compliance with the items on an adopted checklist of objective threshold requirements for business operation. To the maximum extent feasible, the City departments involved shall coordinate their inspections and schedule them within two weeks of a request. Notwithstanding any other provision of the Municipal Code, an applicant may submit an inspection report by a qualified entity as determined and authorized by the head of the reviewing Department.

(e) **Conditional Approvals.** Where only minor corrective action is required before the proposed use may operate, a reviewing City department shall grant conditional approval so long as the Director of the department has found that no substantial hazard will result from operation of the use, or portion thereof. If the minor corrective action is not completed within a reasonable amount of time, as determined by the Director of the department, the failure to perform the corrective action shall be deemed a code violation which may be abated pursuant to the requirements of the applicable code.

(f) **Expedited Process and Waiver of Additional Fees Where Department Error Results in Additional Review.** Where a reviewing City department has made a significant error late in the application process in interpreting code requirements or determining the approvals required, and the error affects the timeliness of the City's review, as determined by the Director of the involved department, the department shall expedite the additional review. In addition, notwithstanding any other provision of the Municipal Code, said department shall waive any fees applicable to the additional review. If the applicant or agent submits false or misleading information, no fee waiver shall apply.

SEC. 35. FEE FOR INSPECTION BY THE HEALTH DEPARTMENT.

(a) Unless otherwise specifically provided, all fixed fees for inspection or permits which involve the Health Department shall be payable in advance annually. A filing fee of \$298 payable in advance to the Health Department for each inspection for a permit is required for a first-time inspection of a premises or thing if such inspection is requested or required as a condition of the issuance of a first permit or of a first license, except applications for permits for ambulances, refuse trucks, swill trucks, fumigation site surveillance, soft-serve ice cream machines and hazardous material storage.

(b) When two or more food product and marketing establishments or food preparation and service establishments, or any combination thereof, subject to inspection are located on the same premises, are not contiguous to each other, and are conducted by one owner whether person, firm or corporation, a permit shall be required for each such establishment.

(c) When the owner or lessee of premises where said class or classes of business are located or conducted does not directly or indirectly conduct the same, the owner or lessee of said premises shall not be required to obtain a permit for said premises or pay any fee imposed by this Section.

(d) Any application for a special event referred to in Section 452(b) of the San Francisco Health Code shall be accompanied by fees set out in Section 249.11(c) of the San Francisco Business and Tax Regulations Code.

(e) Exemptions. The following establishments are exempt, as set forth in Section 249.1 of this Code, from paying fees:

(1) Food preparation and service establishments used exclusively by day care facilities for children.

(2) Food preparation and service establishments funded through the San Francisco Commission on Aging for nutrition projects for older individuals.

(f) When the Health Department provides environmental health inspection services, permit review, or training services, whether in response to a permit or license application or by request, a fee of \$167 per hour will be charged for service by environmental health inspectors, and a fee of \$150 per hour will be charged for service by environmental health technicians. When these services are provided during nonregular working hours, a fee of \$174 per hour will be charged. "Environmental Health Inspection services, permit review, or training services" includes but is not limited to reviewing plans and blueprints, providing consultations and making site inspections. A bill for these services will be issued to the person making the application or request and must be paid prior to the Department's providing the service. If the time expended exceeds what the Department anticipated, the Department shall bill the applicant or person making the request for the additional time expended and such person shall be responsible for paying that amount. Notwithstanding any other provision of this Section 35, all fees for routine, nonenforcement-related inspection services provided for solid waste transfer station permit issuance and compliance review will be included in the license fee required by Section 249.15 of this Article.

(g) When the Health Department, while in the process of conducting inspections of businesses required to have a valid Permit To Operate, issued by the Department of Public Health, finds violations of local, state law or federal law, requiring follow up inspection(s) to determine if the documented violations have been corrected, the permitted establishment is liable for payment to the San Francisco Department of Public Health a fee of \$75 per half-hour of on-site inspection services. Violations subject to reinspection fees include those listed as high-risk violations on the Department of Public Health food inspection report.

(h) Beginning with fiscal year 2008-2009, fees set forth in Sections 35, 120, 248, 249, 249.1, 249.2, 249.6, 249.7, 249.8, 249.11, 249.12, 249.13, 249.14, 249.15, 249.16, and 249.20 may be adjusted each year, without further action by the Board of Supervisors, as set forth in this Section.

Not later than April 1, the Director shall report to the Controller the revenues generated by the fees for the prior fiscal year and the prior fiscal year's costs of operation, as well as any other information that the Controller determines appropriate to the performance of the duties set forth in this Section.

Not later than May 15, the Controller shall determine whether the current fees have produced or are projected to produce revenues sufficient to support the costs of providing the services for which the fees are assessed and that the fees will not produce revenue that is significantly more than the costs of providing the services for which the fees are assessed.

The Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue which is significantly more than such costs. The adjusted rates shall become operative on July 1.

(Ord. 270-85, App. 5/30/85; amended by Ord. 443-86, App. 11/13/86; Ord. 341-88, App. 7/28/88; Ord. 244-91, App. 6/24/91; Ord. 207-93, App. 6/25/93; Ord. 131-97, App. 4/18/97; Ord. 117-01, File No. 010515, App. 6/1/2001; Ord. 5-05, File No. 041588, App. 1/8/2005; Ord. 149-08, File No. 080744, App. 7/30/2008)

SEC. 36. FEES, PENALTY FOR NONPAYMENT.

If any fee provided for in Sections 35 and 35.1 of this Article shall not be paid within 30 days after the same shall become due and payable as herein provided, 10 percent of the amount thereof shall be added thereto as a penalty for nonpayment, and if said fees are not paid within 60 days after becoming due 15 percent of the amount thereof shall be added thereto, and if not paid within 90 days after becoming due 25 percent of the amount thereof shall be added thereto.

(Amended by Ord. 478-60, App. 9/15/60)

SEC. 37. INSPECTIONS, HOW MADE.

The inspections for which the fees provided for in Section 35 of this Article are imposed shall be made by the officer, board or commission charged by law or ordinance with making said inspection.

SEC. 38. DISPLAY OF CERTIFICATE.

All certificates of inspection when issued shall at all times be displayed in the premises for which the same are issued, said display to be made in such manner that said certificate shall at all times be visible to the public.

SEC. 39. DUTIES OF POLICE OFFICERS.

All police officers in addition to their several duties as police officers are hereby required to examine all premises in their respective beats subject to the fee imposed in Section 35 of this Article and to see that such fees have been paid and in addition to Deputy Tax Collectors shall have and exercise the power:

First, to make arrests for violation of any of the provisions of Sections 35 to 38, inclusive, of this Article;

Second, to enter free of charge at any time any premises which is required by Sections 35 to 38, inclusive, of this Article to pay an inspection fee and to demand the exhibition of the receipt of such inspection fee for the current term, and if such person shall then and there fail to exhibit such receipt from the Tax Collector such person shall be liable to the penalty provided for violation of Sections 35 to 39, inclusive, of this Article.

It is hereby made the duty of the police officers to cause complaints to be filed against corporations occupying premises within their respective beats and not having paid the inspection fee, with their addresses, and deliver such list to the Tax Collector.

The Chief of Police is hereby directed to carry into effect the provisions of Sections 35 to 39, inclusive, of this Article.

SEC. 40. PENALTY.

Any person, firm or corporation maintaining or attempting to maintain any of the premises mentioned in Sections 35 to 38, inclusive, of this Article, without the payment of the inspection fee therein provided for, or guilty of violating any of the provisions of Sections 35 to 39, inclusive, of this Article, shall be guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than \$300 or by imprisonment in the County Jail for a term not exceeding three months, or by both such fine and imprisonment.

ARTICLE 2:

LICENSE FEES

Sec. 75.	General Provisions.
Sec. 75.1.	Surcharge on Certain License Fees.
Sec. 76.1.	Licenses Payable on March 31, Where Payable, Penalty for Nonpayment, Annual Adjustment.
Sec. 76.2.	Licenses Payable in Advance on Dates Other than March 31, Where Payable, Penalty for Nonpayment, Annual Adjustment.
Sec. 76.3.	Waiver of First-Year Permit, License, and Business Registration Fees.
Sec. 77.	Transfers of License.
Sec. 78.	Evidence of Liability.
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Sec. 82.	Animals and Birds.
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Sec. 95.	Boxing and Wrestling Exhibitions.
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Sec. 106.	Carpet Cleaning.
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Sec. 115.	Exhibitions.
Sec. 118.	House Raising and Moving.
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Sec. 120.1.	Laundry Delivery Businesses or Services.
Sec. 122.	Livery Stables.
Sec. 129.	Limousine and Sightseeing Bus Stands.
Sec. 129.1.	Refund of License Fees; Findings and Declaration.
Sec. 133.	Picture Film Exchanges.
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Sec. 227.	Combustible Dust Producing Operations.
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Sec. 230.	Use of Liquid or Gas Fueled Vehicles or Equipment in Assembly Buildings.
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Sec. 232.	Amusement Buildings.
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Sec. 239.	Storage of Certain Combustible Materials.
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Sec. 241.	Fumigation and Fogging.
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Sec. 243.	Erection and Use of Acetylene Generators; Storage of Calcium Carbide.
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Sec. 248.	Food Product and Marketing Establishments.
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Sec. 249.1A.	Cottage Food Operations Fees.

- Sec. 249.2. School Food Concessions.
- Sec. 249.3. Salvage Goods and Merchandise.
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- Sec. 249.5. Pet Shops, Dog Kennels, Hospitals for Sick Animals.
- Sec. 249.6. Vehicles for the Transportation of Refuse and Adjudication of Rate Disputes.
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- Sec. 249.8. Emergency Medical Services.
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- Sec. 249.11. Temporary and Annual Permits for Special Events: Fees.
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- Sec. 249.21. Food Facility Surcharge.
- Sec. 249.22. Caterers.
- Sec. 249.23. Mobile Food Facility Plan Check Fee.
- Sec. 249.24. Non-Potable Water Systems.
- Sec. 249.25. Body Art License Fees.

SEC. 75. GENERAL PROVISIONS.

Every person, firm or corporation now or hereafter liable to pay any license, license tax, fee or money, under any Ordinance or Ordinances of the City and County of San Francisco heretofore, now or hereafter existing, shall be liable in a civil action, in the name of the City and County of San Francisco, for the amount of such license, license tax, fee or money.

The amount of any license, license tax, fee or money heretofore, now or hereafter required to be paid by any Ordinance or Ordinances of the City and County of San Francisco and now or hereafter remaining unpaid by the person, firm or corporation liable to pay the same, shall be deemed a debt due the City and County of San Francisco and the Tax Collector of the City and County of San Francisco is hereby authorized and empowered to direct suit to be brought by the City Attorney of the City and County of San Francisco, and upon such direction or request the City Attorney is hereby authorized and required to bring suit, in the name of the City and County of San Francisco, for the recovery of the amount of such license, license tax, fee or money, against any person, firm or corporation so liable to pay the same.

The City Attorney, or the Tax Collector of the City and County of San Francisco, on behalf of the City and County of San Francisco, may make the necessary affidavit for, and a writ of attachment may issue without any undertaking or bond given on behalf of the plaintiff; and in case of recovery by the plaintiff \$25 damages must be added to the judgment as costs to be collected from the defendant or defendants.

Nothing herein contained shall bar or prevent a criminal prosecution for each and every violation of any Ordinance. No judgment in a civil suit or payment of the same, or payment of the license, shall bar or prevent such criminal prosecution.

All persons, firms or corporations must pay the license, license tax, fee or money to the proper officer and take out a license without any tender of such license, or demand for the license tax or fee or money.

SEC. 75.1. SURCHARGE ON CERTAIN LICENSE FEES.

In addition to the annual or quarterly license fees required in Sections 90, 93, 94, 97, 118, 141, 143, 236, 237, 238, 239, 240, 242, 243, 244, 245 and 247, there is hereby required the payment of a \$5 surcharge to be payable during the calendar year 1973 together with the specified license fee. The surcharge shall be paid at the same time the license fee is paid.

This surcharge shall be for the purpose of making a microfilm record system for all building records and providing for the necessary services, equipment, material and related costs attendant thereto. All surcharge fees collected shall be deposited into the Building Record Fund of the Department of Public Works as established in Section 319.2 of the Building Code.

SEC. 76. [REPEALED.]

■ (Amended by Ord. 274-64, App. 10/16/64; repealed by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 76.1. LICENSES PAYABLE ON MARCH 31, WHERE PAYABLE, PENALTY FOR NONPAYMENT, ANNUAL ADJUSTMENT.

(a) Commencing March 31, 2012, the following Unified License Bill provisions shall apply to licenses that are renewable annually and are due and payable in full to the Treasurer and Tax Collector on March 31 of each year. The Tax Collector shall prorate fees for new licenses issued prior to March 31, or after March 31 to the end of the license period, on a monthly basis. Except as provided in subsection (d), the Tax Collector may not accept partial payments and may not refund fees paid by a licensee, if the licensee ceases operating the business prior to the end of the license period.

(b) Whenever a City ordinance imposes a license fee, it shall be unlawful to do or perform the act or to carry on the business, trade, profession, or calling for which City law requires the license without obtaining and maintaining the required license.

All license fees are payable, when due, to the Office of the Treasurer and Tax Collector, and shall be delinquent if not paid when due. Except as provided in subsection (d), if the license fees are not paid within 30 days after they become due, the license shall expire by operation of law and the licensee must obtain a new license and pay all applicable penalties specified below and fees incurred under the previously expired license; provided, however, that the licensee shall not be subject to the penalties unless the Tax Collector sent notice to the licensee prior to February 28 of the same year, informing the licensee that the permit is about to expire. The notice that the license is about to expire may be a part of the annual billing statement.

If a licensee does not pay the fee within 30 days after it becomes due, but the licensee continues to operate the business, the Tax Collector shall add 10% to the amount of the license fee as a penalty for nonpayment. If the licensee does not pay the fee within 60 days after it becomes due, but the licensee continues to operate the business, the Tax Collector shall add an additional 5% to the amount of the license fee as a penalty for nonpayment, for a total penalty of 15%. If the licensee does not pay the fee within 90 days after it becomes due, but the licensee continues to operate the business, the Tax Collector shall add an additional 10% to the amount of the license fee as a penalty for nonpayment, for a total penalty of 25%. If the licensee has failed for a period of six months or more to pay a license fee, but has continued to operate the business, the Tax Collector shall add an additional 25% to the amount of the license fee as a penalty for nonpayment, for a total penalty of 50%, and shall refer the delinquent licensee to the department charged with administering the permit for administrative action on the permit. These penalties are mandatory and City officers and employees may not waive them in whole or in part. These penalties are in addition to any collection costs that the Tax Collector may collect from the delinquent licensee.

(c) Each department shall maintain on its website an up-to-date schedule of all fees that it collects. The Municipal Code shall include an editor's statement informing the public that the fees administered pursuant to this Section 76.1 are subject to annual review and adjustment to reflect the City's cost increases or decreases, which may include adjustments based upon the Consumer Price Index that most accurately tracks increases and decreases in the City's cost for the function, service, or undertaking that the fee will pay for, and that each department maintains on its website an up-to-date list of the fees charged subject to adjustment. This subsection (c) is not intended to change the processes for adjustment of fees as provided in the Municipal Code.

(d) Notwithstanding subsections (a) and (b) of this Section 76.1, the Tax Collector, in the Tax Collector's sole discretion, may enter into an installment payment plan on or before April 30, 2023, for a delinquent licensee to pay any delinquent license fees and penalties collected by the Tax Collector under this Section 76.1 on behalf of the Department of Public Health, or its successor department, that were originally due before March 31, 2023. The Tax Collector may not enter into an installment payment plan with a delinquent licensee that is delinquent on license fees collected by the Tax Collector under this Section 76.1 on behalf of any City department or agency other than the Department of Public Health, or its successor department.

(1) Any installment payment plan under this subsection (d) shall have a term of no longer than 24 months, and shall require the payment of all delinquent license fees collected by the Tax Collector under this Section 76.1 on behalf of the Department of Public Health, plus all penalties accrued on such delinquent license fees through the date the installment payment plan is executed by both the Tax Collector and the delinquent licensee.

(2) If a delinquent licensee enters into an installment payment plan under this subsection (d):

(A) The delinquent licensee's Department of Public Health licenses subject to expiration for non-payment under subsection (a) shall be tentatively reinstated for the duration of the installment payment plan and the delinquent licensee shall not be treated as delinquent by the City as a result of that non-payment as long as the delinquent licensee remains current on its payments under the installment payment plan, is not delinquent on any tax liabilities owed to the Tax Collector under the Business and Tax Regulations Code, and is not delinquent on any license fees collected by the Tax Collector under this Section 76.1 that are not included in the installment payment plan; and

(B) Any penalties under subsection (b) on the delinquent license fees that had not yet accrued under subsection (d)(1) shall not be imposed.

(3) Once the delinquent licensee has made all payments under the installment payment plan, the tentatively reinstated license or licenses, as applicable, shall be fully reinstated.

(4) The Tax Collector may terminate the installment payment plan if the delinquent licensee fails to make a timely payment under the installment payment plan, or if during the term of the installment payment plan the delinquent licensee becomes delinquent on any tax liabilities owed to the Tax Collector under the Business and Tax Regulations Code or becomes delinquent on any license fees

collected by the Tax Collector under this Section 76.1 that are not included in the installment payment plan. Upon the Tax Collector's termination of the installment payment plan:

(A) Any penalties under subsection (b) on the delinquent license fees that had not yet accrued under subsection (d)(1) shall accrue immediately based on the original due date of license fees;

(B) The tentatively reinstated license or licenses, as applicable, shall expire immediately by operation of law and the delinquent licensee must obtain a new license or licenses, as applicable, and pay to the Tax Collector immediately all payments remaining under the installment payment plan plus the additional penalties accrued under subsection (d)(4)(A); and

(C) The Tax Collector shall refer the delinquent licensee to the Department of Public Health for administrative action on the permit.

(e) If any subsection, sentence, clause, phrase, or word of this Section 76.1, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Section. The Board of Supervisors hereby declares that it would have enacted this Section and each and every subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Section or application thereof would be subsequently declared invalid or unconstitutional.

■ (Added by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; amended by Ord. [244-22](#), File No. 221022, App. 11/17/2022, Eff. 12/18/2022)

SEC. 76.2. LICENSES PAYABLE IN ADVANCE ON DATES OTHER THAN MARCH 31, WHERE PAYABLE, PENALTY FOR NONPAYMENT, ANNUAL ADJUSTMENT.

(a) Unless otherwise specifically provided, in all cases of annual licenses, collectible on the first day of January, April, July or October, fees for new licenses issued prior to or subsequent to said date shall be prorated to the end of the yearly period on a monthly basis.

In all cases of licenses on new business collectible at periods other than the months of October, January, April and July, or on March 31 pursuant to Section 76.1, the Tax Collector shall prorate on a monthly basis the amount or license fee for any given quarter.

(b) Whenever a license fee is imposed by ordinance it shall be unlawful to do or perform the act or to carry on the business, trade, profession or calling for which a license is required or to own, keep or use the article or thing, for the owning, keeping or using of which a license is required, unless such license be first procured.

All licenses are payable, when due, at the Office of the Treasurer and Tax Collector, in City Hall, and if not paid within 30 days after the same become due, the license shall expire by operation of law and the licensee must obtain a new license and pay all applicable penalties specified below and fees incurred under the previously expired license, provided, however, that the licensee shall not be subject to the penalties unless the Tax Collector sent notice to the licensee prior to February 28, of the same year, informing the licensee that the permit is about to expire. The notice that the license is about to expire may be a part of the annual billing statement.

If a licensee does not pay the fee within 30 days after it becomes due, but the licensee continues to operate the business, the Tax Collector shall add 10 percent to the amount of the license as a penalty for nonpayment. If the licensee does not pay the fee within 60 days after the same becomes due, but the licensee continues to operate the business, the Tax Collector shall add 15 percent to the amount of the license as a penalty for nonpayment. If the licensee does not pay the fee within 90 days after it becomes due, but the licensee continues to operate the business, the Tax Collector shall add 25 percent to the amount of the license, as a penalty for nonpayment. If the licensee has failed for a period of six months or more to pay a license fee, but has continued to operate the business, the Tax Collector shall, impose an additional penalty of 25 percent on the amount of the delinquent license fee, and shall refer the delinquent licensee to the department charged with administering the permit for administrative action on the permit. These penalties are mandatory and City officers and employees may not waive them in whole or in part.

Each department shall maintain on its website an up-to-date schedule of all fees that it collects. The Municipal Code shall include an editor's statement informing the public that the fees administered pursuant to this Section are subject to annual review and adjustment to reflect the City's cost increases or decreases, which may include adjustments based upon the Consumer Price Index that most accurately tracks increases and decreases in the City's cost for the function, service, or undertaking that the fee will pay for, and that each department maintains on its website an up-to-date list of the fees charged subject to adjustment.

■ (Added by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 76.3. WAIVER OF FIRST-YEAR PERMIT, LICENSE, AND BUSINESS REGISTRATION FEES.

(a) **Definitions.** Unless otherwise defined in this Section 76.3, the terms used in this Section shall have the meanings given to them in Article 6 of the Business and Tax Regulations Code, as amended from time to time. For purposes of this Section 76.3, the following definitions shall apply:

“Business Registration Certificate” means a “registration certificate,” as defined in Section 852.2 of Article 12 of the Business and Tax Regulations Code, as may be amended from time to time.

“Business Registration Fee” means the tax imposed under Article 12 of the Business and Tax Regulations Code, as may be amended from time to time.

“City Departments” means the departments and agencies that issue any permit, license, or Business Registration Certificate, including but not limited to the Planning Department, Department of Building Inspection, Fire Department, Department of Public Works, Department of Public Health, Police Department, Entertainment Commission, Office of Cannabis, and Office of the Treasurer and Tax Collector.

“Commercial Use” means any non-residential use, other than a use at a business location operated from a home or other residential location or for a short-term residential rental use, as that term is defined in Section 41A.4 of Chapter 41A of the Administrative Code, as may be amended from time to time.

“Gross Receipts Tax Return” means the return reporting taxes imposed by Article 12-A-1 of the Business and Tax Regulations Code and filed in accordance with Article 6 of that Code.

“License Fees” means all license fees payable to the City, including but not limited to fees payable to the City under Sections 76.1 and 76.2 of this Article 2, relating to the operation of a business at a location that is for Commercial Use, but not including fees for licenses under Chapter 94A of the Administrative Code, as may be amended from time to time.

“Permit Fees” means the fees payable to the City upon application for and issuance of any permit, including but not limited to permits subject to Article 1 of the Business and Tax Regulations Code, for the establishment, modification, and/or operation of a Commercial Use, but not including fees for permits under Chapter 94A of the Administrative Code, as may be amended from time to time.

“Qualified Business” means either a Qualified New Business or a Qualified Business With New Location.

“Qualified Business With New Location” means a person that (1) commences business at a new business location that is for Commercial Use, as reported to the Tax Collector, after commencing business within the City at a different location, and (2) reported \$5,000,000 or less in annual San Francisco Gross Receipts or estimated San Francisco Gross Receipts on its most recently filed Gross Receipts Tax Return, application for a Business Registration Certificate, or renewal of a Business Registration Certificate.

“Qualified New Business” means a person that (1) applies for an initial Business Registration Certificate in accordance with Section 856 of Article 12 of the Business and Tax Regulations Code, (2) has \$5,000,000 or less in estimated San Francisco Gross Receipts for the calendar year in which the person commences business within the City, and (3) has a registered business location that is for Commercial Use as reported on the person’s application for a Business Registration Certificate or any update to that registration information provided to the Tax Collector. A “Qualified New Business” shall not include a continuing business that applies for a new Business Registration Certificate as a result of a change in its ownership or the form of how the business is held.

“San Francisco Gross Receipts” has the same meaning as used in Section 855 of Article 12 of the Business and Tax Regulations Code, as may be amended from time-to-time.

(b) **Waiver for Qualified New Businesses.** All Permit Fees, initial License Fees, and the initial Business Registration Fee shall be waived for each Qualified New Business as follows:

(1) Permit Fees and initial License Fees shall be waived, provided the Qualified New Business has filed the application for the permit or initial license on or after July 1, 2023 and during the one-year period beginning on the date the Qualified New Business commenced business within the City, and the Qualified New Business has a Business Registration Certificate at the time it files the application for the permit or initial license. The waiver in this Section 76.3(b)(1) shall not apply to (A) any fees for the renewal of a license or (B) any fees collected by the City on behalf of any federal, state, or other local government agency.

(2) The initial Business Registration Fee shall be waived, provided the Qualified New Business has filed the application for an initial Business Registration Certificate in accordance with Section 856 of Article 12 of the Business and Tax Regulations Code, and that application was filed on or after July 1, 2023. The waiver in this Section 76.3(b)(2) shall not apply to any fees for the renewal of a Business Registration Certificate.

(c) **Waiver for Qualified Businesses With New Location.** All Permit Fees and initial License Fees shall be waived for each Qualified Business With New Location. The waiver in this Section 76.3(c) shall apply to applications for a permit or initial license filed by the Qualified Business With New Location on or after July 1, 2023, provided the Qualified Business With New Location files the application during the one-year period beginning on the date the Qualified New Business With New Location commenced business at the new business location and has registered the new business location with the Tax Collector no later than the time it files the application for the permit or initial license, and shall apply only to Permit Fees and initial License Fees with respect to that new business location. The waiver in this Section 76.3(c) shall not apply to (1) any fees for the renewal of a license, and (2) any fees collected by the City on behalf of any federal, state, or other local government agency.

(d) **Repayment of Waived Fees.**

(1) If the Tax Collector determines, based on any information in the Tax Collector’s possession or that may come into the Tax Collector’s possession, that a person claiming a waiver under subsection (b) or (c) of this Section 76.3 was not entitled to that waiver, the Tax Collector shall issue a determination to such person voiding the waiver, and demanding payment of the unpaid Permit Fees, License Fees, and/or Business Registration Fee, plus penalties and interest accruing on such fees under Business and Tax Regulations Code Section 6.17-1.1, calculated based on the original due date of the applicable fee. Such notice shall be issued under the rules in Section 6.11-2(b) and (c) of the Business and Tax Regulations Code.

(2) Except in the case of fraud, or in the case of an intent to evade the Business and Tax Regulations Code or rules and regulations issued or promulgated by the Tax Collector, in all of which cases there is no statute of limitations, every Tax Collector determination under this Section 76.3(d) shall be served within three years after the date that the person claimed the waiver under subsection (b) or (c) of this Section 76.3. The person may agree in writing to extend this three-year period for service of a notice of a determination.

(3) All Tax Collector determinations under this Section 76.3 (d) shall be final and are immediately due and payable to the Office of the Treasurer and Tax Collector. Any person that wishes to challenge a Tax Collector determination under this Section 76.3 (d) must pay the Permit Fees, License Fees, Business Registration Fees, penalties, and interest due, and file a claim for refund with the Controller under California Government Code Sections 900 *et seq.*

(e) Revocation of Fee Waiver.

(1) If a Qualified Business has more than \$15,000,000 in San Francisco Gross Receipts in the calendar year of, or in any tax year during the three full-year tax years following, the date the Qualified Business commenced business within San Francisco or opened a new business location for Commercial Use, as applicable, any waiver under subsection (b) or (c) of this Section 76.3 shall be revoked retroactively for that Qualified Business.

(2) The Tax Collector shall issue a determination that the Qualified Business exceeded the \$15,000,000 threshold in Section 76.3(e)(1), which determination may be based on the Qualified Business's Gross Receipts Tax Return or any other information in the Tax Collector's possession or that may come into the Tax Collector's possession. Such notice shall be issued under Section 6.11-2(b) and (c) of the Business and Tax Regulations Code.

(3) Except in the case of fraud, or in the case of an intent to evade the Business and Tax Regulations Code or rules and regulations issued or promulgated by the Tax Collector, or in the case of failure to file a Gross Receipts Tax Return for the tax year in which the Qualified Business exceeded the \$15,000,000 threshold, in all of which cases there is no statute of limitations, every Tax Collector determination under this Section 76.3(e) shall be served within three years after the date that a Gross Receipts Tax Return was due for the tax year in which the Qualified Business exceeded the \$15,000,000 threshold or three years after that return was filed for that period, whichever is later. The Qualified Business may agree in writing to extend this three-year period for service of a notice of determination.

(4) A Qualified Business may petition the Tax Collector for a redetermination of the determination issued under this Section 76.3(e) under Business and Tax Regulations Code Sections 6.13-1 through 6.13-6. The full amount of any Permit Fees, License Fees, and/or Business Registration Fee waived under subsection (b) or (c) of this Section 76.3 and revoked under this Section 76.3(e) shall be due and payable without interest by the Qualified Business to the Office of the Treasurer and Tax Collector upon the later of the expiration of the period for filing a petition for redetermination under Section 6.13-1 and the date the Tax Collector's decision on a timely filed petition for redetermination becomes final under Section 6.13-4.

(5) A Qualified Business that fails to pay the Permit Fees, License Fees, and/or Business Registration Fee due and payable by the due date under Section 76.3(e)(4) shall be treated as delinquent and subject to the penalties and interest in Business and Tax Regulations Code Section 6.17-1.1, calculated commencing on the payment due date under this Section 76.3(e)(4).

(f) Administration. City Departments shall implement the waiver of fees under subsections (b) and (c) of this Section 76.3 and the refunding of any fees under subsection (g) of this Section 76.3 .

(g) Refunds. Any fee waived under subsection (b) or (c) of this Section 76.3 that has been collected by the City shall be refunded, without interest, upon request of the payer of the fee. Any refund request under this Section 76.3 (g) must be filed in writing with the Tax Collector within one year of payment of the fee.

(h) Effect of Fee Waiver.

(1) Notwithstanding Article 1 and Article 2 of the Business and Tax Regulations Code, the failure of a person to pay any Permit Fees and/or License Fees waived under subsection (b) or (c) of this Section 76.3 shall not preclude the person from continuing to do or perform the act or carry on the business, trade, profession, or calling for which City law requires the permit or license.

(2) The waiver of a person's Business Registration Fee under subsection (b) of this Section 76.3 shall not relieve a person from the registration and other applicable requirements under Articles 6 and 12 of the Business and Tax Regulations Code, except for the payment of that person's waived Business Registration Fee. If a person satisfies the registration and other applicable requirements under Articles 6 and 12 of the Business and Tax Regulations Code, except for the payment of any waived Business Registration Fee, such person shall be treated for all purposes as if they had paid the Business Registration Fee.

(i) Information Collection and Reporting. The Tax Collector shall collect information on the number of Qualified Businesses by supervisorial district that received a waiver of one or more fees under subsections (b) and (c) of this Section 76.3, the business activity codes under the North American Industry Classification System of those Qualified Businesses by supervisorial district, and the fees and total amounts waived in the aggregate. Commencing with a report filed no later than April 15, 2024, covering the period July 1, 2023 through December 31, 2023, the Tax Collector shall submit annually a report to the Board of Supervisors for the prior calendar year no later than April 15 following that calendar year.

(j) The waiver of fees provided by this Section 76.3 shall expire by operation of law at the end of the day on June 30, 2025. No Permit Fees, initial License Fees, or Business Registration Fees shall be waived for applications for permits, licenses, or Business Registration Certificates filed on or after July 1, 2025. As of December 31, 2026, the City Attorney is authorized to cause this Section 76.3 to be removed from the Business and Tax Regulations Code.

■ (Added by Ord. [179-23](#), File No. 230664, App. 7/28/2023, Eff. 8/28/2023, Retro. 7/1/2023; amended by Ord. [72-24](#), File No. 240126, App. 4/12/2024, Eff. 5/13/2024)

SEC. 76.5. [REPEALED.]

(Added by Ord. 25-07, File No. 061526, App. 2/9/2007; repealed by Ord. [56-15](#), File No. 120967, App. 5/8/2015, Eff. 6/7/2015)

SEC. 77. TRANSFERS OF LICENSE.

No license granted or issued under any of the provisions of any ordinance shall be in any manner assignable or transferable, or authorize any person other than is therein mentioned or named to do business or authorize any other business than is therein mentioned or named to be done or transacted, at any place other than is therein mentioned or named.

SEC. 78. EVIDENCE OF LIABILITY.

In any action brought under or arising out of any of the provisions of any ordinance imposing a license fee, the fact that a party thereto represented himself or herself as engaged in any business or calling for the transaction of which a license is required, or that such party exhibited a sign indicating such business or calling, shall be conclusive evidence of the liability of such party to pay for a license.

■ (Amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 79. LICENSE TO BE EXHIBITED.

Every person having a Municipal License shall exhibit the same at all times, while in force, in some conspicuous part of the place of business for which it is issued.

SEC. 80. [REPEALED.]

■ (Repealed by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 81. POLICE OFFICERS TO BE LICENSE INSPECTORS.

All police officers are hereby appointed inspectors of licenses, and in addition to their several duties as police officers, are hereby required to examine all places of business and persons in their respective beats liable to pay a license, and to see that such licenses are taken out, and in addition to Deputy Tax Collectors shall have and exercise the power:

First, to make arrests for the violation of any of the provisions of Sections 75 to 160, inclusive, of this Article.

Second, to enter free of charge, at any time, any place of business for which a license is required by Sections 75 to 160, inclusive, of this Article and to demand the exhibition of such license for the current term by any person engaged or employed in the transaction of such business and if such person shall then and there fail to exhibit such license, such person shall be liable to the penalty provided for a violation of Sections 75 to 160, inclusive, of this Article.

It is hereby made the duty of the police officers to cause complaints to be filed against all persons violating any of the provisions of Sections 75 to 160, inclusive, of this Article.

Such police officers as such inspectors of licenses shall make out once a month a list of persons, firms or corporations carrying on business within their respective beats, and having no license, with their addresses, and deliver such list carefully and legibly written to the Tax Collector, and also report to the Tax Collector the names of all such doing business without a license immediately upon the fact coming to their knowledge.

Any police officer failing or neglecting for more than 30 days to report any person, firm or corporation who or which is engaged in carrying on business without having paid the required license, shall be guilty of neglect of duty, and be either suspended from duty or dismissed from the Police Force, in the discretion of the Police Commission.

■ The Chief of Police is hereby directed to carry into effect the provisions of this Section.

SEC. 82. ANIMALS AND BIRDS.

Every person, firm or corporation (except theaters and circuses) maintaining and conducting any place where animals or birds are exhibited, and an admission fee is charged, shall pay a license of \$12 per quarter.

SEC. 90. [REPEALED.]

■ (Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; repealed by Ord. 219-10, File No. 100639, App. 8/12/2010)

SEC. 93. MOTOR FUEL DISPENSING FACILITIES.

Every person, firm or corporation engaged in the business of maintaining, conducting or operating a motor fuel dispensing facility that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 93.1. SELF-SERVICE MOTOR FUEL DISPENSING FACILITIES.

Every person, firm or corporation engaged in the business of maintaining, conducting or operating a self-service motor fuel dispensing facility that requires a permit from the Fire Department, and jointly administered by the Fire and Health Departments, shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 94. [REPEALED.]

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; repealed by Ord. 219-10, File No. 100639, App. 8/12/2010)

SEC. 95. BOXING AND WRESTLING EXHIBITIONS.

Every person, firm or corporation conducting, carrying on or managing a boxing or wrestling exhibition, shall pay a license fee of \$10 for each such exhibition.

Provided that no license shall be exacted from bona fide athletic organizations where boxing or wrestling exhibitions are given for the entertainment of the members thereof and to which no admission fee is charged, directly or indirectly.

SEC. 97. BASEBALL PARKS.

Every proprietor, lessee or manager of any uncovered enclosure wherein baseball games are held, where an admission fee is charged, shall pay a license fee of \$150 per quarter; provided that this Section shall not apply to baseball grounds under the control of any religion, benevolent or educational institution.

SEC. 98. BATHING ESTABLISHMENTS.

Every owner, manager or lessee of a hammam or Turkish bathing establishment, or of a public bathing tub, or tubs, will pay the inspection fee to the Health Department of \$10 provided for in Section 35 of this Part III of the Municipal Code for a first inspection and will pay the following license fee annually, in advance: \$25.

The license fees prescribed by this Section are due and payable on a calendar-year basis starting January 1, 1961. Fees for new licenses issued prior to January 1, 1961, or after the first of January in that calendar year or in any subsequent calendar year shall be prorated to the end of the calendar year on a monthly basis.

(Amended by Ord. 193-61, App. 7/27/61)

SEC. 100. BOWLING ALLEYS.

Every person, firm or corporation owning, leasing, maintaining or conducting any bowling alley establishment shall pay a license fee of \$10 per quarter therefor.

The license issued under the provisions of this Section shall be issued for a period of three months, and shall date from the expiration of the last license or from the date upon which the applicant shall have commenced business.

SEC. 106. CARPET CLEANING.

Every person, firm or corporation engaged in the business of beating, cleaning or renovating carpets, who or which is not required to obtain a license for such business under the provisions of Section 120 of this Article, shall pay a license fee of \$2.50 per quarter.

■ (Amended by Ord. 1460, App. 12/12/41)

SEC. 112. CONCERTS.

Every person, firm or corporation holding, promoting or giving a concerts, shall pay a license fee for each day of such performance depending upon the seating capacity of the place, as follows:

Places with a seating capacity of less than 500, \$5;

Places with a seating capacity of 500 or over, \$10.

A "concert" within the meaning of this Section shall be an entertainment open to the public at large, the principal part of which shall be composed of vocal or instrumental music or both, and to which an admission fee is charged.

SEC. 115. EXHIBITIONS.

Every owner or lessee of any show, exhibition or performance for which a license is not otherwise specifically provided, shall pay a license fee of \$10 per day for each and every day on which any show, exhibition or performance is given.

SEC. 118. HOUSE RAISING AND MOVING.

Every person, firm or corporation engaged in the business of house raising or house moving or shoring or holding up buildings shall pay a license fee of \$10 per quarter.

Provided, that any person, firm or corporation having a valid license as provided for in this Section shall be exempt from the provisions of Sections 200 to 207, inclusive, Article 2, Part III, of the San Francisco Municipal Code.

It shall be unlawful for any person, firm or corporation, except the holder of a license provided by this Section, to move or raise from its foundation, or to support or carry upon screws, cribs or rollers, or by any other means, any building, or any part thereof, used or intended for human occupation, and having a ground area of more than 100 square feet.

Whenever the owner of any building intended for human occupation shall desire to move the same along any public street, he must make a written application to the Department of Public Works for permission so to do.

The Department of Public Works is empowered to grant such permission and to fix the amount of money that the applicant shall deposit with the said Department as security for the proper restoration of any portion of a street that may be disturbed or torn up in consequence of the moving of any building; providing that such amount to be deposited shall be not less than \$100 nor more than \$500.

A further sum not exceeding \$25 shall be deposited with the Chief of the Department of Electricity to defray all expenses of said Chief of the Department of Electricity in taking charge of taking down, removing, fixing and repairing the wires or system, or any portion thereof, or any damage thereto, connected with said Department of Electricity, in consequence of the moving of any building.

In lieu of the above-stated cash deposits the applicant may execute and file with the Central Permit Bureau of the Department of Public Works in the penal sum of \$5,000 and the Department of Electricity in the penal sum of \$500, corporate surety bonds with a surety company authorized to do business in the State of California as surety thereon, running in favor of the City and County of San Francisco, approved as to form by the City Attorney and as to the sufficiency of surety by the Controller.

The permittee shall be required to properly restore any portion of a street that may be disturbed or torn up, and to remove all timbers, appliances or debris placed, or accumulated thereon, and leave such portion of a street broom clean within 24 hours after the building has been moved over the same.

Should the permittee fail to properly restore such portion of a street within the time set forth herein, to the satisfaction of the Department of Public Works, said Department is empowered, without notice, to contract with any suitable person to restore and clean such street, and to pay to such person out of the deposit money the reasonable cost of such work. The determination of the Department of Public Works as to the amount of money that shall be deemed a reasonable cost shall be final and conclusive.

■ (Amended by Ord. 6986, App. 10/22/51)

SEC. 120. LAUNDRIES AND CLEANING AND DYEING WORKS.

(a) Every owner, manager or lessee of a wash laundry will pay the following license fee annually: \$187.

(b) Every person, firm or corporation engaged in the business of dry cleaning that requires a permit from the Fire Department shall also pay an annual license fee of \$359 per year.

(c) Every owner, manager or lessee of an automatic laundry (mechanical, pay-to-operate, washing or dyeing machine) will pay the following license fee annually: \$29 plus \$11 per machine.

(d) Every owner, manager or lessee of a laundry delivery service will pay the following license fee annually: \$21 per delivery vehicle per year.

The license fees set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 53-82, App. 2/11/82; Ord. 369-88, App. 8/5/88; Ord. 207-93, App. 6/25/93; Ord. 131-97, App. 4/18/97; Ord. 117-01, File No. 010515, App. 6/1/2001; Ord. 5-05, File No. 041588, App. 1/8/2005; Ord. 149-08, File No. 080744, App. 7/30/2008; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 120.1. LAUNDRY DELIVERY BUSINESSES OR SERVICES.

All persons or firms operating laundry delivery businesses or services in San Francisco who are required to obtain permits therefor as provided in Part III, Section 1.25 of the San Francisco Municipal Code and who are or represent themselves as City-wide or Bay Area-wide services, shall provide such delivery service to all areas of the City and County of San Francisco. Violation of this Section may constitute grounds for denial or revocation of the permit.

■ (Added by Ord. 53-82, App. 2/11/82)

SEC. 122. LIVERY STABLES.

All keepers or owners of stables or barns who rent or let horses, vehicles, or stalls, or who board horses, shall pay a license fee of \$131 per year.

The license fee prescribed in this Section shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

■ (Amended by Ord. 531-78, App. 12/1/78; Ord. 207-93, App. 6/25/93; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 129. LIMOUSINE AND SIGHTSEEING BUS STANDS.

The holder of each permit for a limousine or sightseeing bus stand on any street shall pay a license fee therefor of \$2.50 per quarter for each vehicle permitted to stand thereat, such quarters to commence on the first day of January, April, July and October. Curb space designated in any such permit shall be painted the color designated by law only after the permit holder shall have paid a fee to the Tax Collector of \$0.25 per lineal foot to cover the cost to the City and County and painting of said curb space shall not be continued unless semiannual payments of like amount are made to the Tax Collector within 30 days after each January 1st and July 1st thereafter. Fees collected for such painting shall be deposited in the Treasury to the credit of the fund authorized for expenditure for such curb painting.

■ (Amended by Ord. 348-77, App. 7/22/77)

SEC. 129.1. REFUND OF LICENSE FEES; FINDINGS AND DECLARATION.

The Board of Supervisors hereby finds and declares that the license fee imposed, pursuant to the provisions of Ordinance No. 6-77, upon holders of permits to occupy space in public stands is greatly in excess of the cost to the City and County of regulation and inspection in connection therewith and is based upon erroneous information furnished to said Board of Supervisors. Accordingly, any such license fee imposed by and paid to a City and County department, board or commission is hereby deemed to have been erroneously collected and may be refunded in accordance with the provisions of Article VI, Chapter 10 (commencing with Section 10.43) of the San Francisco Administrative Code.

■ (Added by Ord. 348-77, App. 7/22/77)

SEC. 129.2. [REPEALED.]

■ (Amended by Ord. 116-83, App. 3/11/83; Ord. 543-88, App. 12/27/88; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 129.3. [REPEALED.]

■ (Amended by Ord. 394-81, App. 7/3/81; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 129.4. [REPEALED.]

(Amended by Ord. 394-81, App. 7/3/81; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 129.5. [REPEALED.]

■ (Amended by Ord. 580-85, App. 12/27/85; Ord. 247-94, App. 6/30/94; repealed by Ord. 287-08, File No. 081340, App. 12/5/2008)

SEC. 133. PICTURE FILM EXCHANGES.

Every person, firm or corporation operating or maintaining an office or place where moving picture films are sold, leased, released or furnished to any moving picture house or theater or any place where such pictures are exhibited in the City and County of San Francisco, shall pay a license fee of \$25 per quarter for each place or office maintained.

SEC. 134. REGULATORS, GAS.

Every person, firm or corporation engaged in the business of leasing or renting gas regulators shall pay a license fee of \$5 per quarter.

■ (Amended by Ord. 1043, App. 2/18/41)

SEC. 135. RIDING ACADEMIES.

Every person, firm, association or corporation, owning, maintaining or conducting any riding academy or riding school shall pay a license fee annually of \$100 payable in advance.

The license fees prescribed by this Section are due and payable on a calendar-year basis starting January 1, 1961. Fees for new licenses issued prior to January 1, 1961, or after the first day of January in that calendar year or in any subsequent calendar year, shall be prorated to the end of the calendar year on a monthly basis.

■ (Amended by Ord. 94-68, App. 4/19/68)

SEC. 141. STORAGE OF OILS.

Every person, firm or corporation engaged in the business of storing petroleum, or any product of petroleum or other oil shall, subject to the regulations of the Board of Supervisors relative thereto, pay a license fee, as follows:

For the storage of 20,000 gallons or less, \$20 per quarter;

For the storage of over 20,000 gallons, \$100 per quarter.

SEC. 143. THEATERS.

Every person, firm or corporation maintaining, conducting or operating a theater, motion picture theater or other place of amusement, excepting places of amusement licensed under Section 110 and 159 of this Article and except a circus or show, exhibition or performance given under canvas or cloth covering or enclosure, shall pay a license fee according to the seating capacity of such theater or other place of amusement, entertainment or exhibition, as follows:

(1) Those seating 1,999 persons or more shall pay a license fee, if issued for one year, \$870 per annum; if for three months, \$240 per quarter; if for one month, \$140 per month; if for one day, \$88 per day;

(2) Those seating not to exceed 1,999 persons and more than 500 persons, and free theaters, without reference to their seating capacity shall pay a license fee for one year of \$870; for three months, \$140; for one month, \$105; for one day, \$88;

(3) All theaters with a seating capacity of less than 500 persons shall pay a license fee of \$390 per annum.

One seat is 22 inches.

No license shall be required for exhibitions or entertainments given for the benefit of churches, schools or other charitable entertainments by an amateur dramatic association or literary society.

■ (Amended by Ord. 13-85, App. 1/11/85)

SEC. 144. DRIVE-IN MOVING PICTURE THEATERS.

Every person, firm or corporation maintaining, conducting or operating any drive-in moving picture theater, excepting places of amusement licensed under Sections 125, 143 and 159 of this Article, shall pay a quarterly license fee of 30 for each automobile space therein equipped with a speaker which is so designated or constructed that it may be connected with or to the sound track or record equipment of the motion picture film to be exhibited or the public address system installed in such drive-in moving picture theater.

The issuance of this license shall not exempt the licensee therein named from any regulatory provision of the San Francisco Municipal Code or Ordinance of the City and County of San Francisco relative to the maintaining, conducting or operating of drive-in moving picture theaters or any equipment or apparatus used or installed therein.

■ (Added by Ord. 6992, App. 10/22/51)

SEC. 145. TOWEL COMPANIES.

Every person, firm or corporation engaged in the business of collecting and distributing towels or napkins to business houses, offices or other places, shall pay a license fee of \$3 per quarter.

■ (Amended by Ord. 324, App. 10/3/39)

SEC. 149. AUTOMOBILE REPAIRING, SPECIAL BRANCHES OF.

Every person, firm or corporation engaged in the business of automobile repairing and limiting the service of any one of the following branches of repair work shall pay a license fee, as follows:

For repairing, remodeling or rebuilding bodies of used automobiles or other motor vehicles, \$172 per annum;

For installing, adjusting or repairing the electric equipment of used automobiles and other motor vehicles, \$172 per annum;

For installing, adjusting, recharging or repairing batteries in used automobiles or other motor vehicles, \$172 per annum;

For installing, adjusting or repairing any of the metal parts of used automobiles or other motor vehicles (except fenders, radiators or windshields), \$172 per annum;

For repairing or retrimming used automobiles or other motor vehicles, \$172 per annum;

For repairing fenders, radiators or windshields of used automobiles or other motor vehicles, \$172 per annum;

For vulcanizing automobile tires or tubes, \$172 per annum;

For installing, adjusting or repairing automobile brakes, \$172 per annum.

■ (Amended by Ord. 13-85, App. 1/11/85)

SEC. 159. VAUDEVILLE HOUSES.

Every person, firm or corporation maintaining, conducting or operating any public place where vaudeville performances are given shall pay a license fee of \$10 a day or a quarterly license fee based on the seating capacity of the place at which said performance is given and the maximum admission charge, as follows:

<i>Seating Not Over</i>	<i>Maximum Admission Charge Not Over</i>			<i>Maximum Admission Charge</i>
	<i>10¢</i>	<i>20¢</i>	<i>30¢</i>	<i>31¢ or Over</i>
500	\$25.00	\$37.50	\$62.50	\$125.00
1000	37.50	56.25	93.75	187.50
1500	50.00	75.00	125.00	250.00
1501 or over	62.50	93.75	156.25	300.00

A "vaudeville performance" for the purpose of this Section shall be deemed to be any public performance for which an admission fee is charged, and which consists of a combination of vocal, instrumental and physical acts or numbers, and provided that motion pictures may be exhibited in connection therewith.

(a) **United States Tax Not Included.** Whenever in this Article a maximum charge shall be specified for admittance to places of amusement, any United States tax or penalty shall not be included as a part of such charge.

■ (Amended by Ord. 1827, App. 10/27/42)

SEC. 192. REAL ESTATE SIGNS.

The provisions of the San Francisco Municipal Code, Section 87 and Sections 678 to 681, inclusive, of Chapter VIII, and Sections 186 to 191, inclusive, and Sections 192 to 195, inclusive, of this Article do not apply to signs not exceeding 20 square feet in size, familiarly known as "real estate signs," advertising for sale or rent the property upon which they stand, but all such signs shall be securely fastened to the ground or to the structures to which they are attached.

SEC. 193. IDENTIFICATION OF OWNER ON SIGN.

There shall be placed and maintained on the top of each billboard and each advertising sign the name, plainly painted, of the person, firm or corporation owning or who is in possession, charge or control of the same, for advertising purposes.

SEC. 194. IDENTIFICATION OF OWNER ON VEHICLES.

Every person, firm or corporation engaging in or carrying on the business or occupation of billposting or advertising sign painting or outdoor advertising or maintaining billboards shall cause the name of such person, firm or corporation to be plainly painted in a conspicuous place on the outside of any wagon or vehicle used in such business or occupation and shall keep the same plain and distinct at all times.

SEC. 195. IDENTIFICATION OF BILLPOSTING EMPLOYEE.

Every employee of any person, firm or corporation, while employed in posting bills or painting signs or bulletins, shall wear a metal badge or shield on which shall appear in legible characters the name of the person, firm or corporation by whom such employee is employed.

SEC. 220. DOG KENNEL DEFINED.

As used in this Code, the term "dog kennel" shall mean and include any enclosure, premises, building, structure, lot or area in or on which more than three dogs of at least six months of age are kept, harbored, or maintained for commercial or noncommercial purposes for continuous periods of 24 hours or more; provided, however, that this definition shall not include City and County departments, recognized educational institutions, or medical research facilities which are in conformity with State or Federal law.

■ (Amended by Ord. 226-73, App. 6/22/73)

SEC. 221. LICENSE FEES FOR DOG KENNELS.

Any person, firm or corporation in the City and County granted a permit for the maintenance and operation of a dog kennel shall pay to the Tax Collector an annual license fee of \$130 for the privilege of maintaining such dog kennel. Such annual license shall be for the fiscal year or any part thereof during which said dog kennel shall be maintained, and shall be due and payable in advance on the first day of October of each year and shall expire on the thirtieth day of September of the next year provided the above-mentioned permit has not been revoked.

■ (Amended by Ord. 105-74, App. 2/27/74; Ord. 207-93, App. 6/25/93)

SEC. 221.1. LEGAL EFFECT OF LICENSE OR PERMIT.

The issuance of any license or permit to keep an animal as provided for herein in prima facie evidence that the owner has satisfied the basic licensing requirements under this Article, but such issuance shall be given no evidentiary weight to indicate that the owner has conformed to zoning regulations, building regulations, health and safety regulations, or to any other applicable rule, regulation, or statute, unless, pursuant to the issuance, official written approval has been given by the office or agency responsible for the administration of the rule, regulation, or statute in question. If such approval has been given, it shall be deemed prima facie evidence that the matter approved is in conformity with the rule, regulation, or statute in question.

■ (Added by Ord. 314-71, App. 12/23/71)

SEC. 221.2. ANIMALS USED IN BUSINESS.

Whenever an application is made for a license to do business in the City and County of San Francisco, or a renewal of such license, and the business is a pet shop, a circus, an animal exhibit, or an enterprise which maintains animals in the course of business, the Tax Collector shall, before issuance or reissuance of the license, notify the Director of Animal Control. The Director of Animal Control shall promptly and within a reasonable time ascertain whether or not the owner of the animals is in conformity with the provisions of Article 1, Chapter V, Part II, Municipal Code (Health Code), and notify the Tax Collector of his findings. If the owner is in conformity with such provisions, the license may be issued; but if the owner is in violation of said Article, the license may not be issued or reissued until the condition causing the violation has been corrected as determined in a subsequent inspection.

■ (Added by Ord. 314-71, App. 12/23/71; amended by Ord. 133-91, App. 4/5/91)

SEC. 221.3. SPECIAL ANIMAL CONTROL AND WELFARE FUND.

All fees collected by the Tax Collector for dog licenses, dog kennel licenses, cat registrations, and business licenses for such

businesses as maintain animals in the course of business, pursuant to Sections 220 and 221 of this Article, or Section 41.15 of the San Francisco Health Code, and all fees and donations collected by the Department of Animal Care and Control and any authorized licensing entities for dog licenses, as provided in Section 41.15 of the San Francisco Health Code, or for the sale, redemption or surrender of impounded animals and for the care and feeding thereof, as provided in Section 41.10 of the San Francisco Health Code shall be paid or delivered into the San Francisco Animal Control and Welfare Fund established by Section 10.117-87 of the San Francisco Administrative Code.

■ (Amended by Ord. 93-72, App. 4/12/72; Ord. 182-89, App. 6/5/89; Ord. 2-02, File No. 010491, App. 1/18/2002)

SEC. 223. USE OF OPEN FLAMES AND CANDLES.

Every person, firm or corporation using an open flame or candles that require a permit from the Fire Department shall pay an annual license fee of \$359.

■ (Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 224. STORAGE AND USE OF BATTERY SYSTEMS.

Every person, firm or corporation storing or using a battery system that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

■ (Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 225. WASTE HANDLING.

Every person, firm or corporation engaged in the business of waste handling, including but not limited to junk yards and wrecking yards, that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

■ (Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 226. MAINTENANCE OF FIRE FIGHTER AIR SYSTEMS.

Every person, firm or corporation engaged in business that involves the maintenance or repair of a fire fighter air replenishment system that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

■ (Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 227. COMBUSTIBLE DUST PRODUCING OPERATIONS.

Every person, firm or corporation engaged in business that involves combustible dust producing operations that require a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

■ (Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 228. FRUIT AND CROP RIPENING.

Every person, firm or corporation engaged in business involving fruit and crop ripening that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

■ (Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 229. HOT WORK OPERATIONS.

Every person, firm or corporation engaged in business involving hot work operations that require a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 230. USE OF LIQUID OR GAS FUELED VEHICLES OR EQUIPMENT IN ASSEMBLY BUILDINGS.

Every person, firm or corporation engaged in business involving the use of liquid or gas fueled vehicles or equipment in an assembly building that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 231. USE OF REFRIGERATION EQUIPMENT.

Every person, firm or corporation engaged in business involving the use of refrigeration equipment that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 232. AMUSEMENT BUILDINGS.

Every person, firm or corporation engaged in business involving amusement buildings that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 233. COVERED MALL BUILDINGS.

Every person, firm or corporation engaged in business involving covered mall buildings that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 234. PYROXYLIN PLASTICS.

Every person, firm or corporation engaged in business involving the use of pyroxylin plastics that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 235. ROOFTOP HELIPORTS.

Every person, firm or corporation engaged in business using a rooftop heliport that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Added by Ord. 169-09, File No. 090707, App. 7/21/2009; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 236. TIRE REBUILDING PLANTS.

Every person, firm or corporation engaged in the business of maintaining and operating a tire rebuilding plant that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 237. PLACES OF PUBLIC ASSEMBLY AND OPEN-AIR ASSEMBLY.

Every person, firm or corporation engaged in the business of maintaining, operating or using a building, stadium or structure as a place of public assembly or an open-air assembly that requires a permit from the Fire Department, and where a license is not required elsewhere in the Municipal Code, shall pay an annual license fee of \$589 per year.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 238. NITROCELLULOSE FILM AND PLASTICS.

Every person, firm or corporation engaged in the business of processing, storing or using nitrocellulose motion picture film or nitrocellulose plastics that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 239. STORAGE OF CERTAIN COMBUSTIBLE MATERIALS.

Every person, firm or corporation engaged in any business of storing combustible fibers, waste materials, lumber or readily combustible materials, including high-piled storage, that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 240. STORAGE AND USE OF FLAMMABLE OR COMBUSTIBLE LIQUIDS.

Every person, firm or corporation engaged in the business of storing, using or transporting flammable or combustible liquids, including flammable or combustible liquid fuel oil, that requires a permit from the Fire Department, unless such person shall have secured a license under Sections 90 or 93 of this Article, shall pay an annual license fee of \$359 per year.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 241. FUMIGATION AND FOGGING.

Every person, firm or corporation engaged in the business of fumigating and fogging that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 242. STORAGE AND USE OF LIQUEFIED GASES AND COMPRESSED GASES.

Every person, firm or corporation engaged in the business of storing or using liquefied petroleum gases or compressed gases that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 242.2. [REPEALED.]

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; repealed by Ord. 184-07, File No. 070813, App. 8/3/2007)

SEC. 243. ERECTION AND USE OF ACETYLENE GENERATORS; STORAGE OF CALCIUM CARBIDE.

Every person, firm or corporation that installs or uses an acetylene generator for which a permit is required from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 244. APPLICATION OF FLAMMABLE FINISHES; AND USE AND OPERATION OF INDUSTRIAL BAKING AND DRYING OVENS.

Every person, firm or corporation engaged in the business of applying flammable finishes, including floor finishes, that requires a permit from the Fire Department; or using or operating an industrial baking and drying oven that requires a permit from the Fire Department, shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 245. PROCESSING OF MAGNESIUM.

Every person, firm or corporation engaged in the business of processing magnesium that requires a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 13-85, App. 1/11/85; Ord. 180-04, File No. 040739, App. 7/22/2004; Ord. 184-07, File No. 070813, App. 8/3/2007; Ord. 169-09, File No. 090707, App. 7/21/2009; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [140-15](#), File No. 150561, App. 8/6/2015, Eff. 9/5/2015)

SEC. 246. OPERATING A TANK VEHICLE.

Every person, firm or corporation engaged in the business of transporting flammable liquids by tank vehicle, and providing such tank vehicle that requires a permit from the Fire Department, shall pay an annual fee of \$359 for each tank vehicle.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

SEC. 247. HAZARDOUS MATERIALS.

Every person, firm or corporation engaged in the business of storing and using hazardous materials, including but not limited to aerosols, cryogenic fluids, and explosives, that require a permit from the Fire Department shall pay an annual license fee of \$359.

The license fee for the Fire Department permit shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

SEC. 248. FOOD PRODUCT AND MARKETING ESTABLISHMENTS.

(a) The following fee for licenses is established for persons, firms or corporations engaged in the conduct or operation of the handling, manufacture or sale of foodstuffs, annually payable in advance to the Tax Collector.

<i>Class</i>	<i>Fee</i>
<i>Class</i>	<i>Fee</i>
Class A. Food product and marketing establishments without food preparation with a total square footage of:	
Class A-1. Less than 5,001 square feet	\$647
Class A-2. 5,001 square feet to 10,000 square feet	\$847
Class A-3. 10,001 square feet to 20,000 square feet	\$1,054
Class A-4. Greater than 20,000 square feet	\$1,277
Class B. Food product and marketing establishments with food preparation with a total square footage of:	
Class B-1. Less than 5,001 square feet	\$693
Class B-2. 5,001 square feet to 10,000 square feet	\$898
Class B-3. 10,001 square feet to 20,000 square feet	\$1,091
Class B-4. Greater than 20,000 square feet ("Supermarket") with:	
1 Food Preparation Station	\$1,235
2 to 3 Food Preparation Stations	\$1,390
4 or more Food Preparation Stations	\$1,544
Class C. Retail bakeries	
Without food preparation	\$753
With food preparation	\$1,290
Class D. Farm Stand	\$0
Class E. Certified farmers market	\$1,039
Class F. Wholesale food markets with retail	\$645
Class G. Food manufacturing or processing	\$714
Class H. Food product and marketing establishments with an inventory of food at cost in stock as of the first day of April:	
Less than \$1,000	
Greater than \$1,000	Refer to Class A
Class I. Food product and marketing establishments in stadiums, arenas or auditoriums with a seating capacity of 25,000 or more	

(b) The license fees set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

SEC. 249. [REPEALED.]

■ (Added by Ord. 94-68, App. 4/19/68; repealed by Ord. 298-10, File No. 101352, App. 12/3/2010)

SEC. 249.1. FOOD PREPARATION AND SERVICE ESTABLISHMENTS.

Every person, firm or corporation engaged in the business of operating food preparation and service establishments, as defined in Section 451 of the Health Code, that require permits from the Department of Public Health shall pay an annual license fee to the Tax Collector as follows:

(a)

<i>Class</i>	<i>Fee</i>
<i>Class</i>	<i>Fee</i>
Class A. Food preparation and service establishments with a total square footage of:	
Less than 1,000 square feet	\$879
1,000 square feet to 2,000 square feet:	\$1,158
Greater than 2,000 square feet	\$1,326
Class B. Bar or tavern	
Without food preparation	\$750
With food preparation	\$950
Class C. Take-out establishment	\$1,051
Class D. Fast food establishment	\$1,189
Class E. Catering facility	\$1,025
Catering facility – No Cooking	\$618
Catering facility – Cooking	\$1,054
Class F. Temporary facility	\$176
Class G. Commissary	\$998
Commissary for Mobile Food Facility servicing	\$618
Commissary for cooking	\$1,027
Cooking school	\$618
Limited service charitable feeding operation	\$0
Host facility	\$824
Shared Kitchen Complex, less than 2,000 square feet	\$824
Shared Kitchen Complex, 2,000 square feet or more	\$1,030
Class H. Mobile Food Facilities	
Class H-1. Mobile Food Facility 1	\$195
Class H-2. Mobile Food Facility 2	\$292
Class H-3. Mobile Food Facility 3	\$195
Class H-4. Mobile Food Facility 4	\$778
Class H-5. Mobile Food Facility 5	\$778
Class I. Stadium concession	\$710
Class J. Food Vending machines	\$227 per machine
Class K. Bed and breakfast establishment	\$1,126
Class L. Boarding house	\$283
Class M. Private school cafeteria.	
Without food preparation	\$342
With food preparation	\$527
Class N. Hospital kitchen, with food service to the general public and staff only	\$1,060
Class O. Licensed Health Care Facility	\$1,169
Class P. Caterer	\$376
Class Q. Employee Cafeteria	
With only limited food preparation	\$669
With food preparation	\$1,029

The license fees set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(b) **Exemptions.** The following establishments are exempt from paying the fees required by this Section 249.1:

(1) Food preparation and service establishments used exclusively by day care facilities.

For the purpose of this subsection (b)(1), a “day care facility for children” shall mean a “community care facility” licensed pursuant to the provisions of Chapter 3, Division 2 of the California Health and Safety Code (commencing at Section 1500), which provides nonmedical care to children in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis, or a “family day care home for children” licensed pursuant to the provisions of Chapter 3.6, Division 2 of the California Health and Safety Code (commencing at Section 1597.50).

(2) Food preparation and service establishments funded through the Disability and Aging Services Commission for nutrition projects for older individuals.

(3) Food preparation and service establishments owned and operated by a non-profit organization for the purpose of charitable feeding.

(c) Beginning with fiscal year 2010-2011 and annually thereafter, the fees set forth in this section may be adjusted each year, without further action by the Board of Supervisors, as set forth in this subsection. Not later than April 1, the Director shall report to the Controller the revenues generated by the fees for the prior fiscal year and the prior fiscal year's costs of operation, as well as any other information that the Controller determines appropriate to the performance of the duties set forth in this Article. Not later than May 15, the Controller shall determine whether the current fees have produced or are projected to produce revenues sufficient to support the costs of providing the services for which the fee is assessed and that the fees will not produce revenue that is significantly more than the costs of providing the services for which the fee is assessed. The Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue that is significantly more than such costs. The adjusted rates shall become operative on July 1.

(Amended by Ord. 270-85, App. 5/30/85; Ord. 28-88, App. 1/28/88; Ord. 369-88, App. 8/5/88; Ord. 444-88, App. 9/28/88; Ord. 244-91, App. 6/24/91; Ord. 207-93, App. 6/25/93; Ord. 131-97, App. 4/18/97; Ord. 117-01, File No. 010515, App. 6/1/2001; Ord. 5-05, File No. 041588, App. 1/8/2005; Ord. 149-08, File No. 080744, App. 7/30/2008; Ord. 233-08, File No. 080621, 2, App. 10/30/2008; Ord. 86-10, File No. 100008, App. 4/30/2010; Ord. 178-10, File No. 100720, App. 7/23/2010; Ord. 298-10, File No. 101352, App. 12/3/2010; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [172-12](#), File No. 120638, App. 7/27/2012, Eff. 8/26/2012; Ord. [252-19](#), File No. 190710, App. 11/15/2019, Eff. 12/16/2019; Ord. [109-24](#), File No. 240281, App. 6/6/2024, Eff. 7/7/2024)

SEC. 249.1A. COTTAGE FOOD OPERATIONS FEES.

(a) Class A Registration \$100

(b) Class B

(1) Application \$332

(2) Annual Permit \$350

■ (Added by Ord. [96-13](#), File No. 130244, App. 5/31/2013, Eff. 6/30/2013)

SEC. 249.2. SCHOOL FOOD CONCESSIONS.

Every person, firm or corporation engaged in the business of selling, preparing or distributing food within school facilities that requires a permit to operate from the Health Department shall pay an annual license fee of \$186.

■ (Added by Ord. 207-93, App. 6/25/93)

SEC. 249.3. SALVAGE GOODS AND MERCHANDISE.

Every person, firm or corporation engaged in the business of selling or distributing salvaged goods or merchandise that requires a permit from the Health Department shall pay an annual license fee of \$364 to the Tax Collector.

Upon payment of said fee the Tax Collector shall issue to said person paying the same, a receipt showing said payment, which said receipt shall be conspicuously displayed in the place of business of said dealer. Failure to pay said annual fee within the time provided by law shall ipso facto revoke any permit issued as provided in Section 707, Part II, Chapter V of the San Francisco Municipal Code.

The license fees prescribed by this Section are due and payable on a fiscal-year basis. Fees for licenses issued prior to or after July 1st in any subsequent fiscal year shall be prorated to July 1st, on a monthly basis.

■ (Amended by Ord. 531-78, App. 12/1/78; Ord. 207-93, App. 6/25/93)

SEC. 249.4. CIGAR AND MATTRESS FACTORIES.

Every person, firm or corporation engaged in the business of operating a cigar or mattress factory that requires a permit from the Health Department shall pay an annual fee of \$20 to the Tax Collector.

The license fees prescribed by this Section are due and payable on an annual basis commencing April 1st. Fees for new licenses issued prior to or after April 1st, or in any subsequent year, shall be prorated to April 1st, on a monthly basis.

■ (Amended by Ord. 242-70, App. 7/14/70)

SEC. 249.5. PET SHOPS, DOG KENNELS, HOSPITALS FOR SICK ANIMALS.

Every person, firm or corporation engaged in the business of operating a pet shop or hospital for sick animals that requires a permit from the Health Department shall pay an annual license fee of \$108 to the Tax Collector.

Every person, firm or corporation engaged in the business of operating a dog kennel that requires a permit from the Health Department shall pay an annual license fee of \$108 to the Tax Collector, in addition to the fee prescribed in Section 221 of Part III of this Code.

The license fees set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

■ (Amended Ord. 531-78, App. 12/1/78; Ord. 207-93, App. 6/25/93; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 249.6. VEHICLES FOR THE TRANSPORTATION OF REFUSE AND ADJUDICATION OF RATE DISPUTES.

Every person, firm or corporation engaged in operating a vehicle for transportation of refuse or garbage that requires a permit from the Health Department shall pay an annual license fee to the Tax Collector as follows:

- (a) Garbage truck, \$3,268 for each vehicle.

The license fee set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

The fees prescribed by this Section are for the purpose of reimbursing the City and County of San Francisco for costs incurred in the implementation of the Mandatory Refuse Collection Program, the inspection and licensing of refuse vehicles and the adjudication of refuse collection rate disputes.

(Amended by Ord. 95-84, App. 3/8/84; Ord. 493-87, App. 12/23/87; Ord. 207-93, App. 6/25/93; Ord. 7-03, File No. 021804, App. 1/31/2003; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 249.7. SWIMMING POOLS.

Every person, firm or corporation engaged in operating a swimming pool on a year-round basis that requires a permit from the Health Department shall pay an annual license fee of \$274 to the Tax Collector. Swimming pools that require a permit from the Health Department which operate less than six months per year shall pay an annual license fee of \$235 per year to the Tax Collector.

The license fees set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 531-78, App. 12/1/78; Ord. 244-91, App. 6/24/91; Ord. 207-93, App. 6/25/93; Ord. 131-97, App. 4/18/97; Ord. 149-08, File No. 080744, App. 7/30/2008; ■ Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 249.8. EMERGENCY MEDICAL SERVICES.

(a) Every person, firm, or corporation engaged in operating a private ambulance that requires a Certificate of Operation shall pay an initial application fee of \$13,517 at the time of filing the initial application, and an annual renewal fee of \$6,758 to the Department of Emergency Management.

(b) Every person, firm, or corporation holding a Certificate of Operation must also pay an annual ambulance permit fee of \$2,163 for each vehicle to the Department of Emergency Management.

(c) As authorized by Section 100083 of Title 22 of the California Code of Regulations, the following fees are due and payable to the Department of Emergency Management by every person, firm, or corporation applying for and renewing the certification for an Emergency Medical Services (“EMS”) Training Program:

(1) EMS Training Program Initial Application: \$2,399 for a Paramedic Program, \$1,602 for an Emergency Medical Technician (“EMT”) Program, and \$805 for a Continuing Education Program.

(2) EMS Training Program Renewal, due every four years from the time of the last renewal: \$1,203 for a Paramedic Program, \$879 for an EMT Program, and \$487 for a Continuing Education Program.

(d) As authorized by Section 100083 of Title 22 of the California Code of Regulations and Section 1797.212 of the California Health and Safety Code, the following fees are due and payable to the Department of Emergency Management by persons applying for and renewing EMT Certificates:

- (1) Application for initial EMT Certificate: \$193.
- (2) Renewal of current and valid EMT Certificate, not including EMT-Paramedic: \$143 due every two years.
- (3) Application for initial and lapsed EMT-Paramedic Accreditation: \$42.
- (4) Application for initial and lapsed Critical Care Paramedic Endorsement: \$42.
- (5) Application for initial and lapsed Community Paramedic Accreditation: \$42.
- (6) Lost/duplicate EMT Certificate, Accreditation or Endorsement Card: \$25.
- (7) Professional Verification Form Completion: \$25.

(e) As authorized by Sections 1798, 1798.2, and 1798.164 of the California Health and Safety Code, the following fees are due and payable annually in advance to the Department of Emergency Management by the following facilities (as defined in Section 901 of the Health Code) that receive patients through Ambulance Service Providers:

- (1) Receiving Hospital: \$20,616.
- (2) STEMI (ST segment elevation myocardial infarction) Center: \$25,197.
- (3) Stroke Center: \$25,197.
- (4) Trauma Center: \$25,197.
- (5) Pediatric Center: \$25,197.

(f) The Department of Emergency Management reviews and approves event medical plans for special events permitted by City departments. The following fees, based on anticipated crowd size, are due and payable upon submission of an event medical plan for review:

- (1) Event medical plan review fee for event with 10,000 persons or more: \$1,000.
- (2) Event medical plan review fee for event with 5,000 to 9,999 persons: \$500.
- (3) Event medical plan review fee for event with 1,000 to 4,999 persons: \$150.
- (4) Event medical plan review fee for event with 1 to 999 persons: \$50.

(g) Every person, firm, or corporation engaged as a Community Paramedic Provider shall pay an initial application fee of \$200,000 at the time of filing the initial application or program review under Community Paramedicine or Triage to Alternate Destination Act of 2020, and an annual renewal fee of \$100,000 to the Department of Emergency Management.

(h) Beginning with fiscal year 2023-2024 and annually thereafter, the fees set forth in this Section 249.8 may be adjusted each year, without further action by the Board of Supervisors, as set forth in this subsection (h). Not later than April 1, the Director of the Department of Emergency Management shall report to the Controller the revenues generated by the fees for the prior fiscal year and the prior fiscal year's costs of operation, as well as any other information that the Controller determines appropriate to the performance of the duties set forth in this Article 2. Not later than May 15, the Controller shall determine whether the current fees have produced or are projected to produce revenues sufficient to support the costs of providing the services for which the fee is assessed and that the fees will not produce revenue that is significantly more than the costs of providing the services for which the fee is assessed. The Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue that is significantly more than such costs. The adjusted rates shall become operative on July 1.

(i) For all services and other matters for which a fee is set forth in this Section 249.8, the Department of Emergency Management shall maintain on its website a listing of current fees, and shall make available upon request a copy of the listing of current fees.

(Amended by Ord. 531-78, App. 12/1/78; Ord. 244-91, App. 6/24/91; Ord. 160-08, File No. 080747, App. 7/30/2008; Ord. 154-09, File No. 090702, App. 7/15/2009; Ord. 59-10, File No. 100113, App. 3/25/2010; Ord. 185-10, File No. 100704, App. 7/23/2010; Ord. [172-17](#), File No. 170680, App. 7/27/2017, Eff. 8/26/2017, Retro. 7/1/2017; Ord. [135-21](#), File No. 210658, App. 8/4/2021, Eff. 9/4/2021; Ord. [184-22](#), File No. 220684, App. 8/4/2022, Eff. 9/4/2022; Ord. [175-23](#), File No. 230659, App. 7/28/2023, Eff. 8/28/2023)

SEC. 249.9. USE OF POISONOUS GAS, ETC.

Every person, firm or corporation engaged in the business of fumigation that requires a permit from the Health Department shall pay an annual license fee of \$21 to the Tax Collector.

The license fees prescribed by this Section are due and payable on an annual basis, commencing April 1st. Fees for new licenses issued prior to or after April 1st shall be prorated to April 1st on a monthly basis.

(Amended by Ord. 279-72, App. 9/28/72; Ord. 207-93, App. 6/25/93)

SEC. 249.11. TEMPORARY AND ANNUAL PERMITS FOR SPECIAL EVENTS; FEES.

(a) Temporary permits, effective for a period of one to 90 days, and annual permits will be granted by the Department of Public Health ("Department") to operate establishments under Section 248 – Food Product and Marketing Establishments and Section 249.1 –

Food Preparation and Service Establishments.

(b) Business concerns whose regular sales activities concern products or commodities other than food, but sell or give away food periodically for sales promotion purposes shall obtain either a temporary or annual permit prescribed by this Section 249.11.

(c) Temporary Special Event permits will be granted by the Department to operate special events referred to in Section 451 and 452(g) of the Health Code upon payment of fees listed as follows:

(1) Application fees, per event:

(A) Event sponsor: \$180;

(B) Food operator, where all food sold or distributed and the method of processing the food is considered to be low in potential hazard by the Department: \$50;

(C) Food operator, where any food sold or distributed or the method of processing the food is considered to be high in potential hazard by the Department: \$130.

(2) Permit fees, per location:

(A) \$74 for up to two days, and \$50 for each additional day, where all food sold or distributed and the method of processing the food is considered to be low in potential hazard by the Department;

(B) \$114 for up to two days, and \$50 for each additional day, where any food sold or distributed or the method of processing the food is considered to be high in potential hazard by the Department.

(d) Annual Special Event permits will be granted by the Department to operate at special events referred to in Sections 451 and 452(g) of the Health Code upon payment of the fees listed as follows:

(1) Application fees:

(A) Food operator, where all food sold or distributed and the method of processing the food is considered to be low in potential hazard by the Department: \$401;

(B) Food operator, where any food sold or distributed or the method of processing the food is considered to be high in potential hazard by the Department: \$401.

(2) Permit fees:

(A) Food operator, where all food sold or distributed and the method of processing the food is considered to be low in potential hazard by the Department: \$353;

(B) Food operator, where any food sold or distributed or the method of processing the food is considered to be high in potential hazard by the Department: \$588.

The annual fees set forth in this subsection (d) shall be paid annually on or before March 31, in accordance with Section 76.1 of the Business and Tax Regulations Code.

(e) Beginning with fiscal year 2025-2026 and annually thereafter, the fees set forth in this Section 249.11 may be adjusted each year, without further action by the Board of Supervisors, as set forth in this subsection (e). Not later than April 1, the Department shall report to the Controller the revenues generated by the fees for the prior fiscal year and the prior fiscal year's costs of operation, as well as any other information that the Controller determines appropriate to the performance of the duties set forth in this Section. Not later than May 15, the Controller shall determine whether the current fees have produced or are projected to produce revenues sufficient to support the costs of providing the services for which the fee is assessed and that the fees will not produce revenue that is significantly more than the costs of providing the services for which the fee is assessed. The Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue that is significantly more than such costs. The adjusted rates shall become operative on July 1.

(Amended by Ord. 531-78, App. 12/1/78; Ord. 341-88, App. 7/28/88; Ord. 207-93, App. 6/25/93; Ord. 84-00, File No. 000424, App. 5/12/2000; Ord. 149-08, File No. 080744, App. 7/30/2008; Ord. [252-19](#), File No. 190710, App. 11/15/2019, Eff. 12/16/2019; Ord. [203-24](#), File No. 240406, App. 8/1/2024, Eff. 9/1/2024)

SEC. 249.12. FOOD VENDING MACHINES.

Every person, firm or corporation engaged in the business of operating food vending machines shall pay a fee of \$227 for each food vending machine operated. For purposes of this Section 249.12, "food vending machine" has the meaning set forth in Section 467 of Article 8 of the Health Code. The license fee set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Amended by Ord. 279-72, App. 9/28/72; Ord. 207-93, App. 6/25/93; Ord. 5-05, File No. 041588, App. 1/21/2005; Ord. 149-08, File No. 080744, App. 7/30/2008; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [252-19](#), File No. 190710, App. 11/15/2019, Eff. 12/16/2019)

SEC. 249.13. WELLS AND WELL WATER.

(a) Every person, firm or corporation engaged in operating wells that require a permit from the San Francisco Department of Public Health shall pay an annual permit fee of \$47 to the Tax Collector. For the purpose of this Section, the term "well" shall have the same

meaning as that in Section 659 or Article 12B of the San Francisco Health Code.

(b) The license fee set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Added by Ord. 450-77, App. 10/6/77; amended by Ord. 207-93, App. 6/25/93; Ord. 131-97, App. 4/18/97; Ord. 113-05, File No. 050547, App. 6/10/2005; Ord. 149-08, File No. 080744, App. 7/30/2008; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 249.14. CERTIFIED TESTERS.

Every person who is not a City employee and who is engaged in testing backflow prevention or cross-connection control devices for which a certificate is required from the Department of Public Health shall pay fee(s) to the Tax Collector prior to the issuance of said certificate, as follows:

- (a) Initial application for certification: \$159.
- (b) Training for certification: \$115.
- (c) Examination for certification: \$78.
- (d) Seals or tags: \$11 each.
- (e) Annual license fee and recertification fee: \$84.

The fees for annual licenses shall be prorated to January 1st on a monthly basis. All fees are nonrefundable.

(Amended by Ord. 356-84, App. 8/24/84; Ord. 244-91, App. 6/24/91; Ord. 207-93, App. 6/25/93; Ord. 149-08, File No. 080744, App. 7/30/2008)

SEC. 249.15. SOLID WASTE TRANSFER STATION LICENSE FEE.

Every person, firm or corporation operating a solid waste transfer or processing station within the City and County of San Francisco shall pay to the Tax Collector an annual license fee. The license fees set forth in this Section shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

- (a) Large Quantity Transfer Station. Any solid waste facility handling in excess of 250,000 tons of solid waste per year: \$30,000.
- (b) Medium Quantity Transfer Station. Any solid waste facility handling between 10,000 and 249,999 tons of solid waste per year: \$10,000.
- (c) Small Quantity Transfer Station. Any solid waste facility handling less than 10,000 tons of solid waste per year: \$1,000.
- (d) For purposes of Section 35 and this Section 249.15 of Article, the terms "transfer or processing station," "transportation," "solid waste," "solid waste facility," and "handling" shall be defined as set forth in Sections 40191, 40194, 40195 and 40200 of the California Public Resources Code, which Sections are incorporated by reference as if fully set forth herein.

(Added by Ord. 207-93, App. 6/25/93; amended by Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012)

SEC. 249.16. TOBACCO LICENSE PERMIT FEE.

Every person, firm or corporation engaged in tobacco sales shall pay an annual license fee to the Tax Collector. The amount of the fee shall be determined and published annually by the Department of Health based on the initial amount of \$188 set in Ordinance [149-08](#) and adjusted thereafter under Section 76.1(c) of the Business and Tax Regulations Code. The license fee set forth in this Section shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

(Added by Ord. 254-03, File No. 030869, App. 11/7/2003; amended by Ord. [149-08](#), File No. 080744, App. 7/30/2008; Ord. [238-11](#), File No. 111101, App. 12/15/2011, Eff. 1/14/2012; Ord. [259-14](#), File No. 141098, App. 12/19/2014, Eff. 1/18/2015)

SEC. 249.17. PLACE OF ENTERTAINMENT.

Every person as defined in Section 6.2-15 of this Code conducting business or engaging in an activity for which a place of entertainment permit is required under Article 15.1 of the San Francisco Police Code shall pay an annual license fee. The amount of the fee for the 2005-2006 fiscal year shall be as set forth in Section 2.27 of the Police Code, and such amount shall be adjusted for the 2006-2007 fiscal year and annually thereafter in accordance with Section 2.31 of the Police Code.

(Added by Ord. 193-05, File No. 051027, App. 7/29/2005)

SEC. 249.18. EXTENDED HOURS PREMISES.

Every person as defined in Section 6.2-15 of this Code conducting business or engaging in an activity for which an extended hours premises permit is required under Article 15.2 of the San Francisco Police Code shall pay an annual license fee. The amount of the fee for the 2005-2006 fiscal year shall be as set forth in Section 2.27 of the Police Code, and such amount shall be adjusted for the 2006-

2007 fiscal year and annually thereafter in accordance with Section 2.31 of the Police Code.

■ (Added by Ord. 193-05, File No. 051027, App. 7/29/2005)

SEC. 249.19. MECHANICAL AMUSEMENT DEVICE.

Every person as defined in Section 6.2-15 of this Code conducting business or engaging in an activity for which a mechanical amusement device permit is required under Article 15 of the San Francisco Police Code shall pay an annual license fee. The amount of the fee for the 2005-2006 fiscal year shall be as set forth in Section 2.27 of the Police Code, and such amount shall be adjusted for the 2006-2007 fiscal year and annually thereafter in accordance with Section 2.31 of the Police Code.

■ (Added by Ord. 193-05, File No. 051027, App. 7/29/2005)

SEC. 249.20. CANNABIS BUSINESS PERMIT AND LICENSE FEES.

(a) Except as provided in subsection (d), the Director of the Office of Cannabis shall charge every applicant for a cannabis business permit, as set forth in Section 1607 of the Police Code, a one-time non-refundable permit application fee of \$2,000 to recover the costs incurred by the Office of Cannabis of processing the permit application. Except as provided in subsection (d), the Director shall charge an applicant for a permit amendment the hourly costs of processing that amendment, which shall include a minimum two-hour charge. The hourly rate for processing a permit amendment shall be \$110. Such costs for processing applications for permits and permit amendments shall include costs relating to services provided by the Office of the City Attorney, the Controller's Office, and such other offices as may be required to assist the Office of Cannabis in this processing function.

(b) Except as provided in subsection (d), the Director of the Office of Cannabis shall charge every person, firm, or corporation engaged in operating a cannabis business, as set forth in Section 1607 of the Police Code, a license fee of \$3,000 for the first year of operation and an annual license fee of \$5,000 for each subsequent year of operation, to recover the costs incurred by the Office of Cannabis in implementing Article 16 of the Police Code. Such costs shall include costs, if any, relating to services provided by the Office of the City Attorney, the Controller's Office, the Department of Human Resources, the Department of Technology, the Office of Contract Administration, and such other offices as may be required to assist the Office of Cannabis in this function. The annual license fee shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.

(c) Beginning with fiscal year 2024-2025, the permit and permit amendment application fees, and first-year and annual license fees, set pursuant to subsections (a) and (b) of this Section 249.20 may be adjusted each year on July 1, without further action by the Board of Supervisors, based on a determination by the Controller that the changes are necessary to reflect changes in the relevant Consumer Price Index, and/or are necessary to produce revenues sufficient to support the costs of providing the services for which the fees are assessed and without producing revenue that is significantly more than such costs. Not later than April 1 of each year, the Controller shall determine whether the current fees have produced or are projected to produce revenues sufficient to support the costs of application-related and licensing-related activities, and whether the fees will produce revenue that is significantly more than the costs of providing such services. The Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue that is significantly more than such costs.

(d) The Director of the Office of Cannabis shall not charge an Equity Applicant, as that term is defined in Section 1604 of the Police Code, the one-time non-refundable permit application fee of \$2,000 for a cannabis business permit required by subsection (a), any fees for the hourly costs of processing a permit amendment for the first year of operation required by subsection (a), or the license fee of \$3,000 for the first year of operation as required by subsection (b).

(e) The Director of the Office of Cannabis shall charge every applicant for a Cannabis Event Permit, as set forth in Section 1621.5 of the Police Code, a one-time non-refundable permit application fee, in the amount set forth below, to recover the costs incurred by the City in processing applications, regulating events, and in connection with other permit-related activities. This fee may be waived once for a verified Equity Applicant, as defined under Police Code Section 1604)¹, or Equity Operator, as defined under Police Code Section 1608, that operates a cannabis business as a sole proprietorship or a nonprofit, in connection with a single event, but shall not be waived for any additional events. The amount of this fee shall be as follows:

- (1) For events with an estimated attendance of 500 or fewer people: \$500;
- (2) For events with an estimated attendance of 501 – 1000 people: \$1,000;
- (3) For events with an estimated attendance of 1001 – 2500 people: \$1,500;
- (4) For events with an estimated attendance of 2500 people or more: \$3,000.

Beginning with fiscal year 2020-2021, this fee may be adjusted by the Controller each year on July 1, without further action by the Board of Supervisors, based on a determination by the Controller that the changes are necessary to reflect changes in the relevant Consumer Price Index, and/or are necessary to produce revenues sufficient to support the costs of providing the services for which the fees are assessed and without producing revenue that is significantly more than such costs. Not later than April 1 of each year, the Controller shall determine whether the current fee has produced or is projected to produce revenues sufficient to support the costs of permit-related activities (including, but not limited to, the processing of applications and the regulation of events), and that the fees will not produce revenue that is significantly more than the costs of providing such services. The Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue that is significantly more than such costs.

CODIFICATION NOTE

- 1. So in Ord. [194-24](#).

SEC. 249.21. FOOD FACILITY SURCHARGE.

(a) Every person, firm or corporation engaged in the business of operating a Food Facility shall pay a surcharge annually in advance to the Tax Collector in the amount of \$285. "Food Facility" for purposes of this section shall have the same meaning set forth in California Health and Safety Code Section 114094, or any successor provisions.

(b) Beginning with fiscal year 2009-2010 and annually thereafter, the surcharge set forth in this Section may be adjusted each year, without further action by the Board of Supervisors, as set forth in this Section.

(c) Not later than April 1, the Director of Health, or his or her designee, shall report to the Controller the revenues generated by the surcharge for the prior fiscal year and the prior fiscal year's costs of operation, as well as any other information that the Controller determines appropriate to the performance of the duties set forth in California Health and Safety Code Section 114094, or any successor provisions. Not later than May 15, the Controller shall determine whether the current surcharge has produced or is projected to produce revenues sufficient to support the costs of providing the services for which the surcharge is assessed and that the surcharge will not produce revenue that is significantly more than the costs of providing the services for which the surcharge is assessed. The Controller shall, if necessary, adjust the surcharge upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue that is significantly more than such costs. The adjusted rates shall become operative on July 1.

- (Added by Ord. 155-09, File No. 090703, 7/15/2009)

SEC. 249.22. CATERERS.

Caterers are required to submit an application for a Class Q permit to the Department of Public Health with an application fee of \$323. The application shall include 1) a verification form demonstrating that the caterer prepares food at a commissary or other facility permitted by the Department of Public Health, 2) an operational procedure form, 3) a copy of a valid food safety certificate, and 4) any other documents required by the Director of the Department of Public Health. The application fee in this section may be adjusted annually as provided in Section 249.1(c). A caterer who also owns a catering facility must pay the catering facility fee but is not required to pay the caterer fee unless that caterer also prepares food at another catering facility where the caterer has no ownership interest.

- (Added by Ord. 178-10, File No. 100720, App. 7/23/2010)

SEC. 249.23. MOBILE FOOD FACILITY PLAN CHECK FEE.

Each person filing an application for an initial Mobile Food Facility permit under Public Works Code Section 184.83 also shall pay the Health Department a plan check fee of \$181 per hour. This fee is due and payable to the Health Department at the time the applicant requests said plan check from the Health Department. The fee amount shall be based on the Health Department's estimate of the time required to check the applicant's plans. The Health Department may refund a portion of the fee payment or require additional payment if actual plan check time differs from the initial estimate. The Health Department may withhold plan check approval until payment of the plan check fees and the Department of Public Works' Mobile Food Facility permit shall not be final and effective until the Health Department issue plan check approval. The Controller may adjust this fee annually as set forth in Section 249.1(c).

- (Added by Ord. 298-10, File No. 101352, App. 12/3/2010)

SEC. 249.24. NON-POTABLE WATER SYSTEMS.

Every person, firm, or corporation engaged in operating an alternate water source system that requires a permit from the Department of Public Health shall pay an annual license fee to the Tax Collector in the amount listed below. For the purpose of this Section 249.24, the term "alternate water source system" shall have the same meaning as that in Article 12C of the Health Code.

- (a) Rainwater, Stormwater, and Foundation Drainage \$1,613.45
- (b) Graywater \$2,195.07
- (c) Black water \$2,195.07

The license fee set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.*

- (Added by Ord. [195-12](#), File No. 120717, App. 9/17/2012, Eff. 10/17/2012; amended by Ord. [155-21](#), File No. 210536, App. 10/8/2021, Eff. 11/8/2021)

SEC. 249.25. BODY ART LICENSE FEES.

(a) Every body art facility shall pay a license fee of \$1,372 per year, or for any portion of a year. Every person registered as a body art practitioner shall pay a license fee of \$100.00. The fees shall be due annually on March 31 of each year, pursuant to Section 76.1, Article 2 of the San Francisco Business and Tax Regulations Code.*

(b) Beginning with fiscal year 2014-2015, the fee set forth in this Section may be adjusted each year, without further action by the Board of Supervisors, as set forth in this Section. Not later than April 1, the Director shall report to the Controller the revenues generated by the fee for the prior fiscal year and the prior fiscal year's costs of operation, as well as any other information that the Controller determines appropriate to the performance of the duties set forth in this Section.

(c) Not later than May 15, the Controller shall determine whether the current fee has produced or is projected to produce revenues sufficient to support the costs of providing the services for which the fee is assessed and that the fee will not produce revenue which is significantly more than the costs of providing the services for which the fee is assessed. The Controller shall, if necessary, adjust the fee upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue which is significantly more than such costs. The adjusted fee shall become operative on July 1.

(Added by Ord. [19-14](#), File No. 130402, App. 3/14/2014, Eff. 4/13/2014)

ARTICLE 3:

[REPEALED]

SEC. 250. [REPEALED.]

■ (Added by Ord. 226-61, App. 8/7/61; amended by Ord. 94-00, File No. 000432, App. 5/26/2000; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

SEC. 251. [REPEALED.]

■ (Added by Ord. 226-61, App. 8/7/61; amended by Ord. 95-00, File No. 000433, App. 5/26/2000; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

SEC. 251.1. [REPEALED.]

■ (Added by Ord. 356-90, App. 10/17/90; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

SEC. 252. [REPEALED.]

■ (Added by Ord. 226-61, App. 8/7/61; amended by Ord. 96-00, File No. 000434, App. 5/26/2000; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

SEC. 253. [REPEALED.]

■ (Added by Ord. 226-61, App. 8/7/61; amended by Ord. 97-00, File No. 000435, App. 5/26/2000; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

SEC. 254. [REPEALED.]

■ (Added by Ord. 226-61, App. 8/7/61; amended by Ord. 98-00, File No. 000436, App. 5/26/2000; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

SEC. 255. [REPEALED.]

■ (Added by Ord. 226-61, App. 8/7/61; amended by Ord. 99-00, File No. 000437, App. 5/26/2000; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

SEC. 256. [REPEALED.]

■ (Added by Ord. 226-61, App. 8/7/61; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

SEC. 257. [REPEALED.]

■ (Added by Ord. 226-61, App. 8/7/61; amended by Ord. 100-00, File No. 000438, App. 5/26/2000; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

SEC. 258. [REPEALED.]

(Added by Ord. 117-00, File No. 000439, App. 6/2/2000; repealed by Ord. [43-15](#), File No. 141235, App. 4/2/2015, Eff. 5/2/2015)

ARTICLE 4:

[RESERVED]

ARTICLE 5:

ELECTRICAL MUSICAL DEVICES

- | | |
|-------------|--|
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| Sec. 351. | Requirements for Machines. |
| Sec. 352. | Unlawful Acts. |
| Sec. 353. | Application for Permit. |
| Sec. 354. | Action on Application. |
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| Sec. 361. | Posting License in Premises. |
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| Sec. 363. | No Prorating or Refunding of License Fees. |
| Sec. 364. | Notification of Issuance of License – Placing of Seal of Approval. |
| Sec. 365. | Application for Renewal of License or for Additional License. |
| Sec. 366. | Procedure Where No Current License. |
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| Sec. 368. | Rules and Regulations to be Adopted. |
| Sec. 369. | Ascertainment of Compliance With All Laws, Etc.– Inspection Therefor. |
| Sec. 370. | When Deemed a Public Nuisance – Procedure Thereon. |
| Sec. 371. | Violation, a Misdemeanor. |
| Sec. 372. | Permit and License Required Notwithstanding Any Other Provision of Code. |
| Sec. 373. | Partial Repeal. |
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| Sec. 375. | Saving Clause – Nonwaiver of Debts Due and Unpaid. |

SEC. 350. DEFINITIONS.

As used in this Article, the following words shall have the following respective meanings:

"Electrical Musical Device" shall mean any machine, apparatus or device operated or which may be operated by electricity and designed or constructed for the purpose of producing or playing any musical tone or tones or combination of tones; and the use, operation or playing of such machine, apparatus or device which is permitted or allowed by the deposit of any coin, slug or token in any slot or receptacle attached to said machine, apparatus or device, or connected therewith; and which machines, apparatus or device does not dispense any Article or thing and cannot be operated as a game or contest.

"Owner or Operator of an Electrical Musical Device" shall mean:

(a) Any owner of such electrical musical device who operates or permits same to be operated in his place of business or in any place under his control, or who installs or maintains to be operated the same in any place where the same can be operated by person in or about said place;

(b) The person in whose place of business any such electrical musical device is placed for the use or patronage of the public or of persons in or about said place;

(c) Any person having control over such electrical musical device.

"Person" shall mean any corporation, association, syndicate, joint stock company, partnership, club, Massachusetts business or common law trust, society or individual.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 351. REQUIREMENTS FOR MACHINES.

Every electrical musical device shall have a seal or tag permanently attached thereto showing the serial number of the electrical musical device; and, in addition thereto, a label indicating the name and address of the manufacturer and the voltage and current necessary for the proper operation of said electrical musical device.

Every portable electrical musical device shall be equipped with not more than six feet of electric cord of a type approved by the Department of Public Works, and shall be connected to a convenience plug receptacle adjacent to said electrical musical device.

Where it is necessary to install electrical wiring to said electrical musical device location, said wiring shall be installed by a registered electrical contractor in accordance with the provisions of Article 1, Chapter III, Part II, of the San Francisco Municipal Code.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 352. UNLAWFUL ACTS.

It shall be unlawful for any owner or operator of an electrical musical device to install, operate or maintain to be operated any electrical musical device in the City and County of San Francisco without first having obtained a permit in writing so to do from the Director of Public Works and having the seal of approval as hereinafter provided for, placed on each of said electrical musical devices.

It shall be unlawful to remove said seal of approval from said device to which it was attached, as provided for in this Article, and affix same to another device or machine.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 353. APPLICATION FOR PERMIT.

Application for said permit shall be made to the Director of Public Works on forms provided by the Department of Public Works, shall be signed by the applicant, and shall contain the following information in addition to whatever additional information is deemed necessary by the Director of Public Works:

(a) Name and address of the applicant;

(b) A complete description of the type of electrical musical device and the manner in which it is to be placed, maintained to be operated or operated;

(c) The total number of electrical musical devices to be placed, maintained to be operated or operated for which the permit is requested.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 354. ACTION ON APPLICATION.

The application for said permit shall be acted upon by the Director of Public Works within 10 days after the filing of such application.

SEC. 355. INVESTIGATIONS.

Upon receipt of said application, the Director of Public Works shall cause to be investigated the statements as set forth in the application. He shall determine whether such electrical musical device complies with the ordinances of the City and County of San Francisco and the rules and regulations of departments concerned.

SEC. 356. DISAPPROVAL OF APPLICATION – CONDITIONS CORRECTED – APPROVAL.

In the event that the application for said permit is disapproved, the Director of Public Works shall notify the applicant for said permit of such fact. Upon receiving said notice from the Director of Public Works, the applicant shall have the opportunity of correcting such conditions as have been disapproved. This correction shall be made within 10 days after receipt of said notice; and, if such conditions have been corrected to the satisfaction of the Director of Public Works, the permit may be issued.

SEC. 357. ISSUANCE OR DENIAL OF PERMIT.

If the Director of Public Works approves the granting of said permit he may issue a permit to said applicant, which permit shall be serially numbered and the renewal or continuance thereof shall be governed by the provisions of Section 23, Article 1, Part III, of the San Francisco Municipal Code. The Director of Public Works may in the exercise of sound discretion, deny said permit.

SEC. 358. PERMIT FORWARDED TO TAX COLLECTOR.

When any permit is issued under the provisions of this Article, the Director of Public Works shall cause said permit to be forwarded to the office of the Tax Collector for delivery to the permittee upon the payment of the fees as hereinafter set forth.

SEC. 359. LICENSE FEES.

Every holder of an electrical musical device permit shall pay at the office of the Tax Collector a monthly license fee of \$2, plus a monthly license fee of \$1 for each separate electrical musical device which the permit authorizes, payable quarterly in advance, for the periods ending on the last days of September, December, March and June, of each fiscal year.

Provided, that when any one of the persons mentioned in Subdivisions (a), (b) and (c) of Section 350 of this Article, which subdivisions define the term "Owner or Operator of an Electrical Musical Device," obtains a permit and a license for the maintenance or operation of said electrical musical device, the said permit and license shall cover each of the persons mentioned in said Subdivisions (a), (b) and (c) of Section 350 of this Article.

SEC. 359.1. ELECTRICAL INSPECTION COSTS.

In calculating the fees earned by the Electrical Inspection Division of the Department of Public Works pursuant to the provisions of Section 24 of the Charter of the City and County of San Francisco 10 percent of the license fees derived pursuant to Section 359 of this Article shall be credited to said Division.

SEC. 360. CONTENTS OF LICENSES.

The Tax Collector shall issue a license for such electrical musical devices for which the fee was paid, showing thereon the:

- (a) Name and address of the permittee;
- (b) Number of electrical musical devices the permit authorizes;
- (c) Serial number of the permit and the expiration date of the license.

SEC. 361. POSTING LICENSE IN PREMISES.

The license shall be permanently and conspicuously posted at the premises of the permittee, and shall not be removed from said location during the period for which said license was issued.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 362. REMOVAL OR TRANSFERRING OF LICENSE TO OTHER PERSON OR PREMISES PROHIBITED.

Nothing in this Article shall permit the removing or transferring of the license to any other person or premises other than those for which the license was originally issued.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 363. NO PRORATING OR REFUNDING OF LICENSE FEES.

License fees paid under the provisions of this Article shall not be prorated or refunded.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 364. NOTIFICATION OF ISSUANCE OF LICENSE – PLACING OF SEAL OF APPROVAL.

Upon the issuance to the permittee of the license as provided for in this Article, the Tax Collector shall immediately notify, in writing, the Director of Public Works of such fact.

Upon receipt of such notification, the Director of Public Works shall cause to be placed in a conspicuous and uniform place on each of said electrical musical devices for which a permit and license was obtained, for the public to see, a seal of approval of such shape, design, wording and materials as the Controller shall specify. Said seal of approval shall remain in full force and effect for such period of time as the permit provided for in this Article is effective. Upon revocation of such permit said seal of approval shall be removed by the Director of Public Works from such device and destroyed.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 365. APPLICATION FOR RENEWAL OF LICENSE OR FOR ADDITIONAL LICENSE.

Application for renewal of license shall be made to the Tax Collector and shall be made within 10 days prior to the expiration of the current license. If said application for renewal of license be not made within the time specified, the permit authorized by this Article shall become automatically null and void.

Whenever a licensee, as provided for in this Article, desires to install, operate or maintain to be operated electrical musical devices in addition to the number of said devices authorized by his current permit and license, the provisions of this Article shall apply; provided, that the monthly license fee of \$2 shall not be required to be paid.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 366. PROCEDURE WHERE NO CURRENT LICENSE.

If any electrical musical device is placed, operated or maintained to be operated without a current license, the Director of Public Works shall immediately cause same to be impounded and shall not release said electrical musical device until a new permit has been obtained as provided for in this Article for obtaining an original permit, and a penalty of twice the amount of the delinquent quarterly license fee plus the quarterly license fee for the current period has been paid to the Tax Collector. Electrical musical devices impounded under the provisions of this Section shall be held for a period of 90 days and if not redeemed within such period shall be destroyed or otherwise disposed of by the Director of Public Works.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 367. SUSPENSION, REVOCATION OR REINSTATEMENT OF A PERMIT, PROCEDURE FOR.

When the Director of Public Works shall determine that the permittee or any of the permittee's servants, agents or employees, in the

use, operation or maintenance of any such electrical musical device is violating or attempting to violate any law of the State of California or any ordinance of the City and County of San Francisco or the rules and regulations of any department thereof concerned; or, if in the opinion of the Director of Public Works it is deemed necessary for the protection of the public, the Director of Public Works, after written notice to the permittee, shall have power to suspend and, after due and proper hearing, shall have power to revoke, any permit issued under the provisions of this Article.

The Director of Public Works shall cause to be forwarded to the Tax Collector written notice of any revocation, suspension or reinstatement of any permit herein provided for.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 368. RULES AND REGULATIONS TO BE ADOPTED.

The Director of Public Works is authorized to adopt, promulgate and enforce such rules and regulations regarding electrical musical devices as will enable the Department of Public Works to enforce and carry out the meaning and intent of this Article.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 369. ASCERTAINMENT OF COMPLIANCE WITH ALL LAWS, ETC. – INSPECTION THEREFOR.

It shall be the duty of the Director of Public Works to ascertain that all of the provisions of this Article, all ordinances of the City and County of San Francisco and the rules and regulations of any departments thereof concerned, pertaining to electrical musical devices are strictly complied with, and for that purpose the representatives of the Department of Public Works shall have access to any electrical musical device at any and all times, and same shall be inspected by the representatives of the Department of Public Works as often as may be deemed necessary.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 370. WHEN DEEMED A PUBLIC NUISANCE – PROCEDURE THEREON.

Any electrical musical device operated or maintained to be operated in violation of this Article or any ordinances of the City and County of San Francisco or the rules and regulations of any state or municipal departments concerned shall be deemed to be a public nuisance, and any such electrical musical device so operated or maintained to be operated shall be impounded by the Director of Public Works; and, if any court of competent jurisdiction shall determine that said electrical musical device, or the use or operation thereof, violates or has violated any of said ordinances, the rules or regulations, said electrical musical device shall be confiscated by said Director of Public Works; but, if said electrical musical device is one which may be legally operated under the provisions of this Article and is seized for the failure of the owner or operator thereof to obtain the necessary permit or to pay the necessary license fee for the maintenance or operation of said electrical musical device, said electrical musical device shall be dealt with as provided in Section 366 of this Article.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 371. VIOLATION, A MISDEMEANOR.

Any person violating any of the provisions of this Article shall be guilty of a misdemeanor.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 372. PERMIT AND LICENSE REQUIRED NOTWITHSTANDING ANY OTHER PROVISION OF CODE.

The issuance of a permit or license under the provisions of this Article shall not exempt the permittee or licensee, notwithstanding any Section of the San Francisco Municipal Code or any Section of any ordinance of the City and County of San Francisco making any Section or Sections thereof inapplicable, from the provisions of the San Francisco Municipal Code or any ordinance or ordinances of the City and County of San Francisco requiring a permit of license.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 373. PARTIAL REPEAL.

Any and all ordinances, or parts thereof, in conflict with the provisions of this Article are hereby repealed but only to such extent as conflict may exist.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 374. EFFECTIVE DATE.

The effective date of this Article shall be October 1, 1940.

■ (Added by Ord. 785, App. 8/21/40)

SEC. 375. SAVING CLAUSE – NONWAIVER OF DEBTS DUE AND UNPAID.

If any Section, Subsection, Subdivision, paragraph, sentence, clause or phrase of this Article is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Article. The Board of Supervisors hereby declares that it would have passed this Article, and each Section, Subsection, Subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more other Sections, Subsections, Subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional.

The enactment of this Article shall not in any manner be construed as a waiver of any license or permit fee or any other fees or money due and unpaid under the provisions of the San Francisco Municipal Code or any ordinance of the City and County of San Francisco.

(Added by Ord. 785, App. 8/21/40)

ARTICLE 6:

COMMON ADMINISTRATIVE PROVISIONS

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Sec. 6.2-12.	Nexus; "Engaging in Business within the City."
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Sec. 6.2-18.	Successor.
Sec. 6.2-19.	Tax Collector.
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Sec. 6.8-1.	City, Public Entity, and Constitutional Exemptions.
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Sec. 6.11-1.1.	Deficiency Determinations; Recomputation; Estimate of Liability.
Sec. 6.11-2.	Deficiency Determinations; Revocation Determinations; Notice and Service.
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Sec. 6.12-1.	Jeopardy Determinations; Duty of Tax Collector.
Sec. 6.12-2.	Jeopardy Determinations; When Due and Payable; Stay of Collection; Petition for Redetermination; Time of Hearing.
Sec. 6.12-3.	Jeopardy Determinations; Service of Notice.
Sec. 6.12-4.	Jeopardy Determinations; Effect of Nonpayment.
Sec. 6.12-5.	Jeopardy Determinations; Petition for Redetermination.
Sec. 6.13-1.	Redeterminations; Petition; Time for Filing; Incomplete Petitions.
Sec. 6.13-2.	Redeterminations; Hearing and Notice.
Sec. 6.13-3.	Redeterminations; Alteration of Determination.
Sec. 6.13-4.	Redeterminations; Finality of Order.
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Sec. 6.15-1.	Refunds.
Sec. 6.15-2.	Refunds; Interest.
Sec. 6.15-3.	Exhaustion of Administrative Remedies; Presentation of Claim for Refund as Prerequisite to Suit; Payment of Disputed Amount and Petition for Refund; Limitations.
Sec. 6.15-4.	Validation Actions; Statute of Repose.
Sec. 6.16-1.	Rules and Regulations.
Sec. 6.17-1.	Penalties and Interest for Failure to Pay.
Sec. 6.17-1.1.	Penalties and Interest for Failure to Pay.
Sec. 6.17-2.	Penalties for Underreporting of Tax.
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Sec. 6.17-3.	Negligence Penalties for Failure to Register, Misstatements In Registration, Failure to Timely Update Registration, Failure to Allow Inspection of Records Upon Request, and Failure to File a Return; Sanction for Failure to Produce Requested Records.
Sec. 6.17-3.1.	Penalties for Misstatements In Registration, Failure to Timely Update Registration, Failure to Allow Inspection of Records Upon Request, and Failure to File a Return; Sanction for Failure to Produce Requested Records.
Sec. 6.17-4.	Waiver of Penalties.
Sec. 6.17-4.1.	Waiver of Penalties.
Sec. 6.17-5.	Costs.
Sec. 6.18-1.	Summary Judgment; Notice; Certificate.
Sec. 6.18-2.	Summary Judgment; Filing of Certificate; Entry of Judgment.
Sec. 6.18-3.	Summary Judgment; Recording of Judgment; Lien.
Sec. 6.18-5.	Summary Judgment; Additional Penalty.
Sec. 6.18-6.	Summary Judgment; Extension of Lien.
Sec. 6.18-7.	Summary Judgment; Execution Upon the Judgment.
Sec. 6.18-8.	Summary Judgment; Satisfaction of Judgment; Removal of Lien.
Sec. 6.19-1.	Civil Actions.
Sec. 6.19-2.	Remedies Cumulative.
Sec. 6.19-3.	Administrative Penalties and Citations.
Sec. 6.19-4.	Violations.
Sec. 6.19-5.	Administrative Citation; Issuance.
Sec. 6.19-6.	Administrative Citation; Service.
Sec. 6.19-7.	Administrative Citation; Contents.
Sec. 6.19-8.	Administrative Appeal.
Sec. 6.19-9.	Regulations.
Sec. 6.19-10.	Judicial Review.
Sec. 6.19-11.	Other Remedies Not Affected.
Sec. 6.20-1.	Relation to Other License Ordinances.

Sec. 6.21-1.	Transferee and Successor Liability.
Sec. 6.22-1.	Confidentiality.
Sec. 6.23-1.	Severability.
Sec. 6.24-1.	Amendment of Ordinance.

Editor's Notes:

The sections of this Article are numbered out of sequence with the rest of this Code. Section 6 of this Code is codified in Article 1 above. The preceding Article 5 comprises sections numbered through 375. The following Article 7 comprises sections beginning with 501.

For clarity and consistency, the editor has adjusted and/or corrected the designation of subdivisions of various sections within this Article.

SEC. 6.1-1. COMMON ADMINISTRATIVE PROVISIONS.

- (a) These common administrative provisions shall apply to Articles 6, 7, 8, 9, 10, 10B, 11, 12, 12-A-1, 21, 28, 29, 29A, 30, 32, and 33 of this Code and to Chapter 105 of the Administrative Code, unless the specific language of either Code otherwise requires. Any provision of this Article 6 that references or applies to Article 10 shall be deemed to also reference or apply to Article 10B. Any provision of this Article 6 that references or applies to a tax shall be deemed to also reference or apply to a fee administered pursuant to this Article, and shall be deemed to also reference or apply to an assessment levied pursuant to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code sections 36600 *et seq.*) or Article 15 of this Code. A fee administered pursuant to Article 6 or an assessment levied pursuant to the Property and Business Improvement District Law of 1994 or Article 15 of this Code shall for purposes of this Article be deemed to be imposed pursuant to the provisions of the Business and Tax Regulations Code.
- (b) Unless expressly provided otherwise, all statutory references in this Article 6 and the Articles set forth in subsection (a) shall refer to such statutes as amended from time to time and shall include successor provisions.
- (c) For purposes of this Article 6, a domestic partnership established pursuant to Chapter 62 of the Administrative Code shall be treated the same as a married couple.
- (d) The common administrative provisions in this Article 6 that were in effect as of December 31, 2020, shall apply to the payroll expense tax in former Article 12-A.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 71-02, File No. 020193, App. 5/10/2002; Ord. 26-04, File No. 031990, App. 2/19/2004; Proposition O, 11/4/2008; Ord. 173-09, File No. 090724, App. 7/21/2009; Ord. 291-10, File No. 101099, App. 11/18/2010; Proposition E, App. 11/6/2012, Oper. 1/1/2014; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; Ord. [12-18](#), File No. 171155, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [277-19](#), App. 11/27/2019, Eff. 12/28/2019, Oper. 1/1/2020; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [88-21](#), File No. 210161, App. 7/2/2021, Eff. 8/2/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 6.2-1. COMMON DEFINITIONS.

Except where the context otherwise requires, the terms used in this Article 6 shall have the meaning given to them herein. Definitions used in other City codes shall not govern the interpretation of this Article.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.2-2. AGENT.

The term "agent" means an agent as that term is defined in Title 9, Chapter 1, Article 1 of the Civil Code of the State of California (Sections 2295 *et seq.*), and includes, without limitation, an actual agent, ostensible agent, general agent, or special agent.

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004)

(Former Sec. 6.2-2 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-15 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-3. ARTICLE.

The term "Article" followed by a number means such Article of this Business and Tax Regulations Code.

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

(Former Sec. 6.2-3 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-20.5 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-4. ASSOCIATION.

The term "association" includes a partnership, limited partnership, limited liability company, limited liability partnership and any other form of unincorporated business or enterprise (except a sole proprietorship).

(Add by Ord. 26-04, File No. 031990, App. 2/19/2004)

(Former Sec. 6.2-4 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-17 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-5. BUSINESS.

The term "business" means any activity, enterprise, profession, trade or undertaking of any nature conducted or engaged in, or ordinarily conducted or engaged in, with the object of gain, benefit or advantage, whether direct or indirect, to the taxpayer or to another

or others. The term "business" includes nonprofit entities, trade associations and subsidiary or independent entities which conduct operations for the benefit of others and at no profit to themselves. The term "business" also includes an organization having a formally recognized exemption from income taxation pursuant to Section 501(c), 501(d) or 401(a) of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504 and 508 of the Internal Revenue Code of 1986, as amended.

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004)

(Former Sec. 6.2-5 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-19 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-6. CITY; CITY AND COUNTY.

The terms "City" and "City and County" shall mean the City and County of San Francisco.

(Added as Sec. 6.2-7 by Ord. 18-98, App. 1/16/98; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

(Former Sec. 6.2-6 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-7 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-7. CONTROLLER.

The term "Controller" means the Controller of the City and County of San Francisco, or his or her designee.

(Added as Sec. 6.2-6 by Ord. 18-98, App. 1/16/98; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

(Former Sec. 6.2-7 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-6 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-8. DAY.

The term "day" means a calendar day. If the last day for performance of any act provided for or required by the Business and Tax Regulations Code is a holiday, as defined in Chapter 7 (commencing with Section 6700) of Division 7 of Title 1 of the California Government Code, or a Saturday or Sunday, the act may be performed upon the next business day with the same effect as if it had been performed upon the day appointed. For purposes of this Section 6.2-8, the Friday in November immediately after Thanksgiving Day is considered a holiday.

(Added as Sec. 6.2-9 by Ord. 18-98, App. 1/16/98; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

(Former Sec. 6.2-8 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-11 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-9. EMPLOYEE.

The term "employee" means any individual in the service of an employer, under an appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed, and includes but is not limited to, all of the enumerated categories in subsections (a) through (f) of California Labor Code Section 3351, regardless of whether Workers' Compensation Benefits, pursuant to Division 4, Part 1, Section 3200 *et seq.* of the California Labor Code are required to be paid. Nothing herein shall be deemed to incorporate any provisions from said Labor Code relating to scope of employment.

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. 291-10, File No. 101099, App. 11/18/2010)

(Former Sec. 6.2-9 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-8 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-10. INDIVIDUAL.

The term "individual" means a natural person, a human being, as distinguished from an artificial person such as a corporation or political subdivision.

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004)

(Former Sec. 6.2-10 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-13 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-11. MONTH.

The term "month" means a calendar month.

(Added as Sec. 6.2-8 by Ord. 18-98, App. 1/16/98; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

(Former Sec. 6.2-11 added by Ord. 18-98, App. 1/16/98; renumbered Sec. 6.2-21 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-12. NEXUS: "ENGAGING IN BUSINESS WITHIN THE CITY."

The taxes imposed by Article 12-A-1 (Gross Receipts Tax Ordinance), Article 21 (Early Care and Education Commercial Rents Tax Ordinance), Article 28 (Homelessness Gross Receipts Tax Ordinance), Article 30 (Cannabis Business Tax Ordinance), Article 32 (Traffic Congestion Mitigation Tax Ordinance), and Article 33 (Overpaid Executive Gross Receipts Tax), and the registration fee imposed by Article 12 (Business Registration Ordinance) shall apply to any person engaging in business within the City unless exempted therefrom under said Articles. A person is "engaging in business within the City," within the meaning of this Article 6, if that person meets one or more of the following conditions:

- (a) The person maintains a fixed place of business within the City; or
- (b) An employee, representative, or agent of the person maintains a fixed place of business within the City for the benefit or partial benefit of the person; or
- (c) The person or one or more of the person's employees, representatives, or agents owns, rents, leases, or hires real or personal property within the City for business purposes for the benefit or partial benefit of the person; or

- (d) The person or one or more of the person's employees, representatives, or agents regularly maintains a stock of tangible personal property within the City, for sale in the ordinary course of the person's business; or
- (e) The person or one or more of the person's employees, representatives, or agents employs or loans capital on property within the City for the benefit or partial benefit of the person; or
- (f) The person or one or more of the person's employees, representatives, or agents solicits business within the City for all or part of any seven days during a tax year; or
- (g) The person or one or more of the person's employees, representatives, or agents performs work or renders services within the City for all or part of any seven days during a tax year; or
- (h) The person or one or more of the person's employees, representatives, or agents utilizes the streets within the City in connection with the operation of motor vehicles for business purposes for all or part of any seven days during a tax year; or
- (i) The person or one or more of the person's employees, representatives, or agents exercises corporate or franchise powers within the City for the benefit or partial benefit of the person; or
- (j) The person or one or more of the person's employees, representatives, or agents liquidates a business when the liquidators thereof hold themselves out to the public as conducting such business; or
- (k) The person has more than \$500,000 in total gross receipts, as the term "gross receipts" is used in Article 12-A-1 of the Business and Tax Regulations Code, in the City during the tax year, using the rules for assigning gross receipts under Section 956.1 of Article 12-A-1.

(Added as Sec. 854 by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Proposition E, App. 11/6/2012, Oper. 1/1/2014; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [277-19](#), App. 11/27/2019, Eff. 12/28/2019, Oper. 1/1/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

Editor's note:

The amendments made to Sec. 6.2-12 by Ord. 235-18 were nullified by the approval of Proposition D at the November 6, 2018 election.

SEC. 6.2-13. OPERATOR.

The term "operator" means:

- (a) Any person conducting or controlling a business subject to the tax on transient occupancy of hotel rooms;
- (b) Any person conducting or controlling a business subject to the tax on occupancy of parking space in parking stations in the City, including, but not limited to, the owner or proprietor of such premises, lessee, sublessee, mortgagee in possession, licensee or any other person otherwise conducting or controlling such business;
- (c) Any person conducting or controlling a business subject to the stadium operator occupancy tax in the City;
- (d) Any service supplier required to collect the utility users tax under Article 10; or
- (e) Any service supplier required to collect the access line tax under Article 10B.

(Added as Sec. 6.2-10 by Ord. 18-98, App. 1/16/98; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.2-14. [REPEALED.]

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.2-15. PERSON.

The term "person" means any individual, firm, company, partnership, limited liability partnership, joint venture, association, proprietorship, social club, fraternal organization, joint stock company, domestic or foreign corporation, limited liability company, estate, trust, business trust, receiver, trustee, trustee in bankruptcy, administrator, executor, assignee, syndicate, or any other group or combination acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise.

(Added as Sec. 6.2-2 by Ord. 18-98, App. 1/16/98; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-16. REPRESENTATIVE.

The term "representative" means a representative as that term is used in United States Public Law 86-272, Section 381 of Title 15 of the United States Code, except that such term shall include an independent contractor notwithstanding Section 381(d)(2) of Title 15 of the United States Code.

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-17. RETURN.

The term "return" means any written statement required to be filed under Articles 6, 7, 8, 9, 10, 10B, 11, 12, 12-A-1, 21, 28, 29, 29A, 30, 32, or 33, or under laws applicable to a fee administered pursuant to Article 6, or under laws applicable to an assessment levied pursuant to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code sections 36600 *et seq.*) or Article 15 of this Code.

(Added as Sec. 6.2-4 by Ord. 18-98, App. 1/16/98; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. 291-10, File No. 101099, App. 11/18/2010)

11/18/2010; Proposition E, App. 11/6/2012, Oper. 1/1/2014; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; Ord. [12-18](#), File No. 171155, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [277-19](#), App. 11/27/2019, Eff. 12/28/2019, Oper. 1/1/2020; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [88-21](#), File No. 210161, App. 7/2/2021, Eff. 8/2/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 6.2-18. SUCCESSOR.

The term "successor" means any person who, directly or indirectly purchases or succeeds to the business or portion thereof, or the whole or any part of the stock of goods, wares, merchandise, fixtures or other assets, or any interest therein of a taxpayer quitting, selling out, exchanging or otherwise disposing of his or her business. Any person obligated to fulfill the terms of a contract shall be deemed a successor to any contractor defaulting in the performance of any contract as to which such person is a surety or guarantor.

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.2-19. TAX COLLECTOR.

The term "Tax Collector" means the Tax Collector of the City and County of San Francisco, or his or her designee.

(Added as Sec. 6.2-5 by Ord. 18-98, App. 1/16/98; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-20. TAX YEAR.

The term "tax year" means the year commencing on January 1 of each calendar year and ending on December 31 of the same calendar year.

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.2-20.5. TAXPAYER.

The term "taxpayer" means a person required under the Business and Tax Regulations Code to file a return or pay or remit a tax.

(Added as Sec. 6.2-3 by Ord. 18-98, App. 1/16/98; renumbered by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.2-21. THIRD-PARTY TAXES.

The term "third-party taxes" means the transient hotel occupancy tax (Article 7), the parking space occupancy tax (Article 9), the utility users tax (Article 10), and the access line tax (Article 10B).

(Added as Sec. 6.2-11 by Ord. 18-98, App. 1/16/98; renumbered and amended by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.3-1. DUTIES OF THE TAX COLLECTOR.

The Tax Collector shall collect and receive the taxes imposed by the Business and Tax Regulations Code. The Tax Collector shall keep an accurate and separate account of all tax payments received by the Tax Collector, showing the name and address of the taxpayer and the date of the payments. The Tax Collector shall transmit all monies collected pursuant to the Business and Tax Regulations Code to the Treasurer for deposit to the general fund, unless otherwise provided by law.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.4-1. RECORDS; INVESTIGATION; SUBPOENAS.

(a) Every taxpayer shall keep and preserve business and other records as may be necessary to determine the amount of tax for which the person may be liable or that the person was required to collect, including all local, state, and federal tax returns of any kind, for a period of five years from the date the tax is due or paid, whichever is later.

(b) Upon request of the Tax Collector, a taxpayer shall produce such business and other records at the Tax Collector's Office during normal business hours for inspection, examination, and copying. Refusal to allow full inspection, examination, or copying of such records shall subject the taxpayer to all penalties authorized by law, including but not limited to the penalties set forth in Section 6.17-3 or Section 6.17-3.1, as applicable. As an alternative to production at the Tax Collector's Office, the Tax Collector may agree to inspect, examine, and copy the requested books, papers, and records at the taxpayer's place of business or some other mutually acceptable location, and may require the taxpayer to reimburse the City for the Tax Collector's ordinary and reasonable expenses incurred in the inspection, examination, and copying of such books, papers, and records, including food, lodging, transportation, and other related items, as appropriate.

(c) The Tax Collector may order any person or persons, whether taxpayers, alleged taxpayers, witnesses, or custodians of records, to produce all books, papers, and records that the Tax Collector believes may have relevance to enforcing compliance with the provisions of the Business and Tax Regulations Code for inspection, examination, and copying at the Tax Collector's Office during normal business hours. As an alternative to production at the Tax Collector's Office, the Tax Collector may agree to inspect, examine, and copy the requested books, papers, and records at the person's place of business or some other mutually acceptable location, and may require the person to reimburse the City for the Tax Collector's ordinary and reasonable expenses incurred in the inspection, examination, and copying of such books, papers, and records, including food, lodging, transportation, and other related items, as appropriate.

(d) The Tax Collector may order the attendance before the Tax Collector of any person or persons, whether taxpayers, alleged taxpayers, witnesses, or custodians of records, whom the Tax Collector believes may have information relevant to enforcing compliance with the provisions of the Business and Tax Regulations Code.

(e) If the taxpayer does not maintain business and other records that are adequate to determine liability under the Business and Tax Regulations Code, or following a request by the Tax Collector, fails to produce such business and other records in a timely fashion, the Tax Collector may determine the taxpayer's liability based upon any information in the Tax Collector's possession, or that may come into the Tax Collector's possession. Such determination shall be prima facie evidence of the taxpayer's liability in any subsequent administrative or judicial proceeding.

(f) The Tax Collector may issue and serve subpoenas to carry out the provisions of this Section 6.4-1.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 90-99, File No. 990300, App. 4/30/99; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 6.5-1. REQUEST FOR FINANCIAL AND OTHER INFORMATION.



New Ordinance Notice

Publisher's Note: This section has been **AMENDED** by new legislation (Ord. [224-23](#), approved 11/3/2023, effective 12/4/2023). The text of the amendment will be incorporated under the new section number when the amending legislation is effective.

(a) In addition to a subpoena issued pursuant to Section 6.4-1, the Tax Collector may, at the Tax Collector's discretion, send any person, whether a taxpayer, alleged taxpayer, witness, or custodian of records, a written request for financial information or other information relevant to verifying, determining or redetermining any person's tax liability or tax-exempt status. "Financial information" shall include, but not be limited to, bank records, journals, ledgers, and local, state, and federal tax returns, and shall include information regarding subsidiary, related, affiliated, controlled, or controlling persons in possession of information relevant to the Tax Collector's inquiry. "Other information" shall include any information that is not financial information. The request shall be mailed to the person's last known address as indicated in the Tax Collector's records.

(b) Each person to whom a written request for financial information or other information has been sent pursuant to subsection (a) of this Section 6.5-1 shall complete and return the form, with the information requested, to the Tax Collector within 30 days of the date of the mailing of the written request, or by such other reasonable deadline as the Tax Collector may set forth in the written request. Said person shall provide such financial information or other information that the Tax Collector, in writing, has requested.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 6.5-2. PENALTIES FOR FAILURE TO RESPOND TO REQUEST FOR FINANCIAL INFORMATION.

Any persons, including taxpayers, alleged taxpayers, witnesses, or custodians of records, who fail to respond to the Tax Collector's written request for financial information shall be subject to any penalties and sanctions provided by law, including but not limited to the penalties and sanctions provided in Section 6.17-3 or Section 6.17-3.1, as applicable.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.6-1. CERTIFICATE OF AUTHORITY FOR THIRD-PARTY TAXES.

(a) These additional provisions shall apply to operators under the Tax on Transient Occupancy of Hotel Rooms (hereinafter, "Hotel Tax") (Article 7), the Tax on Occupancy of Parking Space in Parking Stations (hereinafter "Parking Tax") (Article 9), the Utility Users Tax (Article 10), and the Access Line Tax (Article 10B).

(b) Every operator who is required to collect or remit any third-party tax must possess a valid certificate of authority issued by the Tax Collector.

(c) The application for a certificate of authority shall be on a form provided by the Tax Collector and shall set forth the name under which the person transacts or intends to transact business, the location of each of the person's places of business in the City, and such other information as the Tax Collector may require. The application shall be signed by the owner if a sole proprietor, by a member or partner, in the case of an association, or by an executive officer or some person specifically authorized by the corporation to sign the application in the case of a corporation. No person shall operate a business for which a certificate of authority is required under subsection (b) unless and until the Tax Collector has issued that person a certificate of authority. The holder of a certificate of authority must promptly notify the Tax Collector of any changes to the information stated in the certificate of authority application.

(d) Except as provided in subsections (f), (g), (h), (l), and (m) below, the Tax Collector, within 45 days after the application is complete, shall issue a separate certificate of authority to the operator to collect third-party taxes from customers for each location at which the operator is required to collect such taxes. The certificate for the Parking Tax will expire on a date certain set by the Tax Collector, and the certificate for the other taxes subject to this Section 6.6-1 may expire on a date certain set by the Tax Collector. The

operator must apply for renewal of the certificate, before it expires, if the operator intends to continue to engage in business in the City. Except as provided in subsections (f), (g), (h), (j), (l), and (m), the Tax Collector may issue successive, one-year renewals of an operator's certificate for the Parking Tax, and, in the Tax Collector's sole discretion, may issue successive certificates for periods longer than one year or perpetual certificates for the other taxes subject to this Section. Each certificate shall state the location of the place of business to which it applies and shall be prominently displayed at such location in plain view of all customers. Certificates of authority may not be assigned or transferred. The operator shall immediately surrender to the Tax Collector the certificate for that location upon the operator's cessation of business at that location or upon the sale or transfer of the business.

(e) The holder of a certificate of authority to collect the Parking Tax shall remain presumptively liable for the collection of Parking Taxes at the location named in the certificate, and for the reporting and remittance of such taxes to the Tax Collector, unless and until the holder of the certificate both:

- (1) notifies the Tax Collector in writing that the holder has ceased to conduct a parking business at such location; and
- (2) surrenders the certificate for that location to the Tax Collector.

(f) (1) The Tax Collector may refuse to issue the certificate where, within the 45-day period referred to in subsection (d) above, the Tax Collector determines that the operator, or any signatory to the application, or any person holding a 10% or greater legal or beneficial interest in said operator ("10% owner") is not in compliance with any provision of the Business and Tax Regulations Code, including but not limited to any failure to timely collect, report, pay, or remit any tax imposed by this Code, or where any such person is not in compliance with any provision of Sections 1215 through 1223, inclusive, of Article 17 of the Police Code.

(2) Solely for purposes of determining under this Section 6.6-1 whether any such operator, signatory, or 10% owner is not in compliance with the provisions described in subsection (f)(1), the Tax Collector may disregard any corporation or association owned or controlled, directly or indirectly, by any such operator, signatory, or 10% owner and consider such corporation or association's operations and liabilities as conducted by or as owned by any one or more of such corporation or association's officers, directors, partners, members, or owners. For purposes of this Section, (A) the term "owned" means ownership of 50% or more of the outstanding ownership interests in such corporation or association, and (B) the term "controlled" includes any kind of control, whether direct or indirect, whether legally enforceable, and however exercisable or exercised over such corporation or association. A presumption of control arises if the operator, signatory, or 10% owner is (or was) an officer, director, partner, or member of such corporation or association.

(g) if ¹ if any person subject to this Section 6.6-1 violates any provision of the Business and Tax Regulations Code, or a rule or regulation promulgated by the Tax Collector, including but not limited to any failure to timely collect, report, pay, or remit any tax imposed by this Code, failure to maintain accurate registration information, failure to sign any return or pay any tax when due, failure to timely respond to any request for information, order for records, or subpoena, or failure to comply with the requirements of Article 22 of the Business and Tax Regulations Code or any provision of Sections 1215 through 1223, inclusive, of Article 17 of the Police Code, the Tax Collector may, after serving the person with written notice of the Tax Collector's determination in the manner provided in Section 6.11-2 and an opportunity to be heard pursuant to the notice and review provisions of Section 6.13-1 *et seq.*, refuse to issue that person a new certificate of authority or may revoke or suspend that person's certificate of authority. The Tax Collector may refuse to issue that person a new certificate of authority or to withdraw the suspension of an existing certificate until the person, signatory to the application for the certificate revoked or suspended, signatory to the application for a new certificate or withdrawal of the suspension, and all 10% owners have complied with the provisions of the Business and Tax Regulations Code and corrected the original violation to the satisfaction of the Tax Collector. For any person applying for or holding a certificate of authority to collect Parking Taxes, the Tax Collector shall promptly notify the Chief of Police in writing that it has revoked a person's certificate of authority, refused to issue a new certificate of authority, suspended an existing certificate of authority, or determined that the person is not in compliance with the Business and Tax Regulations Code. The Tax Collector shall in writing request that the Chief of Police refuse to issue a commercial parking permit to the person or suspend or revoke the person's existing commercial parking permit and immediately close the business, pursuant to Sec. 1215.3(b) of the Police Code.

(h) (1) Before any certificate of authority shall be issued to any applicant to engage in the business of renting parking space in a parking station in this City the applicant shall file with the Tax Collector a bond naming the City as exclusive beneficiary at all times the applicant engages in such business. The applicant shall maintain the bond in the following amounts for as long as the business continues:

<i>Annual gross receipts for parking station</i>	<i>Bond amount</i>
<i>Annual gross receipts for parking station</i>	<i>Bond amount</i>
Less than \$100,000.00	\$20,000
\$100,000.00 to \$250,000.00	\$50,000
\$250,000.01 to \$500,000.00	\$100,000
\$500,000.01 to \$750,000.00	\$150,000
\$750,000.01 to \$1,000,000.00	\$200,000
\$1,000,000.01 to \$1,250,000.00	\$250,000
\$1,250,000.01 to \$1,500,000.00	\$300,000
\$1,500,000.01 to \$1,750,000.00	\$350,000
\$1,750,000.01 to \$2,000,000.00	\$400,000
\$2,000,000.01 to \$2,250,000.00	\$450,000
\$2,250,000.01 to \$2,500,000.00	\$500,000

\$2,500,000.01 to \$2,750,000.00	\$550,000
\$2,750,000.01 to \$3,000,000.00	\$600,000
\$3,000,000.01 to \$3,250,000.00	\$650,000
\$3,250,000.01 to \$3,500,000.00	\$700,000
\$3,500,000.01 to \$3,750,000.00	\$750,000
\$3,750,000.01 to \$4,000,000.00	\$800,000
\$4,000,000.01 and greater	\$800,000

(2) This bond requirement does not apply to an applicant that is a governmental entity.

(3) The Tax Collector may, in his or her discretion, independently establish the annual gross receipts for a parking station and set the bond amount pursuant to the schedule above, based on that determination. If, at the end of any calendar year, the gross receipts for a parking station have increased such that a larger bond amount would be required under the above schedule, the operator shall obtain a new bond in the increased amount by the following April 1. If at the end of any calendar year the gross receipts for the parking station have decreased, the operator may apply to the Tax Collector for a reduction of the bond amount.

(i) Upon application by the operator, the Tax Collector may, in the Tax Collector's discretion, set the bond amount for a parking station at the following levels, provided the operator meets the following qualifications: (1) the operator has maintained a valid certificate of authority, including a bond for all locations, for the three years immediately preceding the date of the application; (2) the Tax Collector has not issued a deficiency determination against the operator for any business location for the three years immediately preceding the date of the application; and, further, (3) the Tax Collector determines that the reduced bond amount is in the best interest of the City. The reduced bond amount is applicable during the calendar year that it is approved. The Tax Collector may, in the Tax Collector's discretion, approve renewal of the bond at the lower amount from year to year. If, after approving an application for a reduced bond amount, the Tax Collector issues a deficiency determination against the operator for any business location, or the operator fails to obtain a Certificate of Authority for any business location, the approval may be rescinded and the higher bond amount provided under subsection (h) may be required.

<i>Annual gross receipts for qualified parking station</i>	<i>Bond amount</i>
<i>Annual gross receipts for qualified parking station</i>	<i>Bond amount</i>
Less than \$100,000.00	\$10,000
\$100,000.00 to \$250,000.00	\$25,000
\$250,000.01 to \$500,000.00	\$50,000
\$500,000.01 to \$750,000.00	\$75,000
\$750,000.01 to \$1,000,000.00	\$100,000
\$1,000,000.01 to \$1,250,000.00	\$125,000
\$1,250,000.01 to \$1,500,000.00	\$150,000
\$1,500,000.01 to \$1,750,000.00	\$175,000
\$1,750,000.01 to \$2,000,000.00	\$200,000
\$2,000,000.01 to \$2,250,000.00	\$225,000
\$2,250,000.01 to \$2,500,000.00	\$250,000
\$2,500,000.01 to \$2,750,000.00	\$275,000
\$2,750,000.01 to \$3,000,000.00	\$300,000
\$3,000,000.01 to \$3,250,000.00	\$325,000
\$3,250,000.01 to \$3,500,000.00	\$350,000
\$3,500,000.01 to \$3,750,000.00	\$375,000
\$3,750,000.01 to \$4,000,000.00	\$400,000
\$4,000,000.01 and greater	\$400,000

(j) Such bond shall be executed by the applicant as principal, and by a corporation or association which is licensed by the Insurance Commissioner of this State to transact the business of fidelity and surety insurance, as surety. The applicant shall keep the bond in full force and effect for the duration of the certificate of authority and all renewals thereof issued to such applicant. If the bond provides that the term thereof shall be continuous until cancelled, the applicant shall provide the Tax Collector with certification from the surety of the renewal or continuation of the bond:

- (1) when applying for renewal of an existing certificate of authority;
- (2) when requesting the withdrawal of a suspension of an existing certificate of authority;
- (3) when applying for a reduced bond amount pursuant to subsection (i); or
- (4) upon written request of the Tax Collector.

(k) The bond shall contain conditions that require the applicant to comply fully with all the provisions of the Business and Tax

Regulations Code concerning the collection of third-party taxes from occupants of parking stations and the remittance of such taxes to the Tax Collector. The bond shall be payable to the City in the amount of all unpaid Parking Taxes on amounts of taxable rents collected by the applicant, together with all administrative collection costs, interest, penalties, and other costs and charges applicable thereto; provided, however, that the aggregate liability of the surety for any and all claims which may arise under such bond shall in no event exceed the face amount of such bond regardless of the amount due and owing to the City. The City may bring an action upon the bond for the recovery of any unpaid Parking Taxes, administrative collection costs, interest, penalties, and other costs and charges at any time prior to the expiration of the period of limitations applicable to the collection of such unpaid taxes by the Tax Collector.

(l) When there is a deficiency determination or jeopardy determination against an operator for third-party taxes, the Tax Collector shall issue the deficiency determination or jeopardy determination against the operator and the operator's surety. The liability of the surety shall not exceed the face value of the bond(s) in effect during the period for which the deficiency is assessed. The Tax Collector shall provide notice of such deficiency determination or jeopardy determination to the operator and the bond surety. Either an operator or a surety or both may file a petition for redetermination. An operator's petition for redetermination shall be construed by the Tax Collector as a petition on behalf of both the operator and the surety. The surety may request a hearing before the Tax Collector pursuant to Section 6.13-2. The taxpayer and surety hearings may be consolidated at the discretion of the Tax Collector. Upon the finality of such determination or decision on petition for redetermination, the operator and the surety shall be liable to the Tax Collector in the amount of the determination or decision on petition for redetermination. The surety's liability shall not exceed the face value of the bond(s) in effect during the period for which the deficiency is assessed. The surety shall be subject to the same requirements as the operator with regard to payment of the tax liability and exhaustion of administrative remedies prior to seeking judicial relief. The Tax Collector may exercise all remedies against the surety that are available to the Tax Collector as to an operator or any other person determined to be liable for a tax.

(m) Before any certificate of authority shall be issued to any applicant to engage in the business of renting parking space in a parking station in this City, the applicant shall comply with Article 22. The applicant shall reimburse the Tax Collector's costs to inspect the parking station to confirm it complies with Article 22.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 8-01, File No. 002018, App. 1/26/2001; Ord. 61-01, File No. 002197, App. 4/20/2001; Ord. 177-01, File No. 010826, App. 8/17/2001; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [5-13](#), File No. 121064, App. 1/24/2013, Eff. 2/23/2013; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

CODIFICATION NOTE

- 1. So in Ord. [152-21](#).

SEC. 6.7-1. COLLECTION OF THIRD-PARTY TAXES.

(a) (1) Every operator receiving payment of charges from a customer shall collect the amount of the third-party tax from the customer. All amounts of third-party tax so collected shall be considered to be a special fund in trust for the City. For purposes of this Section 6.7-1, a person who otherwise qualifies as an operator under Section 6.2-13 shall not, by reason of the fact that the person is exempt from the tax, be exempted from the other obligations of an operator, including without limitation the obligation to collect and remit to the City all third-party taxes collected from non-exempt customers. An exemption from a third-party tax is enjoyed by the customer, not by the operator responsible for collecting and remitting such taxes. The operator may not exclude from taxation charges claimed to be exempt unless the operator has records of each transaction, which demonstrate:

- (A) the basis for the claim of exemption, and
- (B) that an amount was not in fact collected from the exempt customer as a tax.

(2) Where a customer is not the end user of a good or service subject to such tax, the customer shall be deemed an operator. The existence of such deemed operator shall not relieve any other operator of obligations under the Business and Tax Regulations Code, including without limitation the obligation to collect and remit the tax to the City. The liability of such deemed operator and any other operator for the tax, including applicable interest and penalties accrued through the date of payment, shall be joint and several; provided, the City shall be limited to only one satisfaction thereof.

(b) Third-party taxes shall be collected, to the extent practicable, at the same time as and along with the collection of charges made in accordance with the regular billing practice of the operator. If the amount paid by a customer is less than the full amount of the charges and tax which has accrued for the billing period, a proportionate share of both the charges and the tax shall be deemed to have been paid.

(c) Where a customer receives more than one billing, one or more being for different periods than another, the duty to collect shall arise separately for each billing period. In all cases of transactions upon credit or deferred payment, the payment of tax to the Tax Collector may be deferred in accordance therewith, and the operator shall be liable therefor at the time and to the extent that such credits are paid or deferred payments are made in accordance with the rate of tax owing on the amount thereof.

(d) Any third-party tax imposed upon customers shall be deemed a debt owed by the customer to the City. Any such tax required to be collected from customers which has not been remitted to the Tax Collector shall be deemed a debt owed to the City by the person required to collect and remit such tax to the City.

(e) The Tax Collector shall have the power to adopt rules and regulations prescribing methods and schedules for the collection and payment of third-party taxes and such methods and schedules shall provide that the fractional part of 1 cent shall be disregarded unless it amounts to one-half of 1 cent or more, in which case the amount (determined without regard to the fractional part of 1 cent) shall be increased by 1 cent.

(f) The Tax Collector may, in the exercise of his or her discretion, require an operator under this Section to maintain trust accounts for deposit of third-party taxes collected from customers. The Tax Collector may direct an operator regarding how such trust accounts shall

be created and maintained, and may prescribe the terms of such accounts. An operator's refusal to comply with the Tax Collector's direction regarding a trust account shall be grounds for revocation of a certificate of authority and/or of any license or permit to do business in San Francisco.

(g) When third-party taxes are not paid when due, or when there is any deficiency determination or jeopardy determination against an operator for third-party taxes, the Tax Collector may collect said liabilities, including interest and penalties accrued through the date of payment, from any person or persons the Tax Collector determines was responsible for performing the acts of collecting, accounting for, and remitting third-party taxes to the City and failed to do so, or who had the power to control the financial decision-making process by which the operator allocates funds to creditors in preference to the operator's obligation to remit third-party taxes to the City. When the person or persons responsible for the acts of collecting, accounting for, and remitting third-party taxes to the City cannot otherwise be determined, the Tax Collector may presume the President, Chief Executive Officer, and/or Chief Financial Officer of a corporation or any managing partner or member of an association to be a person responsible for performing such acts. The Tax Collector is authorized to name all such persons potentially responsible for performing such acts in a notice of deficiency determination or jeopardy determination and, in such case, the Tax Collector shall identify the person or persons responsible for such acts in the final decision. The final decision shall be based on the information available to the Tax Collector or based on the above presumption. The liability of such persons shall be joint and several with each other and with the operator, and shall be established in the manner provided for under this Article for other determinations.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.7-2. [REPEALED.]

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 91-99, File No. 990301, App. 4/30/99; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.8-1. CITY, PUBLIC ENTITY, AND CONSTITUTIONAL EXEMPTIONS.

(a) Nothing in Articles 6, 7, 8, 9, 10, 10B, 11, 12, 12-A-1, 21, 28, 29, 29A, 30, 32, or 33 shall be construed as imposing a tax upon:

- (1) The City, except for the Vacancy Tax (Article 29);
- (2) The State of California, or any county, municipal corporation, district, or other political subdivision of the State, except where any constitutional or statutory immunity from taxation is waived or is not applicable;
- (3) The United States, or any of its agencies or subdivisions, except where any constitutional or statutory immunity from taxation is waived or is not applicable; or
- (4) Any person exempted from the particular tax by the Constitution or statutes of the United States or the Constitution or statutes of the State of California.

(b) The foregoing exemption from taxation does not relieve an exempt party from its duty to collect, report, and remit third-party taxes.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010 ; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [12-18](#), File No. 171155, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [277-19](#), App. 11/27/2019, Eff. 12/28/2019, Oper. 1/1/2020; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [88-21](#), File No. 210161, App. 7/2/2021, Eff. 8/2/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 6.8-2. CREDITS AND EXEMPTIONS.

The credits and exemptions set forth in Articles 6, 7, 8, 9, 10, 10B, 11, 12, 12-A-1, 12-C, 21, 28, 29, 29A, 30, 32, and 33, in laws applicable to fees administered pursuant to Article 6, and in laws applicable to assessments levied pursuant to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code sections 36600 *et seq.*) or Article 15 of this Code, are provided on the assumption that the City has the power to offer such credits and exemptions. If a credit or exemption is invalidated by a court of competent jurisdiction, the taxpayer must pay any additional amount that the taxpayer would have owed but for such invalid credit or exemption. Amounts owed as a result of the invalidation of a credit or exemption that are paid within three years after the decision of the court becomes final shall not be subject to interest or penalties.

(Added by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 6.9-1. RETURNS AND PAYMENTS.



New Ordinance Notice

Publisher's Note: This section has been **AMENDED** by new legislation (Ord. [51-24](#), approved 3/22/2024, effective 4/22/2024, retro. 1/1/2024). The text of the amendment will be incorporated under the new section number when the amending legislation is operative.

(a) **Returns Generally.** Except as otherwise provided in this Business and Tax Regulations Code, on or before the due date, or in the event of cessation of business within 15 days of such cessation, each taxpayer shall file a return for the subject period on a form provided by the Tax Collector, regardless of whether there is a tax liability owing. A taxpayer who has not received a return form from the Tax Collector is responsible for obtaining such form and filing a return, and the failure of the Tax Collector to furnish the taxpayer with a return shall not relieve the taxpayer of any payment or filing obligation. Returns shall show the amount of tax paid, collected, or otherwise due for the subject period and such other information as the Tax Collector may require. Each taxpayer shall transmit the return, together with the remittance of the tax due, to the Tax Collector at the Tax Collector's Office on or before the due date specified in this Section 6.9-1. Filing a return that the Tax Collector determines to be incomplete in any material respect may be deemed failure to file a return in violation of this Section 6.9-1(a).

(b) **Special Rules for Third-Party Taxes and the Stadium Operator Admission Tax.**

(1) Returns shall show the amount of tax required to be collected for the subject period, separately, for each location at which the operator conducts business, and such other information as the Tax Collector requires. The Tax Collector may require returns to show the total number of transactions upon which tax was required to be collected and the amount of tax due on each such transaction, and for each location at which the operator conducts business. The Tax Collector may inspect, examine, and copy records for each such location separately, and may issue deficiency and jeopardy determinations pursuant to this Article 6 for each such location separately, or in combination with one or more other locations at which the operator conducts business.

(2) When a return is filed without full remittance of the amount reported to be due, the amount remaining unpaid, together with any nonpayment penalties, is immediately due and payable and may be collected by the Tax Collector forthwith.

(c) **Gross Receipts Tax, Early Care and Education Commercial Rents Tax, Homelessness Gross Receipts Tax, Cannabis Business Tax, and Overpaid Executive Gross Receipts Tax.**

(1) **Annual Due Date.** Except for any extensions granted under Section 6.9-4 or as otherwise provided in this Business and Tax Regulations Code, returns and payments of the Gross Receipts Tax (Article 12-A-1) (including the tax on administrative office business activities imposed under Section 953.8 of Article 12-A-1), the Early Care and Education Commercial Rents Tax (Article 21), the Homelessness Gross Receipts Tax (Article 28) (including the homelessness administrative office tax imposed under Section 2804(d) of Article 28), the Cannabis Business Tax (Article 30), and the Overpaid Executive Gross Receipts Tax (Article 33) (including the overpaid executive administrative office tax imposed under Section 3303(d) of Article 33) are due and payable, and shall be delinquent if not submitted and paid to the Tax Collector, on or before the last day of February of the succeeding year.

(2) **Small Business Exemption.** A person or combined group that qualifies for the small business exemption in Section 954.1 of Article 12-A-1 shall be exempt from filing a Gross Receipts Tax return, an Early Care and Education Commercial Rents Tax return, and, except for a person or combined group subject to the overpaid executive administrative office tax imposed under Section 3303(d) of Article 33, an Overpaid Executive Gross Receipts Tax return. Notwithstanding the preceding sentence, any person taking the Payroll Expense Tax Exclusion Credit in Section 960 of Article 12-A-1 must file a Gross Receipts Tax return, and any person taking the credit for child care facilities in Section 2106.1 of Article 21 must file an Early Care and Education Commercial Rents Tax return, regardless of whether such person qualifies for the small business exemption from the Gross Receipts Tax.

(3) **Estimated Tax Payments.** Except as provided in Section 6.9-1(c)(3)(D) with respect to estimated tax payments of the Gross Receipts Tax, every person or combined group liable for payment of the Gross Receipts Tax (Article 12-A-1) (including the tax on administrative office business activities imposed under Section 953.8 of Article 12-A-1), the Early Care and Education Commercial Rents Tax (Article 21), the Homelessness Gross Receipts Tax (Article 28) (including the homelessness administrative office tax imposed under Section 2804(d) of Article 28), the Cannabis Business Tax (Article 30), or the Overpaid Executive Gross Receipts Tax (Article 33) (including the overpaid executive administrative office tax imposed under Section 3303(d) of Article 33) shall make three estimated tax payments, in addition to the annual payments in Section 6.9-1(c)(1), as follows:

(A) **Due Dates.** The first, second, and third estimated tax payments for a tax year shall be due and payable, and shall be delinquent if not paid on or before, April 30, July 31, and October 31, respectively, of that tax year. Estimated tax payments shall be a credit against the person or combined group's total annual liability, as applicable, for the Gross Receipts Tax (including the tax on administrative office business activities imposed under Section 953.8 of Article 12-A-1), Early Care and Education Commercial Rents Tax, Homelessness Gross Receipts Tax (including the homelessness administrative office tax imposed under Section 2804(d) of Article 28), Cannabis Business Tax, or Overpaid Executive Gross Receipts Tax (including the overpaid executive administrative office tax imposed under Section 3303(d) of Article 33), for the tax year in which such estimated tax payments are due.

(B) **Gross Receipts Tax Estimated Tax Payments.** A person or combined group's estimated tax payments of Gross Receipts Tax, including the tax on administrative office business activities imposed under Section 953.8 of Article 12-A-1, shall each equal the lesser of:

(i) 25% of the Gross Receipts Tax liability (including any liability for the tax on administrative office business activities imposed under Section 953.8 of Article 12-A-1) shown on the person or combined group's return for the tax year (or, if no return is filed, 25% of the person or combined group's actual Gross Receipts Tax liability for the tax year); or

(ii) 25% of the Gross Receipts Tax liability (including any liability for the tax on administrative office business activities imposed under Section 953.8 of Article 12-A-1) as determined by applying the applicable Gross Receipts Tax rates and small business exemption in Section 954.1 of Article 12-A-1 for the current tax year to the taxable gross receipts shown on the person or combined group's return for the preceding tax year (or, if subject to the tax on administrative office business activities imposed under Section 953.8 of Article 12-A-1 for the preceding tax year, by applying the applicable administrative office tax rate for the current tax year to the total payroll expense attributable to the City shown on the person or combined group's return for the preceding tax year). If the person or combined group did not file a return for the preceding tax year, the person or combined group shall owe no estimated tax payments of

Gross Receipts Taxes (or estimated tax payments of the tax on administrative office business activities imposed under Section 953.8 of Article 12-A-1) for the current tax year. For purposes of this Section 6.9-1(c)(3)(B)(ii), “taxable gross receipts” means a person or combined group’s gross receipts, not excluded under Section 954 of Article 12-A-1, attributable to the City.

(C) Estimated Tax Payments for Early Care and Education Commercial Rents Tax, Homelessness Gross Receipts Tax, Cannabis Business Tax, and Overpaid Executive Gross Receipts Tax. A person or combined group’s estimated tax payments of the Early Care and Education Commercial Rents Tax, Homelessness Gross Receipts Tax (including the homelessness administrative office tax imposed under Section 2804(d) of Article 28), Cannabis Business Tax, and Overpaid Executive Gross Receipts Tax (including the overpaid executive administrative office tax imposed under Section 3303(d) of Article 33), shall each equal the lesser of:

(i) 25% of the applicable tax liability shown on the person or combined group’s return for the tax year (or, if no return is filed, 25% of the person or combined group’s actual tax liability for the tax year); or

(ii) 25% of the applicable tax liability shown on the person or combined group’s return for the preceding tax year. If the person or combined group did not file a return for the preceding tax year, the person or combined group shall be deemed to have filed a return showing no liability for purposes of this Section 6.9-1(c)(3)(C)(ii), and no estimated tax payments of that tax shall be due for the current tax year.

(D) Lessor of Residential Real Estate Exemption. Notwithstanding any other provision in this Section 6.9-1(c)(3), a lessor of residential real estate, as defined in Section 954.1 of Article 12-A-1, shall not be required to make estimated tax payments under this Section 6.9-1(c)(3), but shall pay its full Gross Receipts Tax liability, Homelessness Gross Receipts Tax liability, and Overpaid Executive Gross Receipts Tax liability on or before the last day of February of the succeeding year, if the lessor’s gross receipts within the City shown on the lessor’s return for either the current tax year or the preceding tax year did not exceed the threshold in Section 954.1(b) of Article 12-A-1.

(d) Transient Occupancy Tax, Tourism Improvement District Assessment, Moscone Expansion District Assessment, and Parking Tax.

(1) **Monthly Due Date.** Except for any extensions granted under Section 6.9-4 or as otherwise provided in this Business and Tax Regulations Code, returns and payments of the Transient Occupancy Tax (Article 7), Tourism Improvement District Assessment (referenced in subsection (d)(2)), Moscone Expansion District Assessment (referenced in subsection (d)(3)), and Parking Tax (Article 9) shall be filed monthly and are due and payable, and shall be delinquent if not submitted and paid to the Tax Collector, for each month, on or before the last day of the following month.

(2) For purposes of this subsection (d), “Tourism Improvement District” and “Tourism Improvement District Assessment” mean the business-based improvement district and the assessment imposed under the district management plan, respectively, approved by the Board of Supervisors in Resolution No. 381-22 (File No. 220784), as such district and plan may be modified from time to time.

(3) For purposes of this subsection (d), “Moscone Expansion District” and “Moscone Expansion District Assessment” mean the business-based improvement district and the assessment imposed under the district management plan, respectively, approved by the Board of Supervisors in Resolution No. 427-13 (File No. 131128), as such district and plan may be modified from time to time.

(4) Deemed Small Operators of Parking Stations. For tax periods beginning on or after January 1, 2024, a “Deemed Small Operator” is a parking station operator that has gross revenues from Rent that do not exceed \$40,000 annually attributed to rent from parking operations. Any valet parking operator required to hold a permit under Police Code Section 1216 shall not be a “Deemed Small Operator.” Notwithstanding any other provision of this Code, a Deemed Small Operator shall be relieved of certain obligations, specified in subsection (A) below, provided it meets all of the requirements of subsection (B) below, and is not disqualified for such relief under subsection (C) below.

(A) A Deemed Small Operator shall be relieved of the following obligations:

(i) To obtain a certificate of authority from the Tax Collector under Section 6.6-1(a) or execute a bond under Section 6.6-1(h).

(ii) To make monthly tax remittances pursuant to Section 6.9-1(d)(1), provided that its gross revenues from rent do not exceed \$40,000 annually. At any time that the gross revenues from rent exceed \$40,000 annually, the operator must report and file monthly tax returns as required by Section 6.9-1(d)(1) beginning with the following month.

(iii) For a Deemed Small Operator of a parking station, to pay the Revenue Control Equipment Compliance Fee in Article 22, Section 2219.5 of this Business and Tax Regulations Code for that parking station, and to hold a commercial parking permit under Section 1215(b) of the Police Code.

(B) To be eligible for relief under this Section 6.9-1(d)(4), a Deemed Small Operator must meet all of the following requirements:

(i) Register for relief using the form prescribed by the Tax Collector for that purpose, and provide the information required by the Tax Collector. The operator shall demonstrate to the satisfaction of the Tax Collector that it meets all of the requirements of this Section 6.9-1(d)(4).

(ii) Maintain documents and records of all parking transactions in a manner acceptable to the Tax Collector. Such documents and records must objectively substantiate any relief claimed under this Section 6.9-1(d)(4) and be provided to the Tax Collector upon request.

(iii) Timely file with the Tax Collector annually a Parking Tax return, regardless of the amount of tax liability shown on the return. All returns shall be filed on or before January 31 of each year.

(C) Any operator that makes a material misrepresentation in a return, fails to amend a return within seven days of a material

change, or fails to comply in a timely manner with a rule or regulation promulgated by the Tax Collector shall, in addition to any other liability that may be imposed under the provisions of this Article 6, be ineligible to claim relief under this Section 6.9-1(d)(4).

(5) Short-Term Rental Hosts.

(A) For tax periods beginning on or after January 1, 2024, a Short-Term Rental Host (as defined in subsection (d)(5)(C)) shall timely file a Transient Occupancy Tax return and Tourism Improvement District Assessment return with the Tax Collector and remit Transient Occupancy Taxes and Tourism Improvement District Assessments annually in lieu of the monthly returns and remittances required under Section 6.9-1(d)(1), regardless of the amount of tax liability shown on the returns. All returns shall be filed and payments remitted on or before January 31 of each year. A Short-Term Rental Host shall not be required to obtain a certificate of authority from the Tax Collector under Section 6.6-1.

(B) Notwithstanding subsection (d)(5)(A), a Qualified Website Company (as defined in subsection (d)(5)(D)) shall collect and remit all Transient Occupancy Taxes and Tourism Improvement District Assessments, and file monthly Transient Occupancy Tax returns and Tourism Improvement District Assessment returns in the form required by the Tax Collector, on behalf of all Short-Term Rental Hosts that rent out their residences through the Qualified Website Company's platform. Short-Term Rental Hosts that do business only through one or more Qualified Website Companies shall be relieved of their annual filing obligations under subsection (d)(5)(A). Short-Term Rental Hosts that do business both through one or more Qualified Website Companies and otherwise must file annual returns under subsection (d)(5)(A) for the portion of their tax and assessment liability not reported by a Qualified Website Company.

(C) For purposes of this subsection (d)(5), a "Short-Term Rental Host" is a person who rents out any portion of their residence, the rents from which are subject to the Transient Occupancy Tax (Article 7).

(D) For purposes of this subsection (d)(5), a "Qualified Website Company" is a person that agrees to act as the agent of all Short-Term Rental Hosts that rent their residences through the person's platform for purposes of collecting and remitting the Transient Occupancy Tax and filing Transient Occupancy Tax returns. To qualify as a Qualified Website Company the person must meet both of the following requirements, and may not begin collecting, remitting, and reporting as a Qualified Website Company until the Tax Collector has confirmed that these requirements have been met:

(i) Apply for and receive a certificate of authority under Section 6.6-1; and

(ii) Submit a declaration to the Tax Collector, in the form required by the Tax Collector, that attests that the person has complied with the requirements of this subsection (d)(5)(D) and will comply with the requirements of subsection (d)(5)(B) either retroactively to January 1, 2024, or from any later date specified in the declaration, but in no case no later than the first day of the second month following the month in which the person submits the declaration.

(e) **Utility Users Tax and Access Line Tax; Monthly Due Date.** Except for any extensions granted under Section 6.9-4 or as otherwise provided in this Business and Tax Regulations Code, returns and payments of the Utility Users Tax (Article 10) and the Access Line Tax (Article 10B) shall be filed monthly and are due and payable, and shall be delinquent if not submitted and paid to the Tax Collector, for each month, on or before the last day of the following month.

(f) **Stadium Operator Admission Tax; Due Dates.** Except for any extensions granted under Section 6.9-4 or as otherwise provided in this Business and Tax Regulations Code, returns and payments of the Stadium Operator Admission Tax (Article 11) shall be filed as provided in Section 804 of Article 11, and are due and payable, and shall be delinquent if not submitted and paid to the Tax Collector, by the date provided in Section 804.

(g) **Business Registration Certificate; Annual Due Date.** Except for any extensions granted under Section 6.9-4 or as otherwise provided in this Business and Tax Regulations Code, returns and payments of the Business Registration Fee (Article 12) shall be filed annually and are due and payable, and shall be delinquent if not submitted and paid to the Tax Collector, on or before the last day of May preceding the registration year commencing July 1 of that year.

(h) **Sugary Drinks Distributor Tax; Quarterly Due Date.** Except for any extensions granted under Section 6.9-4 or as otherwise provided in this Business and Tax Regulations Code, returns and payments of the Sugary Drinks Distributor Tax (Article 8) shall be filed quarterly and are due and payable, and shall be delinquent if not submitted and paid to the Tax Collector, for each calendar quarter, on or before the last day of the month immediately following each calendar quarter.

(i) **Traffic Congestion Mitigation Tax; Monthly Due Date.** Except for any extensions granted under Section 6.9-4 or as otherwise provided in this Business and Tax Regulations Code, returns and payments of the Traffic Congestion Mitigation Tax (Article 32) shall be filed monthly and are due and payable, and shall be delinquent if not submitted and paid to the Tax Collector, for each month, on or before the last day of the following month.

(j) Vacancy Tax.

(1) **Annual Due Date.** Except as otherwise provided in this Business and Tax Regulations Code, returns and payments of the Vacancy Tax (Article 29) shall be filed annually and are due and payable, and shall be delinquent if not submitted and paid to the Tax Collector, on or before the last day of February of the succeeding year.

(2) **Additional Filing Requirements.** In addition to the filing requirements in Section 6.9-1(j)(1), anyone that is an owner, lessee, or sublessee of Taxable Commercial Space, as that term is defined in Article 29 of the Business and Tax Regulations Code, at any time during a calendar year shall file a Vacancy Tax return, in the form and manner prescribed by the Tax Collector, on or before the last day of February of the succeeding year.

(3) Notwithstanding Section 6.22-1 of this Article 6, the Tax Collector may make public the following information regarding each Taxable Commercial Space, as that term is defined in Section 2903 of Article 29, whether obtained from the returns filed under Sections

6.9-1(j)(1) or (2) or otherwise:

(A) The name of the person or persons required to file a return for any tax year with respect to the Taxable Commercial Space, and whether each such person filed a return;

(B) The name of the person or persons required to pay the Vacancy Tax for any tax year with respect to the Taxable Commercial Space;

(C) The address and block and lot number of the Taxable Commercial Space;

(D) Whether the Taxable Commercial Space was kept Vacant during a tax year for purposes of Article 29 of the Business and Tax Regulations Code; and

(E) The rate of the Vacancy Tax applicable to the Taxable Commercial Space for a tax year.

(k) Empty Homes Tax.

(1) **Annual Due Date.** Except as otherwise provided in this Business and Tax Regulations Code, returns and payments of the Empty Homes Tax (Article 29A) shall be filed annually and are due and payable, and shall be delinquent if not submitted and paid to the Tax Collector, on or before the last day of April of the succeeding year, or in the event the Residential Unit is sold or transferred within 45 days after such sale or transfer.

(2) **Additional Filing Requirements.** In addition to the filing requirements in subsection (k)(1), each person that owns a Residential Unit at any time during a tax year shall file a return for that tax year, unless that person is exempt from the Empty Homes Tax with respect to that Residential Unit under any one of sub-sections (a) through (d) of Section 2955 of Article 29A of this Code or is covered under the Homeowners' Exemption Period for that Residential Unit for the entire year. The return shall be filed by the last day of April of the succeeding year, or in the event the Residential Unit is sold or transferred within 45 days after such sale or transfer. For purposes of this subsection (k)(2), the terms "Homeowners' Exemption Period" and "Residential Unit" have the same meaning as those terms are defined in Section 2952 of Article 29A of this Code.

(Added by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; amended by Ord. [160-22](#), File No. 220540, App. 7/21/2022, Eff. 8/21/2022; Ord. [188-22](#), File No. 220756, App. 8/4/2022, Eff. 9/4/2022; Ord. 51-24, File No. 240036, App. 3/22/2024, Eff. 4/22/2024, Retro. 1/1/2024)

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Proposition E, App. 11/6/2012, Oper. 1/1/2014; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013, Oper. 1/1/2014; Ord. [26-17](#), File No. 161264, App. 2/10/2017, Eff. 3/12/2017; Ord. [12-18](#), File No. 171155, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [277-19](#), App. 11/27/2019, Eff. 12/28/2019, Oper. 1/1/2020; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [88-21](#), File No. 210161, App. 7/2/2021, Eff. 8/2/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

Editor's note:

The amendments made to this section by Ordinance [26-17](#) shall apply to all tax periods commencing on or after January 1, 2017, with prior law governing all tax periods commencing prior to January 1, 2017.

SEC. 6.9-2. [REPEALED.]

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 9-01, File No. 002019, App. 1/26/2001; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Proposition E, App. 11/6/2012, Oper. 1/1/2014; Ord. [222-14](#), File No. 140798, App. 11/7/2014, Eff. 12/7/2014; Ord. [10-18](#), File No. 171133, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [277-19](#), App. 11/27/2019, Eff. 12/28/2019, Oper. 1/1/2020; Ord. [88-21](#), File No. 210161, App. 7/2/2021, Eff. 8/2/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.9-3. [REPEALED.]

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Proposition E, App. 11/6/2012, Oper. 1/1/2014; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013, Oper. 1/1/2014; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; Ord. [222-14](#), File No. 140798, App. 11/7/2014, Eff. 12/7/2014; Ord. [152-15](#), File No. 150625, App. 8/6/2015, Eff. 9/5/2015; Ord. [26-17](#), File No. 161264, App. 2/10/2017, Eff. 3/12/2017; Ord. [10-18](#), File No. 171133, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [277-19](#), App. 11/27/2019, Eff. 12/28/2019, Oper. 1/1/2020; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [88-21](#), File No. 210161, App. 7/2/2021, Eff. 8/2/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.9-4. EXTENSION OF TIME FOR FILING A RETURN AND PAYING TAX.

(a) For good cause, the Tax Collector, in the Tax Collector's discretion, may extend, for a period not to exceed 60 days, the time for filing any return, other than a Vacancy Tax (Article 29) or Empty Homes Tax (Article 29A) return, pursuant to this Article 6 or regulations prescribed by the Tax Collector. For taxes required to be deposited monthly, or for the Sugary Drinks Distributor Tax (Article 8), the Tax Collector may only extend the time for filing a return for a period not to exceed 30 days. As a condition of such extension, the person seeking the extension shall make a payment of not less than 100% of such person's liability for such period.

(b) Failure to make the required 100% payment will result in the automatic denial of the person's extension and the person being subject to the standard due dates in this Article 6, including any penalties, interest, fees, and other consequences of failing to file and pay by those due dates.

(c) Notwithstanding subsection (a) of this Section 6.9-4, the Tax Collector may extend any time for filing any return or payment of tax or excuse penalties for any late filing or late payment by a period not to exceed 60 days if billing or other administrative duties of the Tax Collector cannot be performed in a timely manner.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [26-17](#), File No. 161264, App. 2/10/2017, Eff. 3/12/2017; Ord. [12-18](#), File No. 171155, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [88-21](#), File No. 210161, App. 7/2/2021, Eff. 8/2/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 6.9-5. [REPEALED.]

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010 ; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; Ord. [12-18](#), File No. 171155, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [277-19](#), App. 11/27/2019, Eff. 12/28/2019, Oper. 1/1/2020; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [88-21](#), File No. 210161, App. 7/2/2021, Eff. 8/2/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.9-6. FILING AND PAYING BY MAIL.

(a) **Filing by Mail.** Except as otherwise provided in this Section 6.9-6, taxpayers may file any return or other document with or make any payment to the Tax Collector by United States mail.

(b) **Date of Postmark.** The date of postmark shall be deemed the date of filing for any return or other document, or any payment, delivered to the Tax Collector by United States mail if:

- (1) The postmark is made by the United States Postal Service;
- (2) The postmark date falls within the prescribed period, or on or before the prescribed date, including any extension, for filing the return or other document, or for making the payment;
- (3) The return or other document, or the payment, was, within that time, deposited in the mail in the United States in an envelope or other appropriate wrapper, postage prepaid and properly addressed to the Tax Collector; and
- (4) The Tax Collector receives the return or other document, or the payment, as a result of the timely mailing.

The Tax Collector may provide by regulation for application of this rule to postmarks not made by the United States Postal Service.

(c) **Registered and Certified Mailing.** The registration of any return or other document, or payment, delivered to the Tax Collector by registered mail shall be prima facie evidence that the return or other document, or payment, was filed with the Tax Collector, and the date of registration shall be deemed the postmark date. The Tax Collector may provide by regulation for the application of this subsection to returns or other documents, or payments, delivered to the Tax Collector by certified mail.

(d) **Exceptions.** This Section shall not apply to:

- (1) The filing of a document in, or the making of a payment to, any court;
- (2) Currency or other medium of payment unless actually received and accounted for; or
- (3) Returns or other documents, or payments, which are required under any provision of the Business and Tax Regulations Code or of the Tax Collector's regulations to be delivered or filed by any method other than by mailing.

(e) **Private Delivery Services.** References in this Section 6.9-6 to the United States mail and a postmark of the United States Postal Service shall include any designated delivery service and any date recorded or marked as described herein by any designated delivery service.

(1) A "designated delivery service" means any delivery service provided by a trade or business if such service is designated by the Tax Collector for purposes of this Section. The Tax Collector may designate a delivery service only if he or she determines that such service:

- (A) Is available to the general public;
- (B) Is at least as timely and reliable on a regular basis as the United States mail;
- (C) Records electronically to its database, kept in the regular course of its business, or marks on the cover in which any item referred to in this Section is to be delivered or filed, the date on which such item was given to such trade or business for delivery; and
- (D) Meets such other criteria as the Tax Collector may prescribe.

(2) The Tax Collector may provide a rule similar to the rule of subsection (e)(1) with respect to any service provided by a designated delivery service which is substantially equivalent to the United States registered or certified mail.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.9-7. PARTIAL PAYMENTS.

(a) Where a taxpayer owes payments for prior years, the Tax Collector may accept partial payments. The difference between the amount paid by the taxpayer and the total amount due shall be treated as a delinquent tax and shall be subject to penalties and interest on the unpaid balance pursuant to Section 6.17-1 or Section 6.17-1.1, as applicable.

(b) Unless the taxpayer specifies otherwise, the partial payments shall be applied to the oldest year's deficiency, first to administrative collection costs, interest, penalties, and other costs and charges for that year, and the balance, if any, shall be applied to the taxes due for that year. Any remaining portion of the payment shall then be applied to the next oldest year's deficiency in the same manner and order.

(c) The taxpayer may specify that the partial payment be applied to a tax year other than the oldest, but the order of payment between administrative collection costs, interest, penalties, other costs and charges, and taxes due shall remain the same.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 99-99, File No. 990408, App. 4/30/99; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.10-1. COLLECTION OF TAX; SECURITY.

Whenever the Tax Collector deems it necessary to ensure compliance with the Business and Tax Regulations Code, the Tax Collector may require any person subject thereto to deposit with the Tax Collector such security as the Tax Collector may determine. The amount of the security shall be fixed by the Tax Collector, but shall not be greater than twice the person's estimated average liability for the period for which said person files returns, determined in such manner as the Tax Collector deems proper. The amount of the security may be increased or decreased by the Tax Collector subject to the limitations herein provided. The Tax Collector may sell the security at public auction if it becomes necessary to do so in order to recover any tax or any amount required to be collected and remitted to the City, including any interest or penalty due. Notice of the sale shall be served upon the person who deposited the security and upon the taxpayer, if different, personally or by mail; if by mail, service shall be made in the manner prescribed for service of a notice of a deficiency determination as set out in Section 6.11-2, and shall be addressed to the person at said person's address as it appears in the records of the Tax Collector. Upon any sale, any surplus above the amounts due shall be returned to the person who deposited the security. The return of a cash security shall include interest at a rate equal to the annual fiscal year interest rate earned by the City and County of San Francisco's "Pooled Interest Account" invested and managed by the Treasurer.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.10-2. COLLECTION OF TAX FROM THIRD PARTY.

If any person is delinquent in the payment of the amount required to be paid by said person, or in the event a determination has been made against any person which remains unpaid, the Tax Collector may, not later than three years after the payment became delinquent, give notice thereof by mail or by personal service to any persons in the State of California having in their possession or under their control any credits or other personal property belonging to the delinquent person, or owing any debts to the delinquent person. After receiving such notice, the persons so notified shall, within five days of the receipt of the notice, advise the Tax Collector by sworn writing of all such credits, personal property, or debts. Further, the persons so notified shall neither transfer nor make any other disposition of the credits, other personal property, or debts in their possession or under their control at the time they receive the notice until the Tax Collector consents to a transfer or disposition or until 30 days elapse after the person has advised the Tax Collector in a sworn writing of all such credits, personal property, or debts. Unless otherwise required by law, if persons so notified transfer such assets in violation of the provisions of this Section 6.10-2, they shall become indebted to the Tax Collector for the value of the property transferred, or the amount owed to the City by the delinquent, whichever is less.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.10-3. COLLECTION OF TAX; LEGAL ACTIONS.

(a) (1) The Tax Collector may bring an action in the courts of this State, or any other state, or of the District of Columbia, or of the United States and its territories or possessions, or any other forum where permitted by law to recover in the name of the City any amount of taxes due and payable under the Business and Tax Regulations Code and remaining unpaid, together with penalties, interest, and costs, including reasonable attorneys' fees.

(2) In any action filed pursuant to this Section 6.10-3, the Complaint shall attach a certificate executed by the Tax Collector or the Tax Collector's representative that contains the following information:

- (A) the name of the operator, taxpayer, or other person determined to be liable for the tax;
- (B) the description of the operator's, taxpayer's, or other person's business or activity against which the tax has been assessed;
- (C) the location and/or address of the business or activity;
- (D) the amount of the tax, penalty, and interest remaining unpaid as of the last day of the month prior to the month in which the Complaint is filed; and
- (E) the fact that the City has complied with all provisions of the Business and Tax Regulations Code in the computation and the levy of the tax, penalty, or interest.

(3) In prosecuting such actions, the Tax Collector shall be entitled to all of the provisional remedies provided by law. Any such action shall be commenced within three years from the date any amount of taxes became due and payable, or from the date the return is required to be filed or actually filed, whichever period expires later; except in the case of any deficiency determination pursuant to Sections 6.11-1 *et seq.* or 6.11-1.1 *et seq.*, as applicable, 6.12-1 *et seq.*, or 6.13-1 *et seq.*, in which case any such action shall be commenced within three years after such determination became final. However, there shall be no limitation on the time in which such actions may be commenced in cases of fraud, intent to evade the Business and Tax Regulations Code, or failure to file a return.

(b) When the amount of any tax, penalty or interest which has become due and payable remains unpaid for 15 days, the Tax Collector may record a tax lien with the Assessor-Recorder, thereby creating a tax lien on all of the assessee's property and rights to property, including realty, personalty, or intangibles. The Tax Collector may record or file such tax lien in the office of the Recorder of any California county, with the California Secretary of State, and with any other California public entity that is otherwise authorized by law to record liens. The Tax Collector may record or file such tax liens in any other office of any other jurisdiction as permitted by law. The tax lien shall identify the Tax Collector as the lienor, and the amount of the lien. Simultaneously with the recording, a copy of the tax lien shall be mailed to or personally served upon the taxpayer or other person determined to be liable for the tax at said person's last known address based upon the information, contained in the Tax Collector records. The tax lien after recordation has the force, effect

and priority of a judgment lien and continues for 10 years from the date of recording, unless sooner released or otherwise discharged. This remedy and any other remedies for collection of any taxes, together with all administrative collection costs, interest, penalties and other costs and charges, including reasonable attorneys' fees, are cumulative and may be pursued alternatively and consecutively as the Tax Collector determines.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [5-13](#), File No. 121064, App. 1/24/2013, Eff. 2/23/2013; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 6.11-1. DEFICIENCY DETERMINATIONS; RECOMPUTATION; INTEREST.

(a) If the Tax Collector determines that a taxpayer has failed to pay or has underpaid a tax, that an operator has failed to collect and remit all of a third-party tax, or that a person other than the taxpayer is jointly and severally liable for any unpaid or underpaid tax, including third-party taxes, the Tax Collector may compute and determine any tax deficiency upon the basis of the return or returns or upon the basis of any other information within the Tax Collector's possession or that may come into the Tax Collector's possession. One or more deficiency determinations of the amount due may be made for one or for more than one period.

(b) The amount of the determination, exclusive of penalties, shall bear interest at the rate of 1 percent per month, or fraction thereof, from the 15th day after the close of the month or the monthly period for third-party taxes, or from the last day of February following the close of the annual period, for which the amount or any portion thereof should have been remitted until the date of payment in full, or, in the case of stadium operator admission taxes, from the due dates of said tax as set forth in Article 11, Section 804.

(c) In making a determination, the Tax Collector may offset overpayments for a period or periods together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments. The interest on underpayments and overpayments shall be computed in the manner set forth in Section 6.17-1 for underpayments and in Section 6.15-2 for overpayments.

(d) This Section 6.11-1 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or before December 31, 2020, except as provided in subsections (d)(2) and (d)(3) of this Section 6.11-1;

(2) to all returns and payments for registration years ending on or before June 30, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or before June 30, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010 ; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.11-1.1. DEFICIENCY DETERMINATIONS; RECOMPUTATION; ESTIMATE OF LIABILITY.

(a) If the Tax Collector determines that a taxpayer has failed to make a return or has failed to pay or has underpaid a tax, that an operator has failed to collect and remit all of a third-party tax, or that a person other than the taxpayer is jointly and severally liable for any unpaid or underpaid tax, including third-party taxes, the Tax Collector may compute and determine any tax deficiency based upon an estimate of the tax liability, upon the return or returns, or upon any other information within the Tax Collector's possession or that may come into the Tax Collector's possession. One or more deficiency determinations of the amount due may be made for one or for more than one period. Any such determination shall be prima facie evidence of the person's liability in any subsequent administrative or judicial proceeding.

(b) In making a determination, the Tax Collector may offset overpayments for a period or periods together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments. The interest on underpayments and overpayments shall be computed under Section 6.17-1.1 for underpayments and Section 6.15-2 for overpayments.

(c) This Section 6.11-1.1 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or after January 1, 2021, except as provided in subsections (c)(2) and (c)(3) of this Section 6.11-1.1;

(2) to all returns and payments for registration years ending on or after July 1, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or after July 1, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.11-2. DEFICIENCY DETERMINATIONS; REVOCATION DETERMINATIONS; NOTICE AND SERVICE.

(a) Upon making a determination pursuant to Section 6.11-1 or Section 6.11-1.1, as applicable, or upon making a determination pursuant to Section 6.6-1 that a certificate shall not be issued or to revoke a registration, the Tax Collector shall give to the taxpayer or other person affected written notice of the Tax Collector's determination. Except in the case of fraud, intent to evade the Business and

Tax Regulations Code or rules and regulations issued by the Tax Collector, or failure to file a return, in all of which cases there is no statute of limitations, every notice of a deficiency determination shall be served within three years after the date that a return was due for a tax for the reporting period or three years after the return was actually filed for that reporting period, whichever is later. The taxpayer may agree in writing to extend said period for service of a notice of a deficiency determination.

(b) The notice of any determination under this Section 6.11-2 may be served upon the taxpayer or other affected person personally or by mail; if by mail, service shall be

(1) to the last known address that appears in the Tax Collector's records, provided there is such an address in the Tax Collector's records, or

(2) to an address that the Tax Collector concludes, in the Tax Collector's discretion, is the last known address of the person(s).

(c) In case of service by mail of any notice required by this Article 6 to be served upon the taxpayer or other person, the service is complete at the time of deposit with the United States Postal Service.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010 ; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.11-3. DETERMINATION IF NO RETURN MADE; ESTIMATE OF LIABILITY, PENALTIES, AND INTEREST.

(a) If any taxpayer or person responsible for paying a tax or remitting a third-party tax fails to make a timely return or remittance, the Tax Collector may make a determination based upon an estimate of the amount of the total tax liability of the taxpayer. The estimate shall be made for the period or periods in respect to which the person failed to timely make a return, or failed to timely remit a tax, and may be based upon any information which is in the Tax Collector's possession or may come into his or her possession. Upon the basis of this estimate, the Tax Collector shall compute and determine the amount required to be paid to the City, adding to the sum thus computed a penalty equal to 20 percent thereof. One or more determinations may be made for one or more than one period. Any such determination shall be prima facie evidence of the person's liability in any subsequent administrative or judicial proceeding.

(b) In making a determination, the Tax Collector may offset overpayments for a period or periods, together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments. The interest on underpayments and overpayments shall be computed in the manner set forth in Sections 6.17-1 and 6.15-2, respectively. The amount of the determinations, exclusive of penalties, shall bear interest at the rate of one percent per month, or fraction thereof, from the date of delinquency until the date of payment.

(c) The Tax Collector shall serve the person or persons determined to be liable for the tax as determined under this Section 6.11-3 with written notice of the determination and penalty. The Tax Collector shall serve the notice upon such person(s) personally or by mail. Service by mail shall be:

(1) to the last known address as indicated in the Tax Collector's records, provided there is such an address in the Tax Collector's records, or

(2) to an address that the Tax Collector concludes, in the Tax Collector's discretion, is the last known address of the person(s).

(d) This Section 6.11-3 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or before December 31, 2020, except as provided in subsections (d)(2) and (d)(3) of this Section 6.11-3;

(2) to all returns and payments for registration years ending on or before June 30, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or before June 30, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010 ; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.11-4. [REPEALED.]

■ (Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; repealed by Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.12-1. JEOPARDY DETERMINATIONS; DUTY OF TAX COLLECTOR.

If the Tax Collector believes that the collection of any tax or any amount of any third-party tax required to be collected and paid to the City or of any determination will be jeopardized, in whole or in part, by delay, the Tax Collector shall serve notice upon the taxpayer or other person determined to be liable therefor of the Tax Collector's determination of jeopardy and of the tax or amount of third-party tax required to be paid to the City, and demanding immediate payment thereof, together with any interest and penalty determined to be due. The Tax Collector may consider all facts and circumstances relevant to determining whether the collection of any tax will be jeopardized by delay, including but not limited to indications that the taxpayer intends or is taking action to discontinue business activities in the City, dissipate or otherwise remove assets from the City, or sell, exchange, assign, or otherwise dispose of personal or business income or property. The Tax Collector also may consider whether the taxpayer is insolvent or likely to become insolvent after the taxes at issue are assessed or collected; whether the taxpayer is or has been uncooperative or unresponsive in connection with any investigation,

examination, audit, deficiency determination, assessment, or collection action or procedure undertaken by the Tax Collector; what taxable years are at issue; how many taxable years are at issue; and whether the taxes at issue are third-party taxes.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 177-01, File No. 010826, App. 8/17/2001; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.12-2. JEOPARDY DETERMINATIONS; WHEN DUE AND PAYABLE; STAY OF COLLECTION; PETITION FOR REDETERMINATION; TIME OF HEARING.

(a) A jeopardy determination of tax, interest, or penalty is immediately due and payable upon the service of the notice of jeopardy determination on the taxpayer or other person determined to be liable therefor. A lien for the amount due in the notice of jeopardy determination may be recorded immediately notwithstanding the provisions of Sections 6.10-1 *et seq.*, summary judgment pursuant to Sections 6.18-1 *et seq.* may be sought at once, and judicial proceedings for collection may be commenced at once. Prior to service of such notice, the Tax Collector may, notwithstanding the provisions of Sections 6.10-1 *et seq.*, record a lien in the amount due as set forth in the notice of jeopardy determination. Immediately upon service of such notice, the Tax Collector may, notwithstanding the provisions of Sections 6.10-1 *et seq.*, seek summary judgment pursuant to Sections 6.18 *et seq.*, and may commence a collection action in any court having jurisdiction over the matter.

(b) The taxpayer may stay the enforcement of a jeopardy assessment by filing with the Tax Collector: (1) a bond in an amount equal to the amount of the assessment (together with interest thereon to the date of payment) payable on the Tax Collector's certification of the amount of the assessment after the Tax Collector makes a final determination of the taxpayer's petition, or (2) other security of a value as the Tax Collector deems necessary, but not exceeding double the amount of the assessment (together with interest thereon to the date of payment) together with a security agreement that authorizes the Tax Collector to use or dispose of the security to satisfy the amount of the assessment after the Tax Collector makes a final determination of the taxpayer's petition. The taxpayer must also agree to pay the assessment; upon notice and demand by the Tax Collector, after the Tax Collector makes a final determination of the petition. If the penal amount of the bond is less than the assessment, the Tax Collector may collect the part of the assessment that exceeds that penal amount. If the value of other security is less than twice the assessment, the Tax Collector may collect the assessment until the unpaid balance is reduced to twice the value of the security. Any stay pursuant to this subsection shall be effective only against the person on whose behalf the bond or other security is provided.

(c) Upon filing of the bond or other security, the collection of so much of the jeopardy determination amount as is covered by the bond or other security shall be stayed pending the exercise by the taxpayer or other person determined to be liable for the tax of his or her appeal rights. The person on whose behalf the bond or other security is submitted, shall have the right to waive such stay at any time in respect of the whole or any part of the amount covered by the bond or other security, and if as a result of such waiver any part of the amount covered by the bond or other security is paid, then the bond or other security shall, at the request of said person, be proportionately reduced. If any portion of the jeopardy determination is abated, the bond or other security shall be proportionately reduced, at the request of the person on whose behalf the bond or other security was provided.

(d) Where collection of the whole or any amount of a jeopardy determination has been stayed under this Section 6.12-2, the period of limitation on any action to collect from the person on whose behalf the bond or other security has been provided shall be tolled during the period of such stay.

(Added by Ord. 18-98, App. 1/16/98; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.12-3. JEOPARDY DETERMINATIONS; SERVICE OF NOTICE.

Service of notice of a jeopardy determination shall be provided in the manner set forth in Section 6.11-2.

(Added by Ord. 18-98, App. 1/16/98)

SEC. 6.12-4. JEOPARDY DETERMINATIONS; EFFECT OF NONPAYMENT.

(a) If the amount specified in the jeopardy determination is not paid within 15 days after service of notice thereof upon the person against whom the determination is made, and no petition for redetermination is filed within the 15 days, the delinquency penalty provided in Section 6.17-1 shall attach to the tax or the amount of the tax required to be collected.

(b) This Section 6.12-4 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or before December 31, 2020, except as provided in subsections (b)(2) and (b)(3) of this Section 6.12-4;

(2) to all returns and payments for registration years ending on or before June 30, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or before June 30, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.12-5. JEOPARDY DETERMINATIONS; PETITION FOR REDETERMINATION.

(a) Any person against whom a jeopardy determination is made may petition for the redetermination thereof pursuant to Sections 6.13-1 *et seq.* of this Article 6. The taxpayer shall, however, file the petition for redetermination with the Tax Collector within 15 days after the service of notice of determination. If a petition for redetermination of a jeopardy determination is not filed within the foregoing 15-day period, the determination becomes final at the expiration of that period.

(b) The filing of a petition for redetermination of a jeopardy determination shall not operate to stay collection. Collection may be

stayed only as provided in Section 6.12-2.

(c) If a timely petition for redetermination of a jeopardy determination is filed, the Tax Collector shall review the matters raised in the petition including, if requested, whether the issuance of the jeopardy determination was warranted under the circumstances. In making this determination, the Tax Collector shall grant the taxpayer or other person determined to be liable for the tax or such taxpayer or person's authorized representative an oral hearing if requested in the petition.

(d) If, in the review process, the Tax Collector determines that the determination of jeopardy was improper or unwarranted, any collection action taken shall be withdrawn, pending the ultimate administrative determination of the amount of the deficiency due from the taxpayer or other person claimed to be liable for the tax claimed to be due in the jeopardy determination notice. Neither the validity of the determination of tax, nor the burden of proof, shall be affected by the Tax Collector's determination that the determination of jeopardy was improper or unwarranted.

(e) The taxpayer or other person determined to be liable for the tax has the right to an oral hearing and determination by the Tax Collector upon the matters raised in the petition within 45 days from the date of the filing of the petition for redetermination, as scheduled by the Tax Collector, unless the taxpayer waives said time period. The 45-day period shall be tolled between the date the Tax Collector serves a written notification under Section 6.13-1(b) that the Tax Collector requires additional information or records to evaluate and decide the petition, and the date the Tax Collector receives that information and those records.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.13-1. REDETERMINATIONS; PETITION; TIME FOR FILING; INCOMPLETE PETITIONS.

(a) Any person against whom a determination is made under the Business and Tax Regulations Code may petition the Tax Collector for a redetermination within 30 days after service of the notice thereof, except for a petition for redetermination of a jeopardy determination, which the person may file within 15 days after service of the notice as provided in Section 6.12-5. If a petition for redetermination is not filed within the applicable period, the determination becomes final at the expiration of the period. The final determination may be enforced or collected by any method authorized by law, including but not limited to lien, levy, and judicial enforcement, including provisional remedies and injunctive relief.

(b) (1) Every petition for redetermination shall be verified by the person against whom the Tax Collector made the determination, stating under penalty of perjury the specific grounds upon which the petition is founded, with specificity sufficient to enable the Tax Collector to understand and evaluate the petition, and verifying the information and authenticating the records upon which the petitioner relies in support of the petition. Any ground for redetermination that is not specified in the petition for redetermination shall be deemed waived by the petitioner in any later judicial proceeding.

(2) If the Tax Collector determines that the petition fails to state specific grounds for redetermination, lacks sufficient specificity to understand and evaluate the petition, or is not accompanied by information and records in support of the petition the Tax Collector reasonably deems necessary to evaluate and decide the petition, the Tax Collector in his or her discretion may either deny the petition as incomplete or may require the petitioner in writing to supplement the petition with additional information or records the Tax Collector deems reasonably necessary to decide the petition. The petitioner shall submit such information and records in support of the petition to the Tax Collector within 30 days of service of the Tax Collector's written request, which shall be served in the manner prescribed in Section 6.11-2. If mailed, service of the notice is complete at the time of deposit with the United States Postal Service. Failure of the petitioner to provide all of the information and records set forth in the written request within the 30-day period shall be sufficient ground for the Tax Collector to deny the petition, and the petitioner shall be subject to the penalties and sanctions provided in Section 6.17-3 or Section 6.17-3.1, as applicable.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.13-2. REDETERMINATIONS; HEARING AND NOTICE.

If a petition for redetermination is timely filed, the Tax Collector shall reconsider the determination. If requested in the petition, the Tax Collector shall grant the person or the person's authorized representative an oral hearing, and shall give such person or representative not less than 15 days notice of the time and place of the hearing. The Tax Collector may continue the hearing from time to time as may be necessary.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.13-3. REDETERMINATIONS; ALTERATION OF DETERMINATION.

The Tax Collector may decrease or increase the amount of the determination, including the amount of the tax, penalties, or interest, before it becomes final. The amount may be increased only if a claim for the increase is asserted by the Tax Collector, and the Tax Collector provides written notice thereof to the person against whom the Tax Collector issued the determination. If the Tax Collector increases the amount before the hearing described in Section 6.13-2, such written notice shall be served at least 15 days before the hearing and the person receiving such notice shall file a supplemental petition for redetermination addressing the increased deficiency amount at least five days before the hearing date. The Tax Collector may reschedule the hearing for purposes of allowing the requisite notice of increase. If the Tax Collector increases the amount after the hearing described in Section 6.13-2, the Tax Collector shall serve notice of such increase before issuing a final decision. Within 15 days of service of such notice, the person against whom a claim for increase is asserted by the Tax Collector may serve a supplemental petition for redetermination contesting the increased deficiency amount. The Tax Collector shall hold an additional oral hearing on the increased amount upon the request of the petitioner. A

supplemental petition for redetermination filed pursuant to this Section 6.13-3 shall state any additional specific grounds for redetermination applicable to the increased deficiency amount. Any specific ground for redetermination that is not specified in either the initial petition for redetermination or the supplemental petition for redetermination shall be deemed waived by the petitioner in any later judicial proceeding. Nothing in this Section shall preclude a new audit or determination by the Tax Collector of a new or supplemental deficiency. The burden of proof in any proceeding for redetermination or appeal thereof shall be on the taxpayer, who shall have the burden of proving that the Tax Collector's determination is incorrect.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.13-4. REDETERMINATIONS; FINALITY OF ORDER.

(a) The order or decision of the Tax Collector upon a petition for redetermination becomes final 15 days after service upon the petitioner of notice thereof. Service of the order or decision of the Tax Collector shall be served in the manner prescribed in Sections 6.11-2.

(b) All determinations made by the Tax Collector under Sections 6.13-1 and 6.13-2 of this Article 6 are due and payable at the time they become final, except jeopardy determinations made pursuant to Section 6.12-1 *et seq.*, which become due and payable upon service of the jeopardy determination.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.13-5. EXHAUSTION OF ADMINISTRATIVE REMEDIES.

Prior to seeking judicial relief, persons against whom a jeopardy determination or deficiency determination is made must exhaust their administrative remedies by:

- (a) petitioning to the Tax Collector for redetermination and including all specific grounds supporting the petition for redetermination;
- (b) paying the full amount owed as set forth in the final determination; and
- (c) presenting a claim for refund to the Controller under subsections (a)-(f) of Section 6.15-1, which the City Attorney has denied or which the claimant has deemed denied under California Government Code, Title 1, Division 3.6, Part 3.

(Added by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [154-15](#), File No. 150730, App. 8/6/2015, Eff. 9/5/2015)

SEC. 6.13-6. EFFECT OF TAX COLLECTOR'S NOTICE OF DEFICIENCY.

The Tax Collector's issuance of a notice of deficiency or failure to issue such a notice for any period may not be treated as precedent for any particular method or manner of reporting or treating any item included or excluded on any return for purposes of any other or future item appearing or reported on a return. The Tax Collector's making of a determination or jeopardy determination as to a person for a period shall not bar the Tax Collector from making further determinations regarding the liability of the person for that period.

■ (Added by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.14-1. [REPEALED.]

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; repealed by Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.14-2. [REPEALED.]

(Added by Ord. 18-98, App. 1/16/98; repealed by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.14-3. [REPEALED.]

■ (Added by Ord. 18-98, App. 1/16/98; repealed by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.15-1. REFUNDS.

(a) **Claims for Refund; Limitations.** Except as otherwise provided in subsections (f) and (g) of this Section 6.15-1, the Controller shall refund or cause to be refunded the amount of any tax, interest, or penalty that has been overpaid or paid more than once, or has been erroneously or illegally collected or received by the City, provided the person that paid such amount files a claim in writing with the Controller within the later of one year of: (1) payment of such amount; (2) the date the return accompanying such payment was due, without regard to any extensions under Section 6.9-4; or (3) the date on which such amount requested on a return, amended return, or request for refund timely filed under subsection (g) of this Section 6.15-1 was denied under that subsection (g).

(b) **Claims for Refund; Contents.** Any claim filed under subsections (a)-(f) of this Section 6.15-1 must state: (1) the specific amount claimed to have been overpaid or paid more than once, or erroneously or illegally collected or received by the City; (2) the tax periods at issue; (3) the grounds upon which the claim is founded, with specificity sufficient to enable the responsible City officials to understand and evaluate the claim; and (4) the date on which the amount requested on a return, amended return, or request for refund timely filed under subsection (g) of this Section 6.15-1 was denied under that subsection (g), if the person filing the claim filed such a return, amended return, or request for refund.

(c) **Claims for Refund; Third-Party Taxes.** The customer who pays a third-party tax to an operator is the proper party to seek the

refund of a disputed third-party tax. No operator or other person responsible for collecting or remitting a disputed third-party tax may obtain a tax refund unless that operator or other person proves that the tax has not been passed on to its customers or any other person.

(d) **Claims for Refund; Applicable Law.** Claims for refund shall be made according to California Government Code, Title I, Division 3.6, Part 3. For purposes of subsections (a)-(f) of this Section 6.15-1, a claim shall be deemed to accrue on the later of: (1) the date the return was due, without regard to any extensions under Section 6.9-4; (2) the date the tax was paid; or (3) the date the refund requested on a return, amended return, or request for refund timely filed pursuant to subsection (g) of this Section 6.15-1 was denied under said subsection (g). The Controller shall furnish a form to be used for claims.

(e) **Claims for Refund; Actions by the City.** The Controller shall enter the claim in the claim register, and shall forthwith forward it to the City Attorney. The City Attorney is designated to take such actions on claims as authorized by California Government Code, Title I, Division 3.6, Part 3, Chapter 2, except that the City Attorney's authority with regard to rejecting or allowing claims shall be as provided in this Section 6.15-1. The City Attorney may reject the claim, and shall notify the claimant of such rejection. Allowance or compromise and settlement of claims under this Section 6.15-1 in excess of \$25,000 shall require the written approval of the City Attorney and approval of the Board of Supervisors by resolution. The City Attorney may allow or compromise and settle such claims if the amount is \$25,000 or less. No claim may be paid until the Controller certifies that monies are available from the proper funds or appropriations to pay the claim as allowed or as compromised and settled. If the City approves the claim, the City may refund the excess amount collected or paid, or may credit such amount toward any amount due and payable to the City from the person from whom it was collected or by whom it was paid, and the balance may be refunded to such person, or the person's administrator or executor.

(f) **Claims for Refund; Waiver of Written Filing Requirement.** The City Attorney, in his or her discretion and upon good cause shown, prior to the expiration of the one-year limitations period, may waive the requirement set forth in subsection (a) of this Section 6.15-1 that a taxpayer file a written claim for a refund in any case in which the Tax Collector and City Attorney determine on the basis of other evidence that:

(1) an amount of tax, interest, or penalty has been overpaid or paid more than once, or has been erroneously or illegally collected or received by the City; and

(2) all other conditions precedent to the payment of a refund to the taxpayer have been satisfied.

(g) **Requests for Refund; Refunds Permissible Without a Claim.** The Tax Collector may authorize the Controller to refund tax, interest, or penalty payments, without a refund claim having been filed and without review by the City Attorney, if the Tax Collector determines that the amount paid exceeds the tax, penalties, and interest due. The person that made the overpayment may request such a refund from the Tax Collector on a return, amended return, or request for refund form that is issued by the Tax Collector and that is filed with the Tax Collector within the later of one year of the payment of such amount or the date the return accompanying such payment was due, without regard to any extensions under Section 6.9-4. The Tax Collector may also authorize the Controller to refund the overpaid tax, interest, or penalty payments on its own initiative within this one-year period. A refund requested on a return, amended return, or request for refund form under this subsection (g) shall automatically be deemed denied for purposes of subsections (a), (b), and (d) of this Section 6.15-1 if the Tax Collector does not grant or deny the refund request within one year of the date it was filed. The Tax Collector may not grant a request for refund after this one-year period, and any action by the Tax Collector after a refund request under this subsection (g) has been deemed denied shall not constitute a denial and shall have no effect on the statute of limitations for filing a claim for refund under subsections (a)-(f) of this Section 6.15-1. In lieu of requesting a refund on a return, amended return, or request for refund form, a taxpayer may elect to apply an overpayment of the business registration fee in Article 12, the Gross Receipts ax¹ in Article 12-A-1 (including the tax on administrative office business activities under Section 953.8 of Article 12-A-1), the Sugary Drinks Distributor Tax in Article 8, the Early Care and Education Commercial Rents Tax in Article 21, the Homelessness Gross Receipts Tax in Article 28 (including the homelessness administrative office tax under Section 2804(d) of Article 28), the Cannabis Business Tax in Article 30, or the Overpaid Executive Gross Receipts Tax in Article 33 as a credit against the taxpayer's immediately succeeding payment or payments due of the respective tax type, for up to one year. Any election to apply an overpayment to the taxpayer's future liability shall be binding and may not later be changed by the taxpayer.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 92-99, File No. 990302, App. 4/30/99; Ord. 57-00, File No. 000183, App. 4/7/2000; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [5-13](#), File No. 121064, App. 1/24/2013, Eff. 2/23/2013; Ord. [154-15](#), File No. 150730, App. 8/6/2015, Eff. 9/5/2015; Ord. [26-17](#), File No. 161264, App. 2/10/2017, Eff. 3/12/2017; Ord. [12-18](#), File No. 171155, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

CODIFICATION NOTE

1. So in Ord. [152-21](#).

SEC. 6.15-2. REFUNDS; INTEREST.

(a) Any amounts refunded prior to entry of a final judgment in a judicial proceeding shall bear interest at the rate for prejudgment interest on refunds of local taxes or fees provided by Section 3287(c) of the California Civil Code, as amended from time to time, and shall be computed from the date of payment to the date of refund.

(b) If the Controller offsets overpayments for a period or periods against another liability or liabilities currently owed to the City, or against penalties or interest on the other liability or liabilities currently owed to the City, the taxpayer will be credited with interest on the amount so applied at the rate of interest set forth above, computed from the date of payment.

(c) If a taxpayer elects to apply all or part of an overpayment of the business registration fee in Article 12, the Gross Receipts Tax in Article 12-A-1 (including the tax on administrative office business activities under Section 953.8 of Article 12-A-1), the Sugary Drinks Distributor Tax in Article 8, the Early Care and Education Commercial Rents Tax in Article 21, the Homelessness Gross Receipts Tax in Article 28 (including the homelessness administrative office tax under Section 2804(d) of Article 28), the Cannabis Business Tax in Article 30, or the Overpaid Executive Gross Receipts Tax in Article 33 as a credit against the taxpayer's immediately succeeding

payment or payments due of the respective tax type, the taxpayer will not be credited with interest on the amount so applied.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [154-15](#), File No. 150730, App. 8/6/2015, Eff. 9/5/2015; Ord. [26-17](#), File No. 161264, App. 2/10/2017, Eff. 3/12/2017; Ord. [12-18](#), File No. 171155, App. 2/1/2018, Eff. 3/4/2018; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [277-19](#), App. 11/27/2019, Eff. 12/28/2019, Oper. 1/1/2020; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.15-3. EXHAUSTION OF ADMINISTRATIVE REMEDIES; PRESENTATION OF CLAIM FOR REFUND AS PREREQUISITE TO SUIT; PAYMENT OF DISPUTED AMOUNT AND PETITION FOR REFUND; LIMITATIONS.

(a) Persons claiming they are aggrieved under the Business and Tax Regulations Code must, prior to seeking judicial relief:

(1) pay the amount of the disputed tax, penalty, and interest;

(2) if the disputed tax was paid pursuant to the Tax Collector's jeopardy determination or deficiency determination, file a petition for redetermination, pursuant to Section 6.12-5 or Section 6.13-1; and

(3) present a claim for refund to the Controller and allow action to be taken on such claim, pursuant to subsections (a)-(f) of Section 6.15-1.

(b) The person who paid the tax, his or her guardian or conservator, the executor of his or her will, or the administrator of his or her estate may bring an action in Superior Court against the City and County of San Francisco to recover taxes, interest, or penalties that the City has refused to refund on a claim for refund pursuant to subsections (a)-(f) of Section 6.15-1. No other person may bring such an action; but if another person should do so, judgment shall not be rendered for the plaintiff. Any suit for refund of taxes, interest, or penalties shall be commenced within the time provided by California Government Code section 945.6, as amended from time to time. Persons claiming they are aggrieved under the Business and Tax Regulations Code may not file any type of judicial action other than a refund action. Notwithstanding any other section of this Code, no claim or defense that, for any reason, a tax is not due or cannot be applied under this Code may be raised in any judicial proceeding except in an action for refund of the disputed tax.

(Added as Sec. 6.15-4 by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. 291-10, File No. 101099, App. 11/18/2010; redesignated and amended by Ord. [154-15](#), File No. 150730, App. 8/6/2015, Eff. 9/5/2015; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

(Former Sec. 6.15-3 added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; repealed by Ord. [154-15](#), File No. 150730, App. 8/6/2015, Eff. 9/5/2015)

SEC. 6.15-4. VALIDATION ACTIONS; STATUTE OF REPOSE.

(a) Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the California Code of Civil Procedure applies to any judicial action or proceeding to validate, attack, review, set aside, void, or annul Propositions C and/or G, adopted by San Francisco voters on June 5, 2018, and/or Proposition C, adopted by San Francisco voters on November 6, 2018.

(b) For purposes of this Section 6.15-4, Propositions C and G, adopted by San Francisco voters on June 5, 2018, shall be deemed to have been adopted on the effective date of this Section for purposes of determining the limitations period in Section 860 of the California Code of Civil Procedure. For purposes of this Section 6.15-4, Proposition C, adopted by San Francisco voters on November 6, 2018, shall be deemed to have been adopted on the effective date of the ordinance amending this Section to include reference to the November 2018 Proposition C for purposes of determining the limitations period in Section 860 of the California Code of Civil Procedure.

(c) Any appeal from the final judgment in an action or proceeding brought under Section 6.15-4(a) shall be filed within 30 days after entry of the judgment.

(Added by Ord. [211-18](#), File No. 180736, App. 8/10/2018, Eff. 9/10/2018; amended by Ord. [313-18](#), File No. 181077, App. 12/21/2018, Eff. 1/21/2019)

(Former Sec. 6.15-4 added by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. 291-10, File No. 101099, App. 11/18/2010; redesignated as Sec. 6.15-3 and amended by Ord. [154-15](#), File No. 150730, App. 8/6/2015, Eff. 9/5/2015)

SEC. 6.16-1. RULES AND REGULATIONS.

The Tax Collector may issue rules and regulations, determinations, and interpretations consistent with the provisions of the Business and Tax Regulations Code as may be necessary or appropriate for the purpose of carrying out and enforcing the payment, collection, and remittance of taxes and to apply such Code and any rules and regulations promulgated thereunder in a lawful manner. The Tax Collector shall hold a public hearing and allow public comment on any proposed rule or regulation prior to adoption thereof. The Tax Collector shall provide not less than 10 days' notice of such public hearing. A copy of such rules and regulations shall be on file and available for public examination in the Tax Collector's Office. Failure or refusal to comply with any rules and regulations promulgated by the Tax Collector shall be deemed a violation of the Business and Tax Regulations Code.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.17-1. PENALTIES AND INTEREST FOR FAILURE TO PAY.

(a) Any person who fails to pay any tax to the City, or any operator or other person who fails to collect and remit any third-party taxes shall pay a penalty of 5% of the tax, if the failure is for not more than one month after the tax became delinquent, plus an additional 5% for each following month or fraction of a month during which such failure continues, up to 20% in the aggregate, until the date of payment. Any taxes remaining unpaid for a period of 90 days after notification that the tax is delinquent shall be subject to an additional penalty of 20% of the amount of the tax. The penalty and interest provided under this Section 6.17-1 shall not apply with

respect to the Payroll Expense Tax, the Gross Receipts Tax, the Early Care and Education Commercial Rents Tax, and the Homelessness Gross Receipts Tax if the sum of the Payroll Expense Tax payments, Gross Receipts Tax payments, Early Care and Education Commercial Rents Tax payments, and the Homelessness Gross Receipts Tax payments is equal to or greater than the sum of the Payroll Expense Tax, Gross Receipts Tax, Early Care and Education Commercial Rents Tax, and the Homelessness Gross Receipts Tax liability for that tax year.

(b) If the failure to pay any tax is due to fraud or an intent to evade the Business and Tax Regulations Code or the Tax Collector's rules and regulations, an additional penalty in the amount of 50% of the amount due, in addition to any other penalties and interest, shall be added thereto. A taxpayer or other person against whom a fraudulent failure to pay penalty is asserted is entitled to a notice of such determination to be issued in accordance with the provisions of Sections 6.11-1 *et seq.* and to the appeal rights set forth in Sections 6.13-1 *et seq.*

(c) Unpaid taxes shall also accrue interest at the rate of 1% per month, or fraction of a month, from the date the taxes become delinquent through the date the taxpayer or operator pays the delinquent taxes, penalties, interest, and fees accrued to the date of payment in full.

(d) This Section 6.17-1 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or before December 31, 2020, except as provided in subsections (d)(2) and (d)(3) of this Section 6.17-1;

(2) to all returns and payments for registration years ending on or before June 30, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or before June 30, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 93-99, File No. 990303, App. 4/30/99; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; Ord. [222-14](#), File No. 140798, App. 11/7/2014, Eff. 12/7/2014; Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019; Ord. [69-19](#), File No. 181110, App. 4/19/2019, Eff. 5/20/2019, Retro. 1/1/2019; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.17-1.1. PENALTIES AND INTEREST FOR FAILURE TO PAY.

(a) Any person who fails to pay, collect, or remit to the City any tax shown on a return or required to be shown on a return shall pay a penalty of 5% of the unpaid tax, if the failure is for not more than one month after the tax was due and unpaid, plus an additional 5% for each following month or fraction of a month during which such failure continues, up to 25% in the aggregate, until the date of payment.

(b) Any person who fails to pay, collect, or remit to the City any tax shown on a return or required to be shown on a return shall also pay interest on the unpaid tax at the rate of 1% per month, or fraction of a month, from the date the taxes were due and unpaid through the date the person pays in full the delinquent taxes, penalties, interest, and fees accrued to the date of payment.

(c) No penalties or interest imposed by this Section 6.17-1.1 shall apply to the failure to make any estimated tax payments of Gross Receipts Taxes, Early Care and Education Commercial Rents Taxes, Homelessness Gross Receipts Taxes, Cannabis Business Taxes, or Overpaid Executive Gross Receipts Taxes under Section 6.9-1(c)(3).

(d) This Section 6.17-1.1 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or after January 1, 2021, except as provided in subsections (d)(2) and (d)(3) of this Section 6.17-1.1;

(2) to all returns and payments for registration years ending on or after July 1, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or after July 1, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; amended by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.17-2. PENALTIES FOR UNDERREPORTING OF TAX.

(a) **Penalties for Negligence.** If the Tax Collector determines that all or part of any tax required to be reported on any return was underreported and that such underreporting was attributable to negligence, the Tax Collector may impose a penalty in the amount of 5% of the amount of the underreported tax, in addition to the tax or amount of tax, if the negligence is for not more than 1 month, with an additional 5% for each month or fraction of a month during which such negligence continues, up to 20% in the aggregate.

(b) **Penalties for Intentional Disregard of Rules, Fraud, or Intent to Evade Tax.** When it is determined by the Tax Collector that all or part of any tax required to be reported on any return was underreported and such underreporting was attributable to fraud or an intent to evade the Business and Tax Regulations Code, the Tax Collector may impose a penalty in the amount of 50% of the amount of the underreported tax. The taxpayer or other person determined to be liable for penalties pursuant to this Section 6.17-2(b) is entitled to a notice of deficiency determination or jeopardy determination and to the appeal rights as to such determinations.

(c) **Additional Penalty for Substantial Underreporting.**

(1) For purposes of this Section 6.17-2(c), "substantial underreporting of tax" means the tax finally determined by the Tax Collector exceeds the amount of tax reported on a taxpayer's original or amended return for a taxable period by 25% or more, or if no return is filed, the tax liability determined by the Tax Collector pursuant to Section 6.11-1 exceeds \$5,000.

(2) If the Tax Collector determines that a taxpayer has made a substantial underreporting of tax for any taxable period, the Tax Collector may impose an additional penalty in an amount equal to 50% of the tax attributable to the substantially underreported amount. The penalty for substantial underreporting is in addition to any other penalty imposed under this Article 6.

(3) The additional penalty for substantial underreporting applies to all taxable periods ending on or after June 19, 2010.

(d) This Section 6.17-2 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or before December 31, 2020, except as provided in subsections (d)(2) and (d)(3) of this Section 6.17-2;

(2) to all returns and payments for registration years ending on or before June 30, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or before June 30, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 95-99, File No. 990305, App. 4/30/99; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 102-10, File No. 100247, App. 5/21/2010; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [5-13](#), File No. 121064, App. 1/24/2013, Eff. 2/23/2013; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.17-2.1. PENALTY FOR FRAUD OR INTENT TO EVADE TAX.

(a) If the failure to file any return, the failure to pay any tax, and/or the underreporting of any tax is due to fraud or an intent to evade the Business and Tax Regulations Code or the Tax Collector's rules and regulations, a penalty of 50% of the amount required to be paid or required to be reported on a return that was not so paid or reported shall be assessed in addition to the penalties and interest imposed under Section 6.17-1.1 and any other penalties and interest. A person against whom a penalty under this Section 6.17-2.1 is assessed is entitled to a notice of such assessment to be issued in accordance with the provisions of Sections 6.11-2 *et seq.* and to the appeal rights set forth in Sections 6.13-1 *et seq.*

(b) This Section 6.17-2.1 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or after January 1, 2021, except as provided in subsections (b)(2) and (b)(3) of this Section 6.17-2.1;

(2) to all returns and payments for registration years ending on or after July 1, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or after July 1, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.17-3. NEGLIGENCE PENALTIES FOR FAILURE TO REGISTER, MISSTATEMENTS IN REGISTRATION, FAILURE TO TIMELY UPDATE REGISTRATION, FAILURE TO ALLOW INSPECTION OF RECORDS UPON REQUEST, AND FAILURE TO FILE A RETURN; SANCTION FOR FAILURE TO PRODUCE REQUESTED RECORDS.

(a) For registration years commencing on or after July 1, 2017, any person who fails to register in a timely manner shall pay, in addition to any other liability that may be imposed under the provisions of this Article 6, a penalty assessed pursuant to Section 6.17-1. For registration years commencing prior to July 1, 2017, any person who fails to register in a timely manner shall pay, in addition to any other liability that may be imposed under the provisions of this Article 6, a penalty in an amount equal to either \$100 or the penalty assessed pursuant to Section 6.17-1, whichever is greater.

(b) Any person who fails to amend a registration within seven days of a material change, or who makes a material misrepresentation in a registration, or who fails to comply with a rule or regulation promulgated by the Tax Collector in a timely manner, shall pay, in addition to any other liability that may be imposed under the provisions of this Article 6, a penalty in an amount equal to either \$100 or the penalty assessed pursuant to Section 6.17-1, whichever is greater.

(c) The Tax Collector may impose a penalty upon any person who fails to file a return or returns required under this Article 6 on or before the date prescribed for filing up to \$500 for each such failure. The penalty under this provision shall be in addition to any other liability that may be imposed under the provisions of this Article. Filing a return that the Tax Collector determines to be incomplete in any material aspect may be deemed failure to file a return in violation of this Section 6.17-3. Any return required to be filed on a combined basis, and which is not filed on that basis, is an incomplete return. In addition, any return required to report worldwide gross receipts and payroll of a person or combined group under Section 956.2, which does not report gross receipts and payroll on a worldwide basis, is an incomplete return.

(d) Any person who fails to allow a full inspection of records pursuant to a request made by the Tax Collector within the time prescribed by the Tax Collector shall pay, in addition to any other liability that may be imposed under the provisions of this Article 6, a penalty in the amount of \$500 for each such failure.

(e) Unless the failure to allow inspection was due to reasonable cause and not willful neglect, any person who fails to provide records pursuant to a written request made by the Tax Collector may not contest the Tax Collector's decision regarding the amount of such person's liability for any taxes, administrative collection costs, interest, penalties, or other costs and charges imposed under the Business and Tax Regulations Code, or oppose the collection of such amount, in any subsequent administrative or judicial proceeding, on the basis

of any record the Tax Collector previously requested in writing that such person failed to make available to the Tax Collector on or before the earliest to occur of the following:

- (1) The conclusion of the hearing on a petition for redetermination held pursuant to Sections 6.12-5 or 6.13-2;
 - (2) The date the jeopardy determination became final under Section 6.12-5 if such person did not request hearing thereon;
 - (3) The date the deficiency determination became final under Section 6.13-4 if such person did not request a hearing thereon.
- (f) This Section 6.17-3 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or before December 31, 2020, except as provided in subsections (f)(2) and (f)(3) of this Section 6.17-3;

(2) to all returns and payments for registration years ending on or before June 30, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or before June 30, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 94-99, File No. 990304, App. 4/30/99; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; Ord. [36-17](#), File No. 161225, App. 2/17/2017, Eff. 3/19/2017; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.17-3.1. PENALTIES FOR MISSTATEMENTS IN REGISTRATION, FAILURE TO TIMELY UPDATE REGISTRATION, FAILURE TO ALLOW INSPECTION OF RECORDS UPON REQUEST, AND FAILURE TO FILE A RETURN; SANCTION FOR FAILURE TO PRODUCE REQUESTED RECORDS.

(a) Any person who fails to amend a registration within seven days of a material change, or who makes a material misrepresentation in a registration, or who fails to comply with a rule or regulation promulgated by the Tax Collector in a timely manner, shall pay, in addition to any other liability that may be imposed under the provisions of this Article 6, a penalty in an amount equal to either \$100 or the penalty assessed pursuant to Section 6.17-1.1, whichever is greater.

(b) The Tax Collector may impose a penalty upon any person who fails to file a return or returns required under this Article 6 on or before the date prescribed for filing, up to \$500 for each such failure. The penalty under this provision shall be in addition to any other liability that may be imposed under the provisions of this Article. Filing a return that the Tax Collector determines to be incomplete in any material aspect may be deemed failure to file a return in violation of this Section 6.17-3.1. Any return required to be filed on a combined basis, and which is not filed on that basis, is an incomplete return. In addition, any return required to report worldwide gross receipts and payroll of a person or combined group under Section 956.2, which does not report gross receipts and payroll on a worldwide basis, is an incomplete return. For the 2022 and 2023 tax years, the penalty in this Section 6.17-3.1(b) shall not apply to the failure to file the Vacancy Tax returns required by Sections 6.9-1(j)(1) and (2) on or before the dates prescribed by those Sections.

(c) Any person who fails to allow a full inspection of records pursuant to a request made by the Tax Collector within the time prescribed by the Tax Collector shall pay, in addition to any other liability that may be imposed under the provisions of this Article 6, a penalty in the amount of \$500 for each such failure.

(d) Any person who fails to provide records pursuant to a written request made by the Tax Collector may not contest the Tax Collector's decision regarding the amount of such person's liability for any taxes, administrative collection costs, interest, penalties, or other costs and charges imposed under the Business and Tax Regulations Code, or oppose the collection of such amount, in any subsequent administrative or judicial proceeding, on the basis of any record the Tax Collector previously requested in writing that such person failed to make available to the Tax Collector on or before the earliest to occur of the following:

- (1) The conclusion of the hearing on a petition for redetermination held pursuant to Sections 6.12-5 or 6.13-2;
- (2) The date the jeopardy determination became final under Section 6.12-5 if such person did not request a hearing thereon;
- (3) The date the deficiency determination became final under Section 6.13-4 if such person did not request a hearing thereon.

(e) This Section 6.17-3.1 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or after January 1, 2021, except as provided in subsections (e)(2) and (e)(3) of this Section 6.17-3.1;

(2) to all returns and payments for registration years ending on or after July 1, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or after July 1, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; amended by Ord. [188-22](#), File No. 220756, App. 8/4/2022, Eff. 9/4/2022)

SEC. 6.17-4. WAIVER OF PENALTIES.

Any penalty or interest assessed under Sections 6.17-1, 6.17-2, or 6.17-3 may be waived by the Tax Collector, in whole or in part, upon a finding of any of the following:

- (a) Failure to make timely payment or report of tax liability or otherwise comply with the provisions of the Business and Tax

Regulations Code occurred notwithstanding the exercise of ordinary care by the taxpayer and in the absence of wilful neglect;

(b) The taxpayer made an inadvertent error in the amount of payment made, provided any deficiency is cured by payment in full to the Tax Collector within 10 days after notice of the deficiency is mailed to the taxpayer by the Tax Collector; or

(c) Waiver of the penalty or interest is ordered by a court of competent jurisdiction.

(d) This Section 6.17-4 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or before December 31, 2020, except as provided in subsections (d)(2) and (d)(3) of this Section 6.17-4;

(2) to all returns and payments for registration years ending on or before June 30, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or before June 30, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.17-4.1. WAIVER OF PENALTIES.

(a) Any penalty assessed under Sections 6.17-1.1, 6.17-2.1, or 6.17-3.1 may be waived by the Tax Collector, in whole or in part, upon a finding of any of the following:

(1) The failure to timely pay, remit, collect, or report the tax liability, the failure to file a return, or the failure to otherwise comply with the provisions of the Business and Tax Regulations Code is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect;

(2) There was an inadvertent error in the amount of payment made by the taxpayer, provided any deficiency is cured by payment in full to the Tax Collector within 10 days after notice of the deficiency is mailed by the Tax Collector; or

(3) Waiver of the penalty was ordered by a court of competent jurisdiction.

(b) This Section 6.17-4.1 shall apply as follows:

(1) to all returns and payments for tax periods ending and taxable events occurring on or after January 1, 2021, except as provided in subsections (b)(2) and (b)(3) of this Section 6.17-4.1;

(2) to all returns and payments for registration years ending on or after July 1, 2021 with respect to the registration fee imposed under Section 855 of Article 12; and

(3) to all returns and payments for fiscal years ending on or after July 1, 2021 with respect to fees, assessments, and other charges subject to this Article 6 that are imposed on a fiscal year basis.

(Added by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.17-5. COSTS.

In addition to the penalties imposed by Sections 6.17-1, 6.17-1.1, 6.17-2, 6.17-2.1, 6.17-3, and 6.17-3.1, as applicable, the Tax Collector may recover the actual costs of collection incurred by the City up to the time any amount owed is finally paid, including reasonable attorney's fees and costs.

■ (Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.18-1. SUMMARY JUDGMENT; NOTICE; CERTIFICATE.

If any tax imposed pursuant to the Business and Tax Regulations Code is not paid by the last day of the month after the delinquency date, or after any jeopardy determination or deficiency determination of the Tax Collector becomes final pursuant to Sections 6.12-1 *et seq.* or 6.13-1 *et seq.*, the Tax Collector may file, no sooner than 20 days after the mailing of the notice required in subsection (b), in the office of the Clerk of the Court, without fee, a certificate specifying as follows:

(a) That a notice of intent to file the certificate has been sent, by certified mail, to the operator, taxpayer, or other person determined to be liable for the tax at the person's last known address, not less than 20 days prior to the date of the certificate;

(b) That the notice required in subsection (a) set forth the following information:

(1) The name of the operator, taxpayer, or other person determined to be liable for the tax,

(2) The description of the operator's, taxpayer's, or other person's business or activity against which the tax has been assessed,

(3) The location and/or address of the business or activity,

(4) That judgment will be sought in the amount of the tax, penalty, and interest remaining unpaid at the time of the filing of the certificate, and costs as permitted by law,

(5) That, upon issuance and recordation of the judgment, additional interest will continue to accrue at the rate prescribed by the

Enforcement of Judgments Law (Title 9 of Part 2 of the California Code of Civil Procedure), and that any bond premium posted or other costs to enforce the judgment shall be an added charge, and

(6) That a recording fee in the amount set forth in Section 27361.3 of the California Government Code will be required to be paid for the purpose of the recordation of any release of the judgment lien;

(c) The name of the operator, taxpayer, or other person determined to be liable for the tax;

(d) The amount for which judgment is to be entered;

(e) That the City has complied with all provisions of the Business and Tax Regulations Code in the computation and the levy of the tax, penalty, or interest; and

(f) That a request is therein made for issuance and entry of judgment against the operator, taxpayer, or other person determined to be liable for the tax.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 177-01, File No. 010826, App. 8/17/2001; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [5-13](#), File No. 121064, App. 1/24/2013, Eff. 2/23/2013; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 6.18-2. SUMMARY JUDGMENT; FILING OF CERTIFICATE; ENTRY OF JUDGMENT.

The Clerk of the Court, immediately upon the filing of the certificate shall enter a judgment for the City and County against the operator, taxpayer, or other person determined to be liable for the tax in the amount of the tax, penalty, and interest set forth in the certificate. The Clerk of the Court may file the judgment in a loose-leaf book entitled "City and County Summary Tax Judgments."

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 177-01, File No. 010826, App. 8/17/2001; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.18-3. SUMMARY JUDGMENT; RECORDING OF JUDGMENT; LIEN.

An abstract or copy of the judgment shall be recorded, without fee, in the Office of the Assessor-Recorder, and may be recorded in any other office in which such filing is permitted by law. The summary judgment shall be enforceable pursuant to the Enforcement of Judgments Law (Title 9 of Part 2 of the Code of Civil Procedure).

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 177-01, File No. 010826, App. 8/17/2001; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.18-4. [REPEALED.]

(Added by Ord. 18-98, App. 1/16/98; repealed by Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.18-5. SUMMARY JUDGMENT; ADDITIONAL PENALTY.

In addition to any penalty or fee imposed pursuant to the Business and Tax Regulations Code, a penalty equal to the costs incurred to enforce the judgment entered pursuant to Section 6.18-1 *et seq.*, including reasonable attorneys' fees and costs, and the City's cost of salary and benefits for City staff to enforce the judgment, shall be imposed.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.18-6. SUMMARY JUDGMENT; EXTENSION OF LIEN.

Within 10 years from the date of the recording or within 10 years from the date of the last extension of the lien in the manner provided for in this Section 6.18-6, the lien may be extended by recording in the office of the Assessor-Recorder an abstract or copy of the judgment. From the time of the recording the lien extends to the property for 10 years unless sooner released or otherwise discharged.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.18-7. SUMMARY JUDGMENT; EXECUTION UPON THE JUDGMENT.

Execution shall issue upon the judgment upon request of the Tax Collector in the same manner as execution may issue upon other judgments, and sales shall be held under such execution as prescribed by law.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 6.18-8. SUMMARY JUDGMENT; SATISFACTION OF JUDGMENT; REMOVAL OF LIEN.

(a) The judgment is satisfied and the lien removed when, but not before, the certificate of release or discharge from the judgment lien is filed with the Clerk of Court and recorded in the office of the Assessor-Recorder. In addition to the judgment amount, and any additional penalty, interest, cost, or other amount authorized by the Business and Tax Regulations Code, the Tax Collector shall collect the recording fee in the amount required by Section 27361.3 of the California Government Code and shall transmit the amount of the recording fee to the Assessor-Recorder together with the documents for release or discharge.

(b) The judgment is also satisfied and the lien removed when, but not before, the tax is legally canceled and a release or discharge from the judgment lien is recorded in the office of the Assessor-Recorder. A recording under this Subsection (b) shall be made without fee.

■ (Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.19-1. CIVIL ACTIONS.

In addition to the actions provided for in Section 6.10-3, the Tax Collector may bring a civil action to enjoin any violation of the Business and Tax Regulations Code. No person shall conduct business without the certificate of authority required under Section 6.6-1 or without the San Francisco business registration certificate required under Section 853 of Article 12. The Tax Collector may seek an injunction to prohibit any such person from doing business in San Francisco until such time as the violation is cured. Such injunction shall issue notwithstanding that judicial review of the Tax Collector's action regarding such certificate of authority or business registration certificate has not been completed. The Tax Collector shall be entitled to its attorneys' fees and costs in any action brought pursuant to this Section 6.19-1 where the Tax Collector is the prevailing party.

(Added as Sec. 6.19-4 by Ord. 18-98, App. 1/16/98; renumbered by Ord. 290-00, File No. 001627, App. 12/22/2000; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

■ (Former Sec. 6.19-1 added by Ord. 18-98; repealed by Ord. 290-00; Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.19-2. REMEDIES CUMULATIVE.

The remedies, penalties, and procedures provided under this Article 6 are cumulative and are not intended to be exclusive of any other available remedies, penalties, and procedures.

(Added as Sec. 6.19-5 by Ord. 18-98, App. 1/16/98; renumbered by Ord. 290-00, File No. 001627, App. 12/22/2000; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

■ (Former Sec. 6.19-2 added by Ord. 18-98; repealed by Ord. 290-00, File No. 001627, App. 12/22/2000)

SEC. 6.19-3. ADMINISTRATIVE PENALTIES AND CITATIONS.

(a) **Administrative Penalties; Citations.** An administrative penalty may be assessed for a violation of the provisions of this Business and Tax Regulations Code as specified below. The penalty may be assessed by means of an administrative citation issued by any person designated as an "enforcement officer" in subsection (c).

(b) (1) **Penalty Amounts.** In addition to all other civil penalties provided for by law, the following violations shall be subject to administrative penalties in the amounts set forth below:

<i>VIOLATION</i>	<i>PENALTY AMOUNT</i>
<i>VIOLATION</i>	<i>PENALTY AMOUNT</i>
• Failure to obtain or post a Certificate of Authority to Collect Third-Party Taxes	\$500
• Failure to obtain or post an Annual Business Registration Certificate	\$100
• Failure to show proof of current Business Registration Certificate	\$100
• Failure to an operator in the business of renting parking space in a parking station to post a bond	\$500
• Failure to produce information requested by the Tax Collector within 30 days of mailing of such request	\$100
• Failure to produce financial records requested by the Tax Collector	\$500
• Failure to retain financial records	\$500
• Failure to allow the Tax Collector to inspect financial records	\$500
• Failure to file a return, including filing a blank return or a return that the Tax Collector determines to be incomplete in any material aspect	\$500
• Failure to provide a Receipt to an Occupant as required in Article 22. Each time an Operator fails to provide a Receipt shall be considered a separate violation	\$100
• Operating a Parking Station without utilizing RCE or business practices and procedures as required by Article 22	\$500
• Failure to cooperate with any City agency as required by this Article or Article 22	\$500
• Failure to maintain RCE Records as required by Article 22	\$500
• Failure to accurately report the dates and times that the Parking Station did not utilize RCE in monthly or quarterly Parking Tax statements as required by this Article and Article 22	\$500
• Failure to use good faith efforts to repair non-functioning RCE	\$100
• Failure to certify conformance with the provisions of Article 22 concurrent with payment or remittance of Parking Taxes	\$500
• Intentionally tampering with RCE, including but not limited to altering or deleting data gathered or maintained by RCE	\$500
• Substituting a Parking Ticket with a Discount Parking Ticket for the purposes of falsely reporting or falsely recording the amount of Rent collected from an Occupant	\$500
• Refusing to produce RCE Records timely when requested by the Tax Collector or other authorized agency as required under Sections 2223, 2230 and 2236 of Article 22 or when requested under Section 6.4-1 and 6.5-1 of this Article	\$500
• Failure to comply with any other obligation or duty imposed under the Business and Tax Regulations Code	\$500

(2) Except in the case of failure to file a return, including filing a blank return or a return that the Tax Collector determines to be incomplete, each day that an operator does not comply with the provisions of this Article 6 shall be considered a separate violation. The penalty amounts shall be increased cumulatively by 50% for each subsequent violation of the same provision by the same person within a

three-year period. The maximum penalty amount that may be imposed by administrative citation in a calendar year for each type of violation listed above shall be \$25,000. In addition to the penalty amounts listed above, the Tax Collector may assess enforcement costs to cover the reasonable costs incurred in enforcing the administrative penalty, including reasonable attorneys' fees. Enforcement costs shall not count toward the \$25,000 annual maximum.

(c) **Persons Who May Issue Citations.** The following classes of employees within the Office of the Treasurer and Tax Collector are designated "enforcement officers" and are authorized to issue administrative citations pursuant to this Article 6:

<i>CLASSIFICATION NUMBER</i>	<i>CLASS TITLE</i>
4334	Investigator
4335	Senior Investigator
4337	Principal Investigator
0922	Assistant Director, Bureau of Delinquent Revenue Collections
8173	Legal Assistant
0931	Director, Bureau of Delinquent Revenue Collections

(Added by Ord. 177-01, File No. 010826, App. 8/17/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

(Former Sec. 6.19-3 added as Sec. 6.19-6 by Ord. 18-98, App. 1/16/98; renumbered by Ord. 290-00, File No. 001627, App. 12/22/2000; repealed by Ord. 177-01, File No. 010826, App. 8/17/2001)

■ (Former Sec. 6.19-3 added by Ord. 18-98, App. 1/16/98; repealed by Ord. 290-00, File No. 001627, App. 12/22/2000)

SEC. 6.19-4. VIOLATIONS.

(a) **Separate and Continuing Violations; Penalties Paid Do Not Cure Violations.** Each day that a violation exists constitutes a separate and distinct offense. Each section violated constitutes a separate violation for any day at issue. If the person or persons responsible for a violation fail to correct the violation, subsequent administrative citations may be issued for the same violation(s). Payment of the penalty shall not excuse the failure to correct the violation nor shall it bar any further enforcement action by the City. If penalties and costs are the subject of administrative appeal or judicial review, then the accrual of such penalties and costs shall be stayed until the determination of such appeal or review is final.

(b) **Payments to City; Due Date; Late Payment Penalty.** All penalties assessed shall be payable to the City and County. Administrative penalties and costs assessed by means of an administrative citation shall be due within 30 days from the date of the citation. The failure of any person to pay an administrative penalty and costs within that time shall result in the assessment of an additional late fee. The amount of the late fee shall be 10% of the total amount of the administrative penalty assessed for each month the penalty and any already accrued late payment penalty remains unpaid, up to a maximum of 40% of the total amount of the administrative penalty.

(c) **Collection of Penalties; Special Assessments.** The failure of any person to pay a penalty assessed by administrative citation within the time specified on the citation constitutes a debt to the City. The City may file a civil action, create and impose liens as set forth below, or pursue any other legal remedy to collect such money.

(d) **Liens.** The City may create and impose liens against any property owned or operated by a person who fails to pay a penalty assessed by administrative citation. The procedures provided for in Section 6.10-3 shall govern the imposition and collection of such liens.

(Added by Ord. 177-01, File No. 010826, App. 8/17/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [24-17](#), File No. 161226, App. 2/10/2017, Eff. 3/12/2017)

■ (Former Sec. 6.19-4 renumbered as Sec. 6.19-1 by Ord. 290-00, File No. 001627, App. 12/22/2000)

SEC. 6.19-5. ADMINISTRATIVE CITATION; ISSUANCE.

The enforcement officer may issue an administrative citation to any person who violates the Code provisions identified in Section 6.19-3(b). The administrative citation shall be issued on a form prescribed by the Tax Collector.

(Added by Ord. 177-01, File No. 010826, App. 8/17/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010)

■ (Former Sec. 6.19-5 renumbered as Sec. 6.19-2 by Ord. 290-00, File No. 001627, App. 12/22/2000)

SEC. 6.19-6. ADMINISTRATIVE CITATION; SERVICE.

Service of an administrative citation may be accomplished as follows:

(a) The enforcement officer may obtain the signature of the person responsible for the violation to establish personal service of the

citation; or

(b) The enforcement officer may serve the citation on the person responsible for the violation by first-class mail, postage prepaid, with a declaration of service under penalty of perjury made by the person mailing the administrative citation, showing the date and manner of service by mail and reciting the name and address of the citation addressee. Service of the administrative citation by mail in this manner shall be effective on the date of mailing.

(Added by Ord. 177-01, File No. 010826, App. 8/17/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [24-17](#), File No. 161226, App. 2/10/2017, Eff. 3/12/2017)

■ (Former Sec. 6.19-6 renumbered as Sec. 6.19-3 by Ord. 290-00, File No. 001627, App. 12/22/2000)

SEC. 6.19-7. ADMINISTRATIVE CITATION; CONTENTS.

The administrative citation shall include all the following:

- (a) A description of the violation(s);
- (b) The date and location of the violation(s) and the approximate time the violation(s) was observed;
- (c) A citation to the provisions of law violated;
- (d) A description of corrective action required;
- (e) A statement explaining that each day of a continuing violation may constitute a new and separate violation;
- (f) The amount of administrative penalty imposed for the violation(s);
- (g) A statement informing the violator that the fine shall be paid to the City and County of San Francisco within 30 days from the date on the administrative citation, the procedure for payment, and the consequences of failure to pay;
- (h) A description of the process for appealing the citation, including the deadline for filing such an appeal; and
- (i) The name and signature of the enforcement officer.

■ (Added by Ord. 177-01, File No. 010826, App. 8/17/2001; amended by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.19-8. ADMINISTRATIVE APPEAL.

(a) Persons receiving an administrative citation may within 15 days from the date the citation is served, protest the citation by either (1) requesting a hearing by mail, or (2) scheduling an in-person hearing. The hearing officer may not reduce the penalty amount and will only decide whether the person is responsible for the disputed penalty.

(b) **Hearing by Mail.** Persons receiving an administrative citation may protest the citation by paying the penalty amount and requesting a hearing by mail from the Tax Collector. The request must be made in writing, in the format prescribed by the Tax Collector. Protests must be mailed together with the penalty amount to the Office or the Treasurer & Tax Collector at the address provided on the administrative citation. The request must specify the basis for the protest in detail and must be accompanied by evidence supporting the request. The Tax Collector may request that the protesting party provide any additional information necessary to decide the validity of the citation. The Tax Collector shall evaluate the protest and notify the protesting party of the decision by mail within 30 days of receipt by the Tax Collector or all information and evidence. A copy of the decision will be mailed to the protesting party. A decision made in a hearing by mail is a final order and cannot be appealed.

(c) **In-Person Administrative Hearing.** The person charged in the citation may appeal the citation by paying the penalty and filing a petition for redetermination pursuant to Section 6.13-1. A hearing on the petition for redetermination of a citation shall proceed in the same manner as a petition for redetermination of tax. Any reference in Sections 6.13-1 *et seq.* to taxes, penalties, or interest shall be deemed to also apply to the hearing of an administrative citation. If the person charged fails to appear for the hearing, a default judgment shall be entered against the person. The person will automatically be deemed liable for the penalty, together with any additional fees and interest.

(d) For the hearings provided under subsections (b) and (c) of this Section 6.19-8, the burden of proof shall be on the person protesting the citation.

(Added by Ord. 177-01, File No. 010826, App. 8/17/2001; amended by Ord. [5-13](#), File No. 121064, App. 1/24/2013, Eff. 2/23/2013; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.19-9. REGULATIONS.

The Tax Collector may promulgate and enforce rules and regulations, and issue determinations and interpretations relating to the administrative penalty and citation system, and the conducting of administrative hearings and rendering of decisions, pursuant to Sections 6.19-3 through 6.19-11, inclusive. Any rules and regulations promulgated by the Tax Collector shall be approved as to legal form by the City Attorney. The rules and regulations shall become effective 30 days after receipt by the Clerk of the Board of Supervisors and the Clerk of the Finance Committee, unless the Board of Supervisors by resolution disapproves or modifies the regulations. The Board of Supervisors' determination to modify or disapprove a rule or regulation submitted by the Tax Collector shall not impair the ability of the

Tax Collector to resubmit the same or similar rule or regulation directly to the Board of Supervisors if the Tax Collector determines it is necessary to effectuate the purposes of the administrative penalty and citation system.

■ (Added by Ord. 177-01, File No. 010826, App. 8/17/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 6.19-10. JUDICIAL REVIEW.

(a) **Procedures.** After receipt of the Tax Collector's decision, the appellant may file an appeal with the Superior Court pursuant to California Government Code Section 53069.4. The appeal shall be submitted within 20 days of the date of mailing of the Tax Collector's decision, with the applicable filing fee. The appeal shall state the reasons the appellant objects to the Tax Collector's findings or decision.

(b) **Review.** The Superior Court shall conduct a de novo hearing, except that the contents of the Tax Collector's file shall be received into evidence. A copy of the notice of violation and imposition of penalty shall be entered as prima facie evidence of the facts stated therein.

(c) **Filing Fee.** The Superior Court filing fee shall be \$25. If the court finds in favor of the appellant, the amount of the fee shall be reimbursed to the appellant by the City and County of San Francisco. Any deposit of penalty shall be refunded by the City and County of San Francisco in accordance with the judgment of the court.

■ (Added by Ord. 177-01, File No. 010826, App. 8/17/2001; amended by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.19-11. OTHER REMEDIES NOT AFFECTED.

The administrative citation procedures established in this Article 6 shall be in addition to any other criminal, civil, or other remedy established by law which may be pursued to address violations of the Business and Tax Regulations Code. An administrative citation issued pursuant to this Article shall not prejudice or adversely affect any other action, civil or criminal, that may be brought to abate a violation or to seek compensation for damages suffered.

(Added by Ord. 177-01, File No. 010826, App. 8/17/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.20-1. RELATION TO OTHER LICENSE ORDINANCES.

(a) Persons required to pay a tax, fee or charge on any activity under the Business and Tax Regulations Code shall not be relieved from the payment of any amount owed for the privilege of conducting such activity required under any other ordinance of the City, and shall remain subject to the regulatory provisions of other ordinances.

(b) Upon providing written notice of nonpayment or noncompliance with any provision of the Business and Tax Regulations Code to any licensee, and continued nonpayment or noncompliance by the licensee, the Tax Collector may suspend or revoke any license or privilege for conducting business under any ordinance of the City. Such notice of suspension or revocation shall be issued in the same manner as a determination under Sections 6.11-1 *et seq.* or Sections 6.11-1.1 *et seq.*, as applicable, and the person issued said notice shall have the appeal rights applicable to determinations made pursuant to Sections 6.11-1 *et seq.* or Sections 6.11-1.1 *et seq.*, as applicable, and 6.13-1 *et seq.*, and shall become final as provided in those Sections.

■ (Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 6.21-1. TRANSFeree AND SUCCESSOR LIABILITY.

(a) No person shall purchase or acquire an interest in a business subject to any tax imposed under the Business and Tax Regulations Code without first obtaining either a receipt from the Tax Collector showing that all of the seller's taxes on the business have been paid, or a certificate stating that no amount is due. For purposes of this Section 6.21-1, "purchase" shall include any other voluntary transfer for consideration of a business, except for purchase of stock of a publicly-traded company.

(b) The Tax Collector shall issue such a receipt or certificate, or a notice of the amount that must be paid as a condition of issuing the certificate, to the buyer within 30 days after receiving a written request. However, failure of the Tax Collector to timely mail the notice will not release the buyer from his or her obligations under this Section, except to the extent of penalties and interest in the event that the Tax Collector enforces the buyer's obligation in a civil action authorized pursuant to the Business and Tax Regulations Code.

(c) If the buyer purchases or acquires an interest in a business owing any taxes, interest, or penalties, the buyer shall withhold from the purchase price and pay to the Tax Collector a sufficient amount to satisfy said taxes, interest, and penalties.

(d) If the buyer purchases or acquires an interest in a business in violation of this Section 6.21-1, the buyer shall become personally liable for the amount of taxes, interest, and penalties owed on the business.

(e) The buyer's obligations shall accrue at the time the business is purchased or the interest acquired, or at the time the Tax Collector determines the seller's final liability, whichever is later.

(f) The liability at law or in equity of a successor, transferee, or alter ego of any taxpayer or other person determined to be liable for any tax, interest, cost, or penalty subject to this Article 6, imposed upon a taxpayer may be determined, collected, and paid in the same

manner and subject to the same provisions and limitations as a deficiency determination pursuant to Sections 6.11-1 or 6.11-1.1, as applicable, 6.11-2, and 6.13-1 *et seq.* Nothing in this subsection (f) shall be construed to limit the rights or procedures available to the Tax Collector to collect from any successor, transferee, or alter ego, at law or in equity, as may be provided by law.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.22-1. CONFIDENTIALITY.

(a) The information in a taxpayer's return is confidential, as is any information the Tax Collector learns about a taxpayer's business from the taxpayer or in response to the Tax Collector's request for information made under Sections 6.4-1 or 6.5-1. Information regarding the Tax Collector's investigation of a particular taxpayer, including the fact that the Tax Collector has sent a request for information to a particular taxpayer or is investigating a particular taxpayer, is also confidential. Except as permitted by this Section 6.22-1 or as otherwise required by law, neither the Tax Collector nor the Tax Collector's staff, nor any other of the City's current or former employees or agents may disclose taxpayer confidential information to any person.

(b) At the discretion of the Tax Collector, otherwise confidential information may be disclosed in any judicial proceeding or administrative proceeding pertaining to tax administration, determination, assessment, collection, or enforcement, of any civil or criminal liability arising under the Business and Tax Regulations Code if the information concerns a person who is a party to the proceeding, or the proceeding arose out of, or in connection with determining that person's civil or criminal liability, or the collection of that person's liability with respect to any tax imposed thereunder.

(c) At the discretion of the Tax Collector, disclosure of otherwise confidential information may be made to the extent such disclosures are reasonably necessary to obtaining information bearing a direct relationship to the determination, assessment, collection, or enforcement of any civil or criminal liability arising under the Business and Tax Regulations Code.

(d) At the discretion of the Tax Collector, the Tax Collector may disclose otherwise confidential information to employees or agents of the Tax Collector or other City employees who are engaged in matters preparatory to any judicial or administrative proceeding pertaining to the administration or enforcement of any civil or criminal liability arising out of the Business and Tax Regulations Code.

(e) If the Tax Collector determines that a liability owing from a taxpayer may be collected from another person, the Tax Collector may disclose to such other person information relevant to the determination and collection of tax due or owing from the taxpayer.

(f) The taxpayer, and the taxpayer's successors, receivers, trustees, executors, administrators, assignees, and guarantors, and their duly authorized legal representatives if directly interested, may be given information regarding the items included in the measure and amount of any unpaid tax or amounts of tax required to be collected, interest, and penalties.

(g) Notwithstanding any other provision of the Business and Tax Regulations Code or of any City ordinance, the Tax Collector is authorized to enter into agreements with other public agencies providing for the exchange of information for official purposes of said agencies, and to implement any such agreement through the exchange of information.

(h) Notwithstanding any other provision of the Business and Tax Regulations Code or of any City ordinance, the Tax Collector shall provide any and all information to the Controller that is needed to fulfill the Controller's responsibilities under Section 3.105 of the Charter. With regard to all such information provided by the Tax Collector, the Controller shall be subject to the confidentiality provisions of subsection (a) of this Section.

(i) The Tax Collector may disclose to any City employee or agent for official purposes any information described in subsection (a) in aggregate or other form that does not disclose the identity of particular taxpayers.

(j) Nothing in this Section shall impose any liability upon the Tax Collector or any employee or agent thereof for any disclosures of confidential information made in the performance of his or her duties.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.23-1. SEVERABILITY.

If any sentence, clause, or section or any part of the Business and Tax Regulations Code is for any reason held to be unconstitutional, illegal, or invalid, such unconstitutionality, illegality, or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of the Business and Tax Regulations Code. It is hereby declared to be the intent of the enacting body that the Business and Tax Regulations Code would have been adopted had such unconstitutional, illegal, or invalid sentence, clause, section, or part thereof not been included therein.

(Added by Ord. 18-98, App. 1/16/98; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 6.24-1. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal Article 6 of the Business and Tax Regulations Code without a vote of the people except as limited by Article XIIC of the California Constitution.

(Added by Proposition E, App. 11/6/2012, Oper. 12/14/2012)

ARTICLE 7:

TAX ON TRANSIENT OCCUPANCY OF HOTEL ROOMS

Sec. 501.	Additional Definitions.
Sec. 502.	Imposition and Rate of Tax.
Sec. 502.5.	Imposition of Surcharge.
Sec. 502.6.	Imposition of a 1.25 Percent Surcharge.
Sec. 502.6-1.	Imposition of a Cumulative Surcharge.
Sec. 502.6-2.	Continuation of Two Percent Hotel Tax Surcharge.
Sec. 502.7.	Temporary Suspension of Tax and Surcharges for Occupancies in Hotels in Certain Redevelopment Project Areas.
Sec. 502.8.	Imposition and Rate of Tax in Certain Redevelopment Project Areas – Transient Occupancy Tax – San Francisco Redevelopment Agency.
Sec. 502.8-1.	Imposition of Additional Surcharge in Certain Redevelopment Project Areas.
Sec. 503.	Occupant to Pay Tax to Operator.
Sec. 504.	Collection of Tax by Operator; Receipt to Occupant; Rules for Collection Schedules.
Sec. 505.	Unlawful Advertising Regarding Tax.
Sec. 506.	Exemptions.
Sec. 515.01.	Hotel Tax Allocations.

SEC. 501. ADDITIONAL DEFINITIONS.

When used in this Article the following terms shall mean or include:

- (a) "Operator." Any person operating a hotel in the City and County of San Francisco, including, but not limited to, the owner or proprietor of such premises, lessee, sublessee, mortgagee in possession, licensee or any other person otherwise operating such hotel.
- (b) "Occupant." A person who, for a consideration, uses, possesses, or has the right to use or possess any room in a hotel under any lease, concession, permit, right of access, license to use or other agreement, or otherwise.
- (c) "Occupancy." The use or possession, or the right to the use or possession of any room or apartment in a hotel or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of the room.
- (d) "Hotel." Any structure, or any portion of a structure, including any lodginghouse, roominghouse, dormitory, Turkish bath, bachelor hotel, studio hotel, motel, auto court, inn, public club, or private club, containing guest rooms and which is occupied, or is intended or designated for occupation, by guests, whether rent is paid in money, goods, labor, or otherwise. It does not include any jail, hospital, asylum, sanitarium, orphanage, prison, detention, or other building in which human beings are housed and detained under legal restraint.
- (e) "Guest Room." A room occupied, or intended, arranged, or designed for occupation, by one or more occupants. Every 100 square feet of superficial floor area in a dormitory is a guest room.
- (f) "Rent." The consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits, and property or services of any kind or nature, and also the amount for which credit is allowed by the operator to the occupant, without any deduction therefrom whatsoever.
- (g) "Permanent Resident." Any occupant as of a given date who has or shall have occupied, or has or shall have the right of occupancy, of any guest room in a hotel for at least 30 consecutive days next preceding such date.

■ (Added by Ord. 87-61, App. 4/26/61; amended by Ord. 231-91, App. 6/12/91; Ord. 19-98, App. 1/16/98)

SEC. 502. IMPOSITION AND RATE OF TAX.

There shall be paid a tax of eight percentum on the rent for every occupancy of a guest room in a hotel in the City and County.

■ (Amended by Ord. 251-78, App. 6/1/78; Ord. 19-98, App. 1/16/98)

SEC. 502.5. IMPOSITION OF SURCHARGE.

There shall be an additional tax of 1.75 percent on the rent for every occupancy of the guest rooms in a hotel in the City and County of San Francisco between July 1, 1980 and August 14, 1993 and an additional tax of 2.75 percent on the rent for every occupancy on and after August 15, 1993.

When rent is paid, charged, billed or falls due on either a weekly, monthly or other term basis, the rent so paid, charged, billed or falling due shall be subject to the tax of eight percent herein imposed to the extent that it covers any portion of the period prior to July 1, 1980, and to the tax of eight percent herein plus the 1.75 percent surcharge imposed to the extent that it covers any portion of the period between July 1, 1980 and August 14, 1993, and the 2.75 percent surcharge imposed to the extent that it covers any portion of the period on and after August 15, 1993, and such payment, charge, bill or rent due shall be apportioned on the basis of the ratio of the number of days falling within the periods prior to July 1, 1980, between July 1, 1980 and August 14, 1993, and on and after August 15, 1993 to the total number of days covered thereby. Where any tax has been paid hereunder upon any rent without any right of occupancy therefor, the Tax Collector may by regulation provide for credit or refund of the amount of such tax upon application therefor as provided in this Code.

The surcharge tax so collected shall be deposited in the General Fund subject to appropriation pursuant to the budget and fiscal provisions of the Charter.

By adopting this ordinance the People of the City and County of San Francisco do not intend to limit or in anyway curtail any powers the Board of Supervisors may exercise as to the subject matter of this ordinance, including, but not limited to, raising the rate of taxation or surcharge, lowering the rate of taxation or surcharge, eliminating the tax or surcharge, or creating or defining new categories of taxpayers under this ordinance.

■ (Added by 6/3/80; portions of this Section require ballot measure to amend; amended by Ord. 244-93, App. 8/10/93; Ord. 19-98, App. 1/16/98)

SEC. 502.6. IMPOSITION OF A 1.25 PERCENT SURCHARGE.

(a) There shall be an additional tax of 1.25 percent on the rent for every occupancy of the guest rooms in the hotel in the City and County of San Francisco on and after January 1, 1987.

(b) When rent is paid, charged, billed or falls due on either weekly, monthly or other term basis, the rent so paid, charged, billed or falling due shall be subject to the tax of 9.75 percentum herein imposed to the extent that it covers any portion of the period prior to January 1, 1987, and to the tax of 9.75 percent herein plus the amount of surcharge imposed to the extent that it covers any portion of the period on and after January 1, 1987 and such payment, charge, bill or rent due shall be apportioned on the basis of the ratio of the number of days falling within said periods to the total number of days covered thereby. Where any tax has been paid hereunder upon any rent without any right of occupancy therefor the Tax Collector may by regulation provide for credit or refund of the amount of such tax upon application therefor as provided in this Code.

(c) The surcharge tax so collected shall be deposited in the General Fund subject to appropriation pursuant to the budget and fiscal provisions of the Charter.

■ (Added by Ord. 468-86, App. 12/5/86; amended by Ord. 19-98, App. 1/16/98)

SEC. 502.6-1. IMPOSITION OF A CUMULATIVE SURCHARGE.

(a) **Replacement of Section 502.5 and Section 502.6.** Commencing on August 1, 1996, Section 502.5 and Section 502.6 are hereby suspended and replaced in their entirety by this new Section 502.6-1. The purpose of this new Section is to combine the surcharges levied by Sections 502.5 and 502.6 and to increase the total surcharge levied by the City and County by two percent. In the event any portion of the transient occupancy tax levied by the City pursuant to Section 502.6-1 hereof is found to be invalid, illegal or unconstitutional, the suspension of Sections 502.5 and 502.6 shall be rescinded by operation of law and the taxes and surcharges levied under such Sections shall be deemed to have been in full force and effect during the period the City collected the taxes under the authority of this Section.

(b) **Imposition of Surcharge.** Effective August 1, 1996, there shall be a surcharge of six percent, in addition to the eight percent tax specified in Section 502, on the rent for every occupancy of the guest room in a hotel in the City and County of San Francisco. The surcharge so collected shall be deposited in the General Fund subject to appropriation pursuant to the budget and fiscal provisions of the Charter.

(c) **Prorata Allocation of Surcharge.** When rent is paid, charged, billed or falls due on either a weekly, monthly or other term basis, the rent so paid, charged, billed or falling due shall be subject to a surcharge of four percent to the extent that it covers any portion of the period prior to August 1, 1996, and a six percent surcharge to the extent that it covers any portion of the period on or after August 1, 1996, and such payment, charge, bill or rent due shall be apportioned on the basis of the ratio of the number of days falling within said periods to the total number of days covered by such payment. Where any surcharge has been paid hereunder upon any rent without any right of occupancy therefor, the Tax Collector may by regulation provide for credit or refund of the amount of such tax upon application therefor as provided in this Code.

(d) **Suspension of Surcharge Pursuant to Section 502.7.** The provisions of this Section 502.6-1 shall be subject to Section 502.7, including the temporary suspension provided therein.

■ (Added by Ord. 290-96, App. 7/12/96; amended by Ord. 19-98, App. 1/16/98)

SEC. 502.6-2. CONTINUATION OF TWO PERCENT HOTEL TAX SURCHARGE.

The City and County of San Francisco is hereby authorized to continue to levy and collect a two percent hotel tax surcharge imposed by Section 502.6-1. All monies derived from the collection of such two percent hotel tax surcharge shall be deposited in the General

Fund of the City and County of San Francisco and, subject to the budgetary and fiscal provisions of the Charter, may be expended for any lawful City and County of San Francisco purposes.

■ (Added by Proposition H, 11/3/98)

SEC. 502.7. TEMPORARY SUSPENSION OF TAX AND SURCHARGES FOR OCCUPANCIES IN HOTELS IN CERTAIN REDEVELOPMENT PROJECT AREAS.

(a) **Suspension.** Commencing on October 1, 1994, the provisions of Sections 502, 502.5 and 502.6 hereof shall be temporarily suspended and inapplicable to the occupancy of any guest room in any hotel located within the boundaries of the following San Francisco Redevelopment Agency Project Areas:

(1) Yerba Buena Center Project Area, as described in the Redevelopment Plan adopted by the Board of Supervisors on April 25, 1966, as amended on July 26, 1971, October 9, 1973, September 13, 1976, August 8, 1977, August 13, 1979, November 2, 1981 and December 1, 1986;

(2) Embarcadero-Lower Market (Golden Gateway) Project Area, as described in the Redevelopment Plan adopted by the Board of Supervisors on May 25, 1959, as amended on July 31, 1961, July 13, 1964, November 23, 1964, May 15, 1967, July 22, 1968, November 29, 1976 and December 1, 1986;

(3) Western Addition Project Area A-1, as described in the Redevelopment Plan adopted by the Board of Supervisors on May 28, 1956, as amended on January 30, 1961, July 31, 1961, January 14, 1963, February 25, 1963, July 3, 1964, October 26, 1981 and May 3, 1985;

(4) Western Addition Project Area A-2, as described in the Redevelopment Plan adopted by the Board of Supervisors on October 13, 1964, as amended on August 3, 1970, June 6, 1976, December 15, 1986, November 9, 1987 and August 10, 1992;

(5) South of Market Earthquake Recovery Redevelopment Plan (South of Market Project Area), as described in the Redevelopment Plan adopted by the Board of Supervisors on June 11, 1990; and

(6) Chinese Cultural and Trade Center Redevelopment Project Area, as described in the Redevelopment Plan adopted by the Board of Supervisors on November 8, 1965.

Each of the foregoing project areas shall hereinafter be individually referred to as a "SFRA Project Area."

(b) **Duration.** The foregoing suspension of Sections 502, 502.5 and 502.6 shall continue and remain in effect so long as Section 502.8 remains in effect. Immediately upon Section 502.8 no longer being effective, Sections 502, 502.5 and 502.6 shall again apply to all the SFRA Project Areas. In the event any portion of the transient occupancy tax levied by the City pursuant to Section 502.8 hereof is found to be invalid, illegal or unconstitutional, the suspension of Sections 502, 502.5 and 502.6 shall be rescinded by operation of law and the taxes and surcharges levied under such Sections shall be deemed to have been in full force and effect during the period the City collected the transient occupancy tax found to be invalid, illegal or unconstitutional.

■ (Added by Ord. 246-94, App. 6/30/94)

SEC. 502.8. IMPOSITION AND RATE OF TAX IN CERTAIN REDEVELOPMENT PROJECT AREAS – TRANSIENT OCCUPANCY TAX – SAN FRANCISCO REDEVELOPMENT AGENCY.

(a) **Imposition and Rate of Tax.** Pursuant to Section 7280 of the California Revenue and Taxation Code, the City hereby imposes a tax of 12 percent on the rent for every occupancy of a guest room in any hotel located within the boundaries of a SFRA Project Area. The foregoing tax shall be effective on October 1, 1994. The tax so collected shall be deposited in the General Fund subject to appropriation pursuant to the budget and fiscal provisions of the Charter. The tax shall be subject to all the provisions of this Article and shall be administered accordingly by the Tax Collector.

(b) **Apportionment of Tax.** When rent is paid, charged, billed or falls due on either a weekly, monthly or other term basis, the rent so paid, charged, billed or falling due shall be subject to the tax of 12 percent herein imposed to the extent that it covers any portion of the period after October 1, 1994, and such payment, charge, bill or amount due shall be apportioned on the basis of the ratio of the number of days falling after October 1, 1994, to the total number of days covered thereby. Where any tax has been paid hereunder upon any rent without any right of occupancy therefor the Tax Collector may by regulation provide for credit or refund of the amount of such tax upon application therefor as provided in this Code.

(c) **Credit for Taxes Paid to San Francisco Redevelopment Agency.** In the event a transient occupancy tax is levied by the San Francisco Redevelopment Agency on the rent for the occupancy of a guest room in a hotel located within a SFRA Project Area, a credit in the amount set forth in Subsection (d) below shall be applied against the amounts otherwise due and payable to the City under Section 502.8(a). The foregoing credit is only applicable to a transient occupancy tax levied by the San Francisco Redevelopment Agency pursuant to the California Revenue and Taxation Code Section 7280.5 for the purpose of paying debt service (as defined below) on bonded indebtedness issued by the San Francisco Redevelopment Agency (the "agency bonds") for redevelopment purposes.

(d) **Amount of Credit.** The aggregate amount of the credit for each fiscal year shall not exceed the debt service on the agency bonds due and payable for that fiscal year. "Debt service" means (i) all payments of principal of and interest on the agency bonds, (ii) any required payment made by the Agency to a bond reserve account established under the agency bond indenture for the exclusive benefit of

the agency bonds and (iii) any fee charged by the Tax Collector or the Controller pursuant to Subsection (e) below.

(e) **Administration of Agency Tax.** The Tax Collector and the Controller are hereby authorized to enter into a tax administration agreement with the San Francisco Redevelopment Agency to administer any transient occupancy tax levied by the San Francisco Redevelopment Agency, including collection of taxes and assessment of penalties and interest and any other tax collection functions associated with such levy. Monies collected on behalf of the San Francisco Redevelopment Agency shall be transmitted to the San Francisco Redevelopment Agency for use in accordance with the requirements of the agency bonds and the tax administration agreement. The Tax Collector and the Controller may charge the San Francisco Redevelopment Agency a reasonable fee to compensate for its actual costs of collection and administration services.

(f) **Limitations on Effectiveness.** Section 502.8 shall be of no further force or effect on December 31, 2027 or, in the event of a default on the agency bonds, on the date that such bonds are discharged.

■ (Added by Ord. 227-94, App. 6/9/94; amended by Ord. 19-98, App. 1/16/98)

SEC. 502.8-1. IMPOSITION OF ADDITIONAL SURCHARGE IN CERTAIN REDEVELOPMENT PROJECT AREAS.

(a) **Imposition of Surcharge.** Effective August 1, 1996, there shall be a surcharge of two percent, in addition to the 12 percent tax specified in Section 502.8, on the rent for every occupancy of the guest rooms in a hotel located within the boundaries of a SFRA Project Area (as such area is defined in Section 502.7). The surcharge so collected shall be deposited in the General Fund subject to appropriation pursuant to the budget and fiscal provisions of the Charter.

(b) **Prorata Allocation of Tax and Surcharge.** When rent is paid, charged, billed or falls due on either a weekly, monthly or other term basis, the rent so paid, charged, billed or falling due shall be subject to a tax of 12 percent to the extent that it covers any portion of the period prior to August 1, 1996, and to the tax of 12 percent plus the two percent surcharge herein imposed to the extent that it covers any portion of the period on or after August 1, 1996, and such payment, charge, bill or rent due shall be apportioned on the basis of the ratio of the number of days falling within said periods to the total number of days covered by such payment. Where any surcharge has been paid hereunder upon any rent without any right of occupancy therefor, the Tax Collector may by regulation provide for credit or refund of the amount of such tax upon application therefor as provided in this Code.

(c) **No Credit for Transient Occupancy Taxes Paid to the San Francisco Redevelopment Agency.** The credit in Section 502.8(c) for a transient occupancy tax levied by and paid to the San Francisco Redevelopment Agency shall not be applicable to the surcharge levied pursuant to this Section.

(d) **Limitations on Effectiveness.** Section 502.8-1 shall be of no further force or effect on and after December 31, 2027 or, in the event of a default on the agency bonds (as defined in Section 502.8 above), on the date that such bonds are discharged.

■ (Added by Ord. 290-96, App. 7/12/96; amended by Ord. 19-98, App. 1/16/98)

SEC. 503. OCCUPANT TO PAY TAX TO OPERATOR.

Unless prohibited by the laws of the United States or the State of California, or exempted by the provisions of this Article, every occupant occupying a guest room in a hotel in this City and County shall be required to pay the tax imposed herein to the operator along with the rent for the occupancy. This obligation is not satisfied until the tax has been paid to this City and County, except that a receipt indicating payment of the rent from an operator maintaining a place of business in this City and County or from an operator who is authorized by the Tax Collector to collect the tax shall be sufficient to relieve the occupant from further liability for the tax to which the receipt refers.

■ (Amended by Ord. 395-84, App. 9/20/84)

SEC. 504. COLLECTION OF TAX BY OPERATOR; RECEIPT TO OCCUPANT; RULES FOR COLLECTION SCHEDULES.

Every operator maintaining a place of business in this City and County as provided in Section 503 herein, and renting guest rooms in this City and County to an occupant, not exempted under Section 506 of this Article shall, at the time of collecting the rent from the occupant, also collect the tax from the occupant and on demand shall give to the occupant a receipt therefor. In all cases in which the tax is not collected by the operator, as aforesaid, the operator shall be liable to the Tax Collector of the City and County for the amount of the tax due on the amount of taxable rent collected from the occupant under the provisions of this Article, the same as though the tax were paid by the occupant. In all cases of transactions upon credit or deferred payment, the payment of tax to the Tax Collector may be deferred in accordance therewith, and the operator shall be liable therefor at the time and to the extent that such credits are paid or deferred payments are made in accordance with the rate of tax owing on the amount thereof.

The Tax Collector shall have the power to adopt rules and regulations prescribing methods and schedules for the collection and payment of the tax and such methods and schedules shall eliminate fractions of one cent.

■ (Amended by Ord. 395-84, App. 9/20/84)

SEC. 505. UNLAWFUL ADVERTISING REGARDING TAX.

It is unlawful for any operator to advertise or hold out or state to the public or to any guest, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator or that it will not be added to the rental of the guest room, or that, if added, it or any part thereof will be refunded.

■ (Added by Ord. 87-61, App. 4/26/61)

SEC. 506. EXEMPTIONS.

No tax shall be imposed hereunder:

- (a) Upon a permanent resident;
- (b) Upon a corporation or association having a formally recognized exemption from income taxation pursuant to Section 501(c) or 501(d) or 401(a) of Title 26 of the United States Code as qualified by Sections 502, 503, 504 and 508 of Title 26 of the United States Code; or
- (c) Where the rent is less than at the rate of \$60 a day or \$149 per week. For multiple-occupancy guest rooms where the hotel determines who will share the rooms, the exemption shall be based on the rent charged per person.
- (d) At some point between September 1, 2027 and September 1, 2029, the Controller's Office shall review the exemption amounts in subsection (c), and make a written report and recommendation to the Mayor as to whether the amounts should be adjusted to take into account, among other things, changes in the economy; the cost of living; impact on the City's revenue; and affordability and overall impact on the market for hotel guest rooms subject to the transient occupancy tax.

(Amended by Ord. 395-84, App. 9/20/84; Ord. 368-86, App. 8/29/86; Ord. 19-98, App. 1/16/98; Ord. 113-98, App. 4/2/98; Ord. 291-00, File No. 001676, App. 12/22/2000; Ord. [4-15](#), File No. 141146, App. 1/20/2015, Eff. 2/19/2015; Ord. [189-19](#), File No. 190549, App. 8/9/2019, Eff. 9/9/2019, Oper. 10/1/2019; Ord. [175-24](#), File No. 240639, App. 7/12/2024, Eff. 8/12/2024, Oper. 9/1/2024)

SEC. 515.01. HOTEL TAX ALLOCATIONS.

(a) The portion of monies collected pursuant to the tax imposed by Section 502 of this Article 7 representing a tax of 1.5%, including any penalties, interest, and fees related to such 1.5% tax ("Allocable Hotel Tax Revenues") shall be deposited to the credit of the Hotel Room Tax Fund, established in Administrative Code Section 10.100-80, and shall be allocated as specified in subsections (b) and (c).

(b) Subject to subsection (c), the monies in the Hotel Room Tax Fund shall be appropriated and used solely as follows:

(1) **Allocation Number 1 (Grants for the Arts):** \$16,300,000 to the City Administrator to distribute general operating and other support to nonprofit cultural organizations in the City, including any administrative costs associated with this grant-making process. Any unexpended balance remaining in Allocation Number 1 at the close of any fiscal year shall be deemed to be provided for a specific purpose within the meaning of Section 9.113 of the Charter and shall be carried forward and accumulated in said allocation for the purposes recited herein.

(2) **Allocation Number 2 (Cultural Equity Endowment):** \$6,400,000 to the Arts Commission for programs that move San Francisco arts funding toward cultural equity, including any associated administrative costs. Any unexpended balance remaining in Allocation Number 2 at the close of any fiscal year shall be deemed to be provided for a specific purpose within the meaning of Section 9.113 of the Charter and shall be carried forward and accumulated in said allocation for the purposes recited herein.

(3) **Allocation Number 3 (Cultural Centers):** \$3,800,000 to the Arts Commission to support the operation, maintenance, and programming of City-owned community cultural centers to assure that these cultural centers remain open and accessible and remain vital contributors to the cultural life of the City, including any associated administrative costs. Any unexpended balance remaining in Allocation Number 3 at the close of any fiscal year shall be deemed to be provided for a specific purpose within the meaning of Section 9.113 of the Charter and shall be carried forward and accumulated in said allocation for the purposes recited herein.

(4) **Allocation Number 4 (Cultural Districts):** \$3,000,000 to the Mayor's Office of Housing and Community Development for Cultural Districts in the City's neighborhoods, including any associated administrative costs. Allocations for Cultural Districts shall be used solely to address the effects of destabilization on residents and businesses in the City's Cultural Districts. For purposes of this Section 515.01, "Cultural District" means a geographic area or location within the City, designated by the Board of Supervisors by ordinance, as an area or location that embodies a unique cultural heritage. Any unexpended balance remaining in Allocation Number 4 at the close of any fiscal year shall be deemed to be provided for a specific purpose within the meaning of Section 9.113 of the Charter and shall be carried forward and accumulated in said allocation for the purposes recited herein.

(5) **Allocation Number 5 (Arts Impact Endowment):** \$2,500,000 to the Arts Commission to address needs in the arts community, including any associated administrative costs, to be determined by a cultural services allocation plan prepared no later than March 1, 2019, and every five years thereafter, by the Director of Cultural Affairs with community input and approved by the Arts Commission and the City Administrator. Any unexpended balance remaining in Allocation Number 5 at the close of any fiscal year shall be deemed to be provided for a specific purpose within the meaning of Section 9.113 of the Charter and shall be carried forward and accumulated in said allocation for the purposes recited herein.

(6) **Allocation Number 6 (Refunds):** All amounts necessary to the Tax Collector for refunds of any overpayment of the 1.5% portion of the tax imposed under Section 502, including any related penalties, interest, and fees.

(7) After the specific purpose allocations required by this Section 515.01(b), as adjusted under Section 515.01(c), all remaining revenues shall be transferred to the General Fund, to be expended for unrestricted general revenue purposes of the City.

(c) The amounts described in subsections (b)(1) through (b)(5) as Allocation Numbers 1, 2, 3, 4, and 5, shall be subject to the following adjustments:

(1) **Fiscal Year 2018-2019 Adjustment:** For fiscal year 2018-2019, each amount in subsections (b)(1) through (b)(5) shall be half of the amount stated.

(2) **Annual Adjustment:** Commencing in fiscal year 2019-2020, subject to subsection (c)(3), each amount in subsections (b)(1) through (b)(5) shall be adjusted annually by the percentage increase or decrease in Allocable Hotel Tax Revenues collected in the current fiscal year compared with the prior fiscal year; provided, however, that such percentage increase or decrease shall not exceed 10% annually.

(3) **Grants for the Arts and Cultural Equity Endowment:** For fiscal years 2019-2020 and 2020-2021, one-half of the amount of the adjustment to Allocation Number 1 (Grants for the Arts) under subsection (c)(2) due to any increase in Allocable Hotel Tax Revenues shall be allocated instead to Allocation Number 2 (Cultural Equity Endowment).

(d) Commencing with a report filed no later than February 15, 2020, covering the fiscal year ending on June 30, 2019, the Controller shall file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the Hotel Room Tax Fund during the prior fiscal year, the status of any project required or authorized to be funded by this Section 515.01, and such other information as the Controller, in the Controller's sole discretion, shall deem relevant to the operation of this Section 515.01.

(Added by Ord. 300-97, App. 7/25/97; amended by Ord. 301-97, App. 7/25/97; Ord. 302-97, App. 7/25/97; Ord. 360-97, App. 9/5/97; Ord. 2-98, App. 1/16/98; Ord. 254-98, App. 7/31/98; Ord. 183-01, File No. 011174, App. 8/17/2001; Ord. [166-13](#), File No. 130541, App. 8/2/2013, Eff. 9/1/2013; Ord. [170-13](#), File No. 130545, App. 8/2/2013, Eff. 9/1/2013; [Proposition E](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

Editor's note:

As stated in Section 6 of Proposition E, 11/6/2018: "The 50% adjustment for fiscal year 2018-2019 provided in Section 515.01(c)(1) of the Business and Tax Regulations Code takes into account the mid-fiscal year operative date of this ordinance."

SEC. 515.2. [REPEALED.]

(Added by Ord. 227-94, App. 6/9/94; amended by Ord. [170-13](#), File No. 130545, App. 8/2/2013, Eff. 9/1/2013; repealed by [Proposition E](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

ARTICLE 8:

SUGARY DRINKS DISTRIBUTOR TAX ORDINANCE

Sec. 550.	Short Title.
Sec. 551.	Findings and Purpose.
Sec. 552.	Definitions.
Sec. 553.	Imposition of Tax; Deposit of Proceeds.
Sec. 554.	Registration of Distributors; Documentation; Administration.
Sec. 555.	Credits and Refunds.
Sec. 556.	Technical Assistance to the Tax Collector.
Sec. 557.	Municipal Affair.
Sec. 558.	Not a Sales and Use Tax.
Sec. 559.	Severability.
Sec. 560.	Amendment.

SEC. 550. SHORT TITLE.

This Article shall be known as the "Sugary Drinks Distributor Tax Ordinance."

■ (Added by [Proposition V](#), 11/8/2016)

SEC. 551. FINDINGS AND PURPOSE.

The U.S. Department of Health and Human Services, the U.S. Department of Agriculture, and the World Health Organization, based on a summary of the available evidence linking intake of added sugar and sugar-sweetened beverages (SSBs) to adverse health outcomes including obesity and diabetes, have recommended that Americans consume no more than 10% of their daily calories in the form of added sugar. Yet, standard single serving sizes of SSBs provide all (in a 20-ounce serving of many SSBs) or nearly all (in a 12-ounce

serving) of the recommended maximum daily added sugar amount for most adults, and generally exceed the recommended maximum daily added sugar amount for children.

Numerous organizations and agencies, including the American Heart Association, American Diabetes Association, American Academy of Pediatrics, Institute of Medicine of the National Academies, American Medical Association, and the Centers for Disease Control, recommend limiting intake of added sugar and SSBs to improve health. Sugary beverages, though they can contain hundreds of calories in a serving, do not signal “fullness” to the brain and thus facilitate over-consumption.

Studies show that sugary beverages flood the liver with high amounts of sugar in a short amount of time, and that this “sugar rush” over time leads to fat deposits and metabolic disturbances that cause diabetes, cardiovascular disease, and other serious health problems. Diseases connected to sugary beverages disproportionately impact minorities and low-income communities. For example, diabetes hospitalizations are more than triple in low-income communities as compared with higher income areas. African American death rates from DM2 are five times higher than San Francisco’s overall rate. DM2 is the fifth leading cause of death in SF (which is an underestimate, since heart disease, the leading killer, is often a result of DM2); DM2 reduces the lifespan of San Franciscans by eight to ten years.

As recently as 2010, nearly a third of children and adolescents in San Francisco were obese or overweight; and in San Francisco, 46.4% of adults are obese or overweight, including 61.7% of Hispanics and 51.3% of African Americans. Nationally, childhood obesity has more than doubled in children and tripled in adolescents in the past 30 years; in 2010, more than one-third of children and adolescents were overweight or obese. Every additional sugary beverage consumed daily can increase a child’s risk for obesity by 60%; and one or two sugary beverages per day increases the risk of Type II diabetes by 26%.

Sugary beverages, including sweetened alcoholic drinks, represent nearly 50% of added sugar in the American diet, and, on average, 11% of daily calories consumed by children in the U.S.

Seven percent of San Franciscans are diagnosed with diabetes, and it is estimated that the City and County of San Francisco pays over \$87 million for direct and indirect diabetes care costs.

This Article 8 is intended to discourage the distribution and consumption of sugar-sweetened beverages in San Francisco by taxing their distribution. Mexico, where an average of 163 liters of sugar-sweetened beverages are consumed per person each year, enacted an excise tax on sugary drinks, with the result that the purchase of taxed sugar sweetened beverages declined by 12% generally and by 17% among low-income Mexicans. The Mexico data indicate that, when people cut back on SSBs, to a significant extent they choose lower-caloric or non-caloric alternatives. This body of research demonstrates that taxation can provide a powerful incentive for individuals to reduce their consumption of SSBs, which in turn will reduce obesity and DM2.

The City of Berkeley became the first city in the United States to follow in Mexico’s footsteps, by passing a one-cent-per-ounce general tax on distributors of SSBs within the city limits. It is estimated that the City of Berkeley, which began implementing the tax in March 2015, will collect at least \$1.2 million from the tax annually.

■ (Added by [Proposition V](#), 11/8/2016)

SEC. 552. DEFINITIONS.

Unless otherwise defined in this Article 8, terms that are defined in Article 6 of the Business and Tax Regulations Code shall have the meanings provided therein. For purposes of this Article, the following definitions shall apply.

“Beverage for Medical Use” means a beverage suitable for human consumption and manufactured for use as an oral nutritional therapy for persons who cannot absorb or metabolize dietary nutrients from food or beverages, or for use as an oral rehydration electrolyte solution formulated to prevent or treat dehydration due to illness. “Beverage for Medical Use” also means a “medical food” as defined in Section 109971 of the California Health and Safety Code. “Beverage for Medical Use” shall not include beverages commonly referred to as “sports drinks,” or any other similar names.

“Bottle” means any closed or sealed container regardless of size or shape, including, without limitation, those made of glass, metal, paper, plastic, or any other material or combination of materials.

“Bottled Sugar-Sweetened Beverage” means any Sugar-Sweetened Beverage contained in a Bottle that is ready for consumption without further processing, such as, and without limitation, dilution or carbonation.

“Caloric Sweetener” means any substance or combination of substances that is suitable for human consumption, that humans perceive as sweet, and that adds calories to the diet of any human who consumes it. “Caloric Sweetener” includes, but is not limited to, sucrose, fructose, glucose, other sugars, and high fructose corn syrup.

“City” means the City and County of San Francisco.

“Distribution” includes:

(a) The transfer in the City, for consideration, of physical possession of Sugar- Sweetened Beverages, Syrup, or Powder by any person other than a common carrier. “Distribution” also includes the transfer of physical possession in the City by any person other than a common carrier, without consideration, for promotional or any other commercial purpose.

(b) The possession, storage, ownership, or control in the City, by any person other than a common carrier, of Sugar-Sweetened Beverages, Syrup, or Powder for resale in the ordinary course of business, obtained by means of a transfer of physical possession outside the City or from a common carrier in the City.

“Distribution” does not include:

(a) The return of any Sugar-Sweetened Beverages, Syrup, or Powder to a person, if that person refunds the entire amount paid in cash or credit.

(b) A retail sale or use.

“Distributor” means any person engaged in the business of Distribution of Bottled Sugar- Sweetened Beverages, Syrup, or Powder. A Distributor does not include a common carrier. Where a common carrier obtains physical possession of Sugar-Sweetened Beverages, Syrup, or Powder outside the City and transfers physical possession of the Sugar-Sweetened Beverages, Syrup, or Powder in the City, the transferee of the Sugar-Sweetened Beverages, Syrup, or Powder is a Distributor.

“Milk Product” means: (a) any beverage whose principal ingredient by weight is natural liquid milk secreted by an animal. “Milk” includes natural milk concentrate and dehydrated natural milk, whether or not reconstituted; and (b) any plant-based substance or combination of substances in which (1) water and (2) grains, nuts, legumes, or seeds constitute the two greatest ingredients by volume. For purposes of this definition, “Milk Product” includes, but is not limited to, soy milk, almond milk, rice milk, coconut milk, hemp milk, oat milk, hazelnut milk, or flax milk;

“Natural Fruit Juice” means the original liquid resulting from the pressing of fruit, the liquid resulting from the complete reconstitution of natural fruit juice concentrate, or the liquid resulting from the complete restoration of water to dehydrated natural fruit juice.

“Natural Vegetable Juice” means the original liquid resulting from the pressing of vegetables, the liquid resulting from the complete reconstitution of natural vegetable juice concentrate, or the liquid resulting from the complete restoration of water to dehydrated natural vegetable juice.

“Nonalcoholic Beverage” means any beverage that is not subject to tax under California Revenue and Taxation Code sections 32001 *et seq.* as “beer, wine or distilled spirits.”

“Powder” means any solid mixture, containing one or more Caloric Sweeteners as an ingredient, intended to be used in making, mixing, or compounding a Sugar-Sweetened Beverage by combining the Powder with one or more other ingredients.

“Sugar-Sweetened Beverage” means any Nonalcoholic Beverage intended for human consumption that contains added Caloric Sweetener and contains more than 25 calories per 12 fluid ounces of beverage, including but not limited to all drinks and beverages commonly referred to as “soda,” “pop,” “cola,” “soft drinks,” “sports drinks,” “energy drinks,” “sweetened ice teas,” or any other similar names. “Sugar- Sweetened Beverage” does not include:

(a) Any beverage sold for consumption by infants, which is commonly referred to as “infant formula” or “baby formula,” or any product whose purpose is infant rehydration.

(b) Any Beverage for Medical Use.

(c) Any beverage designed as supplemental, meal replacement, or sole-source nutrition that includes proteins, carbohydrates, and multiple vitamins and minerals (this exclusion does not include beverages commonly referred to as “sports drinks,” or any other similar names, which are defined as Sugar-Sweetened Beverages).

(d) Any Milk Product.

(e) Any beverage that contains solely 100% Natural Fruit Juice, Natural Vegetable Juice, or combined Natural Fruit Juice and Natural Vegetable Juice.

“Sugary Drinks Distributor Tax” or “Tax” means the general excise tax imposed under Section 553.

“Syrup” means any liquid mixture, containing one or more Caloric Sweeteners as an ingredient, intended to be used, or actually used, in making, mixing, or compounding a Sugar-Sweetened Beverage by combining the Syrup with one or more other ingredients.

■ (Added by [Proposition V](#), 11/8/2016)

SEC. 553. IMPOSITION OF TAX; DEPOSIT OF PROCEEDS.

(a) Effective January 1, 2018, for the privilege of engaging in the business of making an initial Distribution within the City of a Bottled Sugar-Sweetened Beverage, Syrup, or Powder, the City imposes a Sugary Drinks Distributor Tax, which shall be a general excise tax, on the Distributor making the initial Distribution of a Bottled Sugar-Sweetened Beverage, Syrup, or Powder in the City.

(b) The Tax shall be calculated as follows:

(1) One cent (\$0.01) per fluid ounce of a Bottled Sugar-Sweetened Beverage upon the initial Distribution within the City of the Bottled Sugar-Sweetened Beverage; and

(2) One cent (\$0.01) per fluid ounce of a Sugar-Sweetened Beverage that could be produced from Syrup or Powder upon the initial Distribution of Syrup or Powder. The Tax for Syrups and Powders shall be calculated using the largest volume of Sugar-Sweetened Beverage that would typically be produced by the amount of Syrup or Powder based on the manufacturer’s instructions or, if the Distributor uses the Syrup or Powder to produce a Sugar-Sweetened Beverage, the regular practice of the Distributor.

(c) The Tax is a general tax. Proceeds of the Tax are to be deposited in the General Fund.

(Added by [Proposition V](#), 11/8/2016)

SEC. 554. REGISTRATION OF DISTRIBUTORS; DOCUMENTATION; ADMINISTRATION.

(a) Each Distributor shall register with the Tax Collector according to rules and regulations of the Tax Collector, but no earlier than 30 days after the effective date of Article 8.

(b) Each Distributor shall keep and preserve all such records as the Tax Collector may require for the purpose of ascertaining compliance with Article 8.

(c) Except as otherwise provided under Article 8, the Tax shall be administered pursuant to Article 6 of the Business and Tax Regulations Code.

■ (Added by [Proposition V](#), 11/8/2016)

SEC. 555. CREDITS AND REFUNDS.

The Tax Collector shall refund or credit to a Distributor the Tax that is paid with respect to the initial Distribution of a Bottled Sugar-Sweetened Beverage, Syrup, or Powder: (a) that is shipped to a point outside the City for Distribution outside the City; or (b) on which the Tax has already been paid by another Person; or (c) that has been returned to the Person who Distributed it and for which the entire purchase price has been refunded in cash or credit.

■ (Added by [Proposition V](#), 11/8/2016)

SEC. 556. TECHNICAL ASSISTANCE TO THE TAX COLLECTOR.

(a) The Department of Public Health shall provide to the Tax Collector technical assistance to identify Bottled Sugar-Sweetened Beverages, Syrups, and Powders subject to the Tax.

(b) All City Departments shall provide technical assistance to the Tax Collector to identify Distributors of Bottled Sugar-Sweetened Beverages, Syrups, and Powders.

■ (Added by [Proposition V](#), 11/8/2016)

SEC. 557. MUNICIPAL AFFAIR.

The People of the City and County of San Francisco hereby declare that the taxation of the distribution of Sugar-Sweetened Beverages, Syrups and Powders, and that the public health impact of Sugar-Sweetened Beverages, separately and together constitute municipal affairs. The People of the City and County of San Francisco hereby further declare their desire for this measure to coexist with any similar tax adopted at the local or state levels.

■ (Added by [Proposition V](#), 11/8/2016)

SEC. 558. NOT A SALES AND USE TAX.

The tax imposed by this measure is a general excise tax on the privilege of conducting business within the City and County of San Francisco. It is not a sales tax or use tax or other excise tax on the sale, consumption, or use of sugar-sweetened beverages.

■ (Added by [Proposition V](#), 11/8/2016)

SEC. 559. SEVERABILITY.

If any provision of this measure, or part thereof, or the applicability of any provision or part to any person or circumstances, is for any reason held to be invalid or unconstitutional, the remaining provisions and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions and parts of this measure are severable. The voters hereby declare that this measure, and each portion and part, would have been adopted irrespective of whether any one or more provisions or parts are found to be invalid or unconstitutional.

■ (Added by [Proposition V](#), 11/8/2016)

SEC. 560. AMENDMENT.

The Board of Supervisors may by ordinance amend or repeal Article 8 of the Business and Tax Regulations Code without a vote of the people except as limited by Article XIII C of the California Constitution.

(Added by [Proposition V](#), 11/8/2016)

ARTICLE 9:

TAX ON OCCUPANCY OF PARKING SPACE IN PARKING STATIONS

Sec. 601.	Additional Definitions.
Sec. 602.	Imposition and Rate of Tax.
Sec. 602A.	Charges Subject to Tax.
Sec. 602.5.	Imposition of a 10-Percent Surcharge.
Sec. 603.	Occupant to Pay Tax to Operator.
Sec. 604.	Collection of Tax by Operator; Receipt to Occupant; Rules for Collection Schedules.
Sec. 605.	Unlawful Advertising Regarding Tax.
Sec. 606.	Additional Exemptions.
Sec. 607.	Operator Certification of Revenue Control Equipment, RCE Record Review, and Unaccounted Ticket Ratio.
Sec. 608.	Special School Parking Event Permits.
Sec. 615.	Administration.

SEC. 601. ADDITIONAL DEFINITIONS.

When used in this Article the following terms shall mean or include:

- (a) **"Operator."** Any person operating a parking station in the City and County of San Francisco, including but not limited to, the owner or proprietor of such premises, lessee, sublessee, mortgagee in possession, licensee or any other person otherwise operating such parking station. A person who otherwise qualifies as an operator as herein defined shall not, by reason of the fact that he was exempt from the tax herein imposed, be exempted from the obligations of an operator hereunder.
- (b) **"Occupant."** A person who, for a consideration, uses, possesses or has the right to use or possess any space for the parking of a motor vehicle in a parking station under any lease, concession, permit, right of access, license to use or other agreement or otherwise.
- (c) **"Occupancy."** The use or possession or the right to the use or possession of any space for the parking of a motor vehicle in a parking station.
- (d) **"Parking Station."** The term "parking station" shall include, but is not limited to:
- (1) Any outdoor space or uncovered plot, place, lot, parcel, yard or enclosure, or any portion thereof, where motor vehicles may be parked, stored, housed or kept, for which any charge is made;
 - (2) Any building or structure, or any portion thereof in which motor vehicles may be parked, stored, housed or kept, for which any charge is made.
- (e) **"Motor Vehicle."** The term "motor vehicle" includes every self-propelled vehicle operated or suitable for operation on the highway.
- (f) **"Rent."** The consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature, and also the amount for which credit is allowed by the operator to the occupant without any deduction therefrom whatsoever.
- (g) **"Parking Meter."** Any device which, when the recording device thereof is set in motion, or immediately following the deposit of any coin, shall register the period of time that any motor vehicle may be parked adjacent thereto.

■ (Amended by Ord. 9-71, App. 1/21/71; Ord. 231-91, App. 6/12/91; Ord. 20-98, App. 1/16/98)

SEC. 602. IMPOSITION AND RATE OF TAX.

Subject to the provisions of this Article, there is hereby imposed a tax of 15 percent for the rent of every occupancy of parking space in a parking station in the City and County.

■ (Amended by Ord. 453-77, App. 10/13/77; Ord. 20-98, App. 1/16/98)

SEC. 602A. CHARGES SUBJECT TO TAX.

The term "rent," as defined in Section 601(f), shall be deemed to include the total charges required to be paid by an occupant (including but not limited to, any separately stated valet or service labor charge) in connection with the use or occupancy of parking space; provided that nothing herein shall require the payment of parking tax on the sale of petroleum products, automobile parts, or the like, or the

rendering of services (including car-wash services) totally unconnected with the use or occupancy of parking space. The Board of Supervisors hereby declares its intent that from its initial enactment, the parking tax was intended to include and exclude the charges set forth in this Section 602A. The Board of Supervisors further declares that the addition of this Section 602A is not intended to make any substantive change in the Parking Tax Ordinance, but is enacted for clarification purposes only.

■ (Added by Ord. 74-72, App. 4/3/72; amended by Ord. 20-98, App. 1/16/98)

SEC. 602.5. IMPOSITION OF A 10-PERCENT SURCHARGE.

There shall be an additional tax of 10 percent on the rent of every occupancy parking space in a parking station in the City and County of San Francisco on and after July 1, 1980. The total tax on the rent of every occupancy after the effective date of this surcharge shall be 25 percent.

When rent is paid, charged, billed or falls due on either a weekly, monthly or other term basis, the rent so paid, charged, billed or falling due shall be subject to the tax of 15 percent herein imposed to the extent that it covers any portion of the period prior to July 1, 1980, and to the tax of 15 percent herein plus the amount of surcharge imposed to the extent that it covers any portion of the period on and after July 1, 1980, and such payment, charge, bill or rent due shall be apportioned on the basis of the ratio of the number of days falling within said periods to the total number of days covered thereby. Where any tax has been paid hereunder upon any rent without any right of occupancy therefor, the Tax Collector may by regulation provide for credit or refund of the amount of such tax upon application therefor as provided in this Code.

The surcharge tax so collected shall be deposited in the General Fund subject to appropriation pursuant to the budget and fiscal provisions of the Charter.

By adopting this ordinance the People of the City and County of San Francisco do not intend to limit or in any way curtail any powers the Board of Supervisors may exercise as to the subject matter of this ordinance, including, but not limited to, raising the rate of taxation or surcharge, lowering the rate of taxation or surcharge, eliminating the tax or surcharge, or creating or defining new categories of taxpayers under this ordinance.

■ (Added by Proposition R, App. by voters 6/30/80; amended by Ord. 20-98, App. 1/16/98)

SEC. 603. OCCUPANT TO PAY TAX TO OPERATOR.

Unless prohibited by the laws of the United States, the State of California, or exempted by the provisions of this Article, every occupant occupying parking space in a parking station in this City and County shall be required to pay the tax imposed herein to the operator along with the rent for occupancy. This obligation is not satisfied until the tax has been paid to the City and County, except that a receipt indicating payment of the rent from an operator maintaining a place of business in this City and County or from an operator who is authorized by the Tax Collector to collect the tax shall be sufficient to relieve the occupant from further liability for the tax to which the receipt refers.

■ (Amended by Ord. 395-84, App. 9/20/84)

SEC. 604. COLLECTION OF TAX BY OPERATOR; RECEIPT TO OCCUPANT; RULES FOR COLLECTION SCHEDULES.

(a) Every Operator maintaining a place of business in this City and County as provided in Section 603 herein, and Renting parking space in a Parking Station in this City and County to an Occupant who is not exempted under Section 606 or Section 608 of this Article or elsewhere in this Code, shall at the time of collecting the Rent from the Occupant, collect the Parking Tax from the Occupant and on demand shall give to the Occupant a Receipt that meets the requirements of Article 22 of this Code. In all cases in which the Parking Tax is not collected by the Operator, as aforesaid, the Operator shall be liable to the Tax Collector of the City and County for the amount of Parking Tax due on the amount of taxable Rent collected from the Occupant under the provisions of this Article the same as though the Parking Tax were paid by the Occupant. In all cases of transactions upon credit or deferred payment, the remittance or payment of Parking Tax to the Tax Collector may be deferred in accordance therewith, and the Operator shall be liable therefore at the time and to the extent that such credits are paid or deferred payments are made in accordance with the rate of tax owing on the amount thereof.

(b) Unless the Operator can provide an explanation or other sufficient proof that the Enforcing Agency in its sole discretion deems to be credible to establish the validity of a claim for a Lost Ticket or an otherwise Unaccounted Ticket (as those terms are defined in Section 2201 of Article 22 of this Code), every Lost Ticket and Unaccounted Ticket shall be considered as a full value Parking Ticket for which the Operator is liable for transmitting to the City the full value of the Parking Tax and surcharge required under this Code applicable to the highest maximum daily rate charged for any parking space without discount, except that an Operator shall be allowed an Unaccounted Ticket Ratio of 1.5 percent for each Parking Station that it operates (as that term is defined and used in Article 22 of this Code) in a reporting period, for which the Operator may not be liable for failure to remit the Parking Tax.

(c) The Operator shall have the burden of explaining and establishing the validity of Lost Tickets and Cancelled Transactions, as those terms are defined in Article 22 of this Code. The Enforcing Agency may consider a verifiable statement signed by the Occupant claiming a Lost Ticket that includes the Occupant's name, address, telephone number, the Occupant's Motor Vehicle license plate number, the time of entry and the time of exit as sufficient proof of a valid Lost Ticket transaction. An Operator shall maintain a log of all Lost Tickets and Cancelled Transactions. The Enforcing Agency may consider in its sole and absolute discretion an Operator's log of Cancelled Transactions or Lost Ticket transactions that includes the cashier or attendant's name and/or Log File identification number

who processed the Transaction, the date and time of the Transaction, and a credible reason for processing the transaction as a Lost Ticket transaction.

(d) The Tax Collector shall have the power to adopt rules and regulations prescribing methods and schedules for the collection and payment of the tax and such methods and schedules shall provide that the fractional part of 1 cent shall be disregarded unless it amounts to $\frac{1}{2}$ of 1 cent or more, in which case the amount (determined without regard to the fractional part of 1 cent) shall be increased by 1 cent.

(Amended by Ord. 395-84, App. 9/20/84; Ord. 20-98, App. 1/16/98; Ord. 234-06, File No. 060892, App. 9/14/2006; Ord. 291-10, File No. 101099, App. 11/18/2010; Ord. [189-12](#), File No. 120407, App. 9/11/2012, Eff. 10/11/2012)

SEC. 605. UNLAWFUL ADVERTISING REGARDING TAX.

It shall be unlawful for any operator to advertise or hold out or state to the public or to any occupant, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator or that it will not be added to the rental of the parking space, or that, if added, it or any part thereof will be refunded.

(Added by Ord. 286-70, App. 8/28/70)

SEC. 606. ADDITIONAL EXEMPTIONS.

No tax shall be imposed hereunder:

(1) On the rent for any occupancy or parking space in parking stations wherein the rent for such occupancy is paid by the deposit of a coin or coins in a parking meter owned or operated by the City and County and located adjacent to said parking space;

(2) On the rent for any occupancy of parking space in parking stations which are a part of residential or hotel premises, provided the occupant of said parking space is a resident or a registered guest of said premises;

(3) On the rent for any occupancy of parking space by registered hotel guests in parking stations not located on the hotel premises if no charge is made to the registered guest or if such charge is added to the room bill of the registered guest and paid by him to the hotel, provided that proper records are maintained by both the hotel and the operator which accurately reflect such exemption parking activity;

(4) On the rent for any occupancy of parking space in parking stations where:

(a) The motor vehicle occupying said parking space is owned by an individual person who is on active duty in some branch of the United States military service; and

(b) The motor vehicle is stored for not less than 75 days; provided that the operator submits, at the time the return required by this ordinance is due, a declaration under penalty of perjury, a form to be furnished by the Tax Collector, verifying the facts necessary for this exemption.

(Amended by Ord. 296-72, App. 10/13/72; Ord. 20-98, App. 1/16/98)

SEC. 607. OPERATOR CERTIFICATION OF REVENUE CONTROL EQUIPMENT, RCE RECORD REVIEW, AND UNACCOUNTED TICKET RATIO.

(a) **Definitions.** The terms used in this Section shall have the meaning given to them in Section 2201 of this Code.

(b) **Operator's RCE Certification.** Concurrent with remittance of Parking Taxes to the City pursuant to Business and Tax Regulations Code Section 6.7-1, an Operator shall certify in writing under penalty of perjury that it has utilized RCE that complies with the applicable provisions of Article 22 of this Code during the period for which the Operator remits the Parking Taxes.

(c) **Operator's RCE Records Review Certification.** Concurrent with remittance of Parking Taxes to the City pursuant to Business and Tax Regulations Code Section 6.7-1, an Operator shall also certify in writing under penalty of perjury that it has reviewed the RCE Records, as defined at Section 2201(c) of this Code, as to amounts of gross revenue, Rent received, Parking Tax collected and remitted, discounts provided, and Unaccounted Ticket Ratio for each Parking Station that it operated in the period reported. The Operator shall further certify that it has reconciled those RCE Records with its books and records of accounts of Rent received and Parking Tickets used, such that the Operator's certifications made under this Article are informed and correct.

(d) **Operator's Unaccounted Ticket Ratio Certification.** Concurrent with remittance of Parking Taxes to the City pursuant to Business and Tax Regulations Code Section 6.7-1, on a form provided by the Tax Collector, an Operator shall state the Unaccounted Ticket Ratio for the reporting period, and shall certify in writing under penalty of perjury that the stated ratio is accurate. The Unaccounted Ticket Ratio shall be calculated as follows. The number of Unaccounted Tickets for a reporting period is calculated separately for each Parking Station operated by the Operator as the sum of Inventory at the start of the reporting period and the Issued Tickets for that period, less the Voided Tickets for that period, less the Collected Tickets for that period. The Unaccounted Ticket Ratio is calculated as the number of Unaccounted Tickets for a particular Parking Station for that period divided by the number of Issued Tickets for that period, with the resulting quotient multiplied by 100 and expressed as a percentage of Issued Tickets.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 608. SPECIAL SCHOOL PARKING EVENT PERMITS.

(a) Findings.

- (1) Business and Tax Regulations Code Articles 6, 9, and 22 require that Occupants of Parking Stations pay a 25% tax that is collected and remitted to the City by parking Operators. Operators must register with the City and meet other parking Operator requirements.
 - (2) Police Code Section 1215 requires that Commercial Parking Operators obtain an annual permit.
 - (3) Special parking events on San Francisco Unified School District (SFUSD) property, operated by the volunteers of non-profit organizations, such as Parent Teacher Associations, constitute a beneficial activity to supplement SFUSD school revenues that over the years have been drastically reduced by State budget cuts.
 - (4) Requiring parent or other volunteers to register as parking Operators is a burden on the volunteer organizers of these events, who are staging them for the sole benefit of SFUSD schools.
 - (5) For volunteer organizers to be able to reap the full benefit of their efforts and help the public schools to better meet the needs of their students, this Section 608 provides for Special School Parking Event Permits.
- (b) No tax shall be imposed on Rent for the occupancy of parking space in parking stations at special school parking events, provided that the following requirements are met:
- (1) The parking event is conducted on SFUSD property.
 - (2) The parking event is conducted by a volunteer-led organization having a formally recognized exemption from income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
 - (3) One hundred percent of the earnings from the parking event are for the sole benefit of one or more San Francisco public schools. No part of the organization's earnings from the parking event may inure to the benefit of any private shareholder or individual.
 - (4) The organization holds a Special School Parking Event Permit issued by the Tax Collector to conduct the parking event, which must be publicly displayed during the operation of the parking event.
 - (5) The gross revenue from the parking event does not exceed \$10,000.
- (c) The Tax Collector or his or her designee may issue up to a maximum of 150 Special School Parking Event Permits annually on a first come, first served basis, to the President, Chief Administrative Officer, or the equivalent of the Second District PTA, for distribution to qualifying organizations, for the purpose of conducting special school parking events that meet the requirements of this Section 608. Each permit may be used to conduct only one special school parking event. Special School Parking Event Permits are not transferrable and shall be valid only during the calendar year in which they are issued. Any organization conducting a special school parking event must in advance of the event notify the Tax Collector of the date and location of the special school parking event and must have the permit available for inspection on-site during the event.
- (d) The Tax Collector shall prescribe the form of the Special School Parking Event Permit application. The Tax Collector or his or her designee shall determine whether an organization meets the requirements of this Section 608 and is eligible to receive a permit. The Tax Collector shall not charge any fee to apply for or obtain a Special School Parking Event Permit.

(1) The Second District PTA shall keep and preserve business records, including all local, state, and federal tax returns of any kind, for a period of five years from the date the permit is issued, and make the business records available to the Tax Collector or his or her designee as may be necessary to determine the organization's eligibility and use of the Special School Parking Event Permits.

(2) The Second District PTA shall submit annual returns on a form prescribed by the Tax Collector. Required data shall include the number of permits received from the Tax Collector, the number of special school parking events conducted and the date of each event, the rate charged for parking at each event, and the dollar value of gross revenues for each event.

(3) Upon the request of the Tax Collector or his or her designee, the Second District PTA shall produce such business records at the Tax Collector's Office during normal business hours for inspection, examination, and copying. Refusal to allow full inspection, examination, or copying of such records shall subject the organization to revocation of any existing permits and disqualify it from eligibility for Special School Parking Event Permits in the future.

(e) An organization that collects Rent for occupancy of parking space for a special school parking event pursuant to this Section 608 shall also be exempt from the requirement to obtain a certificate of authority from the Tax Collector pursuant to Section 6.6-1(a) of Article 6, or to execute a parking tax bond pursuant to Section 6.6-1(h) of Article 6, provided that the Operator demonstrates to the satisfaction of the Tax Collector that it meets all of the requirements in Section 608(b).

(f) An organization that collects Rent for occupancy of parking space for a special school parking event pursuant to this Section 608 shall be exempted from the Revenue Control Equipment requirements in Article 22 of this Code.

(g) For each year for which the Special School Parking Event Permits authorized under this Section 608 are available, the Tax Collector shall submit an annual report to the Board of Supervisors that sets forth aggregate information regarding the dollar value of the gross revenues taken in each year, the number of permits issued, and the parking tax revenue foregone.

(h) **Expiration Date.** This Section 608 shall expire by operation of law on December 31, 2025, unless the Board of Supervisors or the voters re-enact by ordinance Section 608 prior to December 31, 2025. If this Section expires under this subsection (h), the Tax Collector

shall not issue any Special School Parking Event Permits after that expiration date, and the City Attorney shall cause this Section to be removed from the Business and Tax Regulations Code.

(i) **Severability.** If any provision of this Section 608 or the application thereof to any person or circumstance is held invalid, the remainder of the Section and the application of such provision to other persons or circumstances shall not be affected thereby.

(Added by Ord. 78-16, File No. 160101, App. 5/20/2016, Eff. 6/19/2016, Retro. 1/1/2016)

(Former Sec. 608 added by Ord. [189-12](#), File No. 120407, App. 9/11/2012, Eff. 10/11/2012; expired 12/31/2015)

■ (Former Secs. 608-608.8 added by Ord. 234-06, File No. 060892, App. 9/14/2006; repealed by Ord. 291-10, File No. 101099, App. 11/18/2010)

SEC. 609. [REPEALED.]

(Added by Ord. [209-12](#), File No. 120631, App. 9/28/2012, Eff. 10/28/2012; amended by Ord. [221-13](#), File No. 130790, App. 11/1/2013, Eff. 12/1/2013; repealed by Ord. [152-](#)

■ [15](#), File No. 150625, App. 8/6/2015, Eff. 9/5/2015)

SEC. 615. ADMINISTRATION.

Authority of Tax Collector Generally; Deposit of Collections to General Fund. The Tax Collector shall enforce the provisions of this Article and may prescribe, adopt and enforce rules and regulations relating to the administration and enforcement of this Article. The Tax Collector may prescribe the extent to which any ruling or regulation shall be applied without retroactive effects.

The Tax Collector shall transmit all moneys collected pursuant to this Article to the Treasurer for deposit to the General Fund and, subject to the budget and fiscal provisions of the Charter, the collections may be expended for any City purpose.

(Amended by Ord. 433-79, App. 8/24/79; Ord 20-98, App. 1/16/98; Ord. 241-06, File No. 061209, App. 10/4/2006)

ARTICLE 10:

UTILITY USERS TAX

- Sec. 701. Additional Definitions.
- Sec. 703. Telephone Users Tax.
- Sec. 704. Electricity Users Tax.
- Sec. 705. Gas Users Tax.
- Sec. 706. Water Users Tax.
- Sec. 706.1. Steam Users Tax.
- Sec. 707. Additional Exemptions.
- Sec. 707.1. Utility Users Tax Exemption.
- Sec. 707.2. Utility Users Tax Rates.
- Sec. 708. Collection of Tax.
- Sec. 714. Refunds.
- Sec. 715. Failure to Pay Tax; Administrative Remedy.
- Sec. 717. Administrative Agreements.
- Sec. 717.1. Refund Agreements.
- Sec. 719. California Public Utilities Commission Jurisdiction.
- Sec. 720. Purpose.
- Sec. 721. Effect of State and Federal Authorization.
- Sec. 722. Amendment of Ordinance.
- Sec. 723. Severability.

SEC. 701. ADDITIONAL DEFINITIONS.

When used in this Article, the following terms shall mean or include:

(a) "Ancillary Telephone Communications Services" shall mean services associated with or incidental to the provision, use or enjoyment of telephone communications services, including but not limited to:

(1) Service that link two or more participants in an audio or video conference call and that may include the provisions of a telephone number.

(2) Services that provide telephone number information, and/or address information, or any other information that may assist in contacting another party via a telephone communications service.

(3) Services offered in connection with one or more telephone communications services which offer advanced calling features that allow customers to identify callers and to manage multiple calls and call connections.

(4) Services that enable customers to store, send or receive recorded messages including, without limitation, voice mail services.

(5) Services related to listing telephone communications service customer information in, or excluding such information from, a directory or database.

(6) Services that provide customer billing information in a detailed or alternative format.

(b) "Billing Address" shall mean the mailing address to which a telephone communications service supplier submits invoices or bills for payment by a service user.

(c) "Electrical corporation," "gas corporation," and "telephone corporation" shall have the same meanings as defined in Sections 218, 222 and 234, respectively, of the Public Utilities Code of the State of California.

(d) "Residential Telephone Communications Service" shall mean telephone communications service by a fixed line, wire or cable to a residential service address and includes voice over Internet Protocol (VoIP) service that cannot be used at locations other than the service user's residential service address. Residential telephone communications service excludes mobile telephone communications services including mobile VoIP service.

(e) "Paging Service" shall mean a telephone communications service that provides transmission of coded radio signals for the purpose of activating specific pagers; such transmissions may include messages and/or sounds.

(f) "Service Address" shall mean the street address of a service user's primary place of usage.

(g) "Service User" shall mean a person required to pay a tax imposed under the provisions of this Article.

(h) "Service Supplier" shall mean any person required to collect a tax imposed under the provisions of this Article.

(i) "Steam Corporation" shall mean and include every "heat corporation," as defined in Section 224 of the Public Utilities Code of the State of California, using steam to deliver heat.

(j) "Telephone Communications Services" shall mean the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points, whatever the technology used, including without limitation wire, fiber optic, coaxial cable, power line transmission, light wave, laser, microwave, radio wave, satellite or any other form of wireless transmission, or any other technology now existing or developed after the adoption of this Section, and whether or not such information is transmitted through interconnected service with the public switched network. Telephone communications service includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as voice over internet protocol (VoIP) service or is classified by the Federal Communications Commission as enhanced or value added, and includes video and/or data service that are functionally integrated with telephone communications services. Telephone communications service includes without limitation the following services, regardless of the manner or basis on which such services are calculated or billed; ancillary telephone communications services, mobile telephone communications service; paging service; and 800 service. Telephone communications service does not include; internet access services to the extent they are exempt from taxation under the Internet Tax Freedom Act, 47 U.S.C. 151 note; video programming services, and digital downloads, such as downloads of books, music, video, ringtones, games and similar digital products.

(k) "Telephone communications service supplier" shall mean any person who provides telephone communications service to a user of such service within the City, including, without limitation, use outside the City which is within the City's tax jurisdiction under the Mobile Telecommunications Sourcing Act, 4 U.S.C. § 116 et seq. The term includes any person required to collect or remit the tax imposed by Section 703, including the billing agent of such person.

(l) "Water Corporation" shall mean and include every corporation or person including the City and County owning, controlling, operating or managing any water system for compensation within the State of California.

(m) "800 Service" shall mean a telephone communications service that allows a caller to dial a toll-free number without incurring a charge for the call, "800 service" includes without limitation services marketed as "800," "855," "866," "877," and "888" toll-free calling, and any subsequent numbers designated by the Federal Communications Commission.

(Added by Ord. 287-70, App. 8/28/70; amended by Ord. 262-93, App. 8/10/93; Ord. 324-93, App. 10/15/93; Ord. 21-98, App. 1/16/98; Amended by Proposition O, § 4, 11/4/2008)

SEC. 702. RESERVED.

■ (Added by Ord. 224-06, File No. 061142, Effective without the signature of the Mayor; Repealed by Proposition O, § 4, 11/4/2008)

SEC. 703. TELEPHONE USERS TAX.

(a) There is hereby imposed a tax upon every person, other than a telephone communications service supplier, who uses telephone communications service in the City, including intrastate, interstate, and international telephone communications service, to the extent

permitted by Federal and State law. The telephone users tax shall apply to all charges for telephone communications service within the City's tax jurisdiction, such as charges billed to a telephone account having a situs in the City as permitted by the Mobile Telecommunications Sourcing Act of 2000, 4 U.S.C. § 116 et seq. There is a rebuttable presumption that telephone communications service billed to a billing address or provided to a service address in the City is used, in whole or in part, within the City's boundaries and that such service is subject to taxation under this Article. There is also a rebuttable presumption that a telephone communications service sold within the City that is not billed to a billing address or provided to a primary physical location in the City is used, in whole or in part, within the City's boundaries and that such service is subject to taxation under this Article.

(b) As used in this Section, the term "charges" shall include without limitation: charges for activation, connection, reconnection, termination, movement, or change of telephone communications service; late payment fees; access and line charges, whether or not imposition of such charges is mandated or authorized by a regulatory agency; universal service charges and any other charges designed to assist in expanding access to telephone communications service; and regulatory, administrative and other cost recovery charges. The term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for telephone communications service.

(c) The tax imposed by this Section shall be collected from the service user by the telephone communications service supplier.

(d) The following shall continue to be exempt from the tax imposed by this Section:

(1) Residential telephone communications service;

(2) Any person or entity that is exempt from the tax imposed by this Section under Article 6 or its successor;

(3) Service paid for by inserting coins in coin-operated telephones available to the public with respect to local telephone service, or with respect to long distance telephone service if the charge for such long distance telephone service is less than 25 cents; except that where such coin-operated telephone service is furnished for a guaranteed amount, the amounts paid under such guarantee plus any fixed monthly or other periodic charge shall be subject to the tax.

(4) News services. No tax shall be imposed under this Section, except with respect to local telephone service, on any payment received from any person for services used in the collection of news for the public press; or a news ticket service furnishing a general news service similar to that of the public press, or radio broadcasting, or in the dissemination of news through the public press, or a news ticker service furnishing a general news service similar to that of the public press, or by means of radio broadcasting, if the charge for that service is billed in writing to that person.

(5) International, etc., organizations. No tax shall be imposed under this Section on any payment received for services furnished to a public international organization in which the United States participates pursuant to treaty or Act of Congress, or to the American National Red Cross.

(6) Servicemen in combat zone. No tax shall be imposed under this Section on any payment received for any roll telephone service, which originates within a combat zone, as defined in Section 112 of Title 26 of the United States Code, from a member of the Armed Forces of the United States performing service in the combat zone, as determined under Section 112 of Title 26 of the United States Code.

(7) Items otherwise taxed. Only one payment of tax under this Section shall be required with respect to the tax on any service, provided, however, that a person claiming exemption under this Section shall bear the burden to prove the City actually received the earlier payment of tax on that service.

(8) Common carriers and telecommunications companies. No tax shall be imposed under this Section on the amount paid for any telephone communications service to the extent that the amount so paid is for use by a common carrier, telephone or telegraph company, or radio broadcasting station or not work in the conduct of its business.

(9) Installation charges. No tax shall be imposed under this Section on any amount paid for the installation of any instrument, wire, pole, switchboard, apparatus, or equipment as is properly attributable to the installation.

(10) Nonprofit hospitals. No tax shall be imposed under this Section on any amount paid by a nonprofit hospital for services furnished to that organization. For purposes of this exemption, the term "nonprofit hospital" means a hospital referred to in Section 170(b)(1)(A)(iii) of Title 26 of the United States Code, which is exempt from Federal income tax under Section 501(a) of Title 26 of the United States Code.

(11) State and local governments. No tax shall be imposed under this Section upon any payment received for services or facilities furnished to the government of any State, or any of its political subdivisions, or the District of Columbia.

(12) Nonprofit educational organizations. No tax shall be imposed under this Section on any amount paid by a nonprofit educational organization for services or facilities furnished to that organization. For purposes of this exemption the term "nonprofit educational organization" means an educational organization described in Section 170(b)(1)(A)(ii) of Title 26 of the United States Code, which is exempt from Federal income tax under Section 501(a) of Title 26 of the United States Code. The term also includes a school operated as an activity of an organization described in Section 501(c)(3) of Title 26 of the United States Code, which is exempt from Federal income tax under Section 501(a) of Title 26 of the United States Code, if that school normally maintains a regular facility and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

(e) To prevent actual, multiple taxation of any telephone communications service subject to tax under this Section, any service user, upon proof that the service user owed and has paid a tax in another taxing jurisdiction on the telephone communications service, shall be allowed a credit against the tax imposed by this Section to the extent of the tax properly due and paid in the other taxing jurisdiction.

However, no credit may be allowed for any tax paid to another taxing jurisdiction to the extent that the telephone communications service may not legally be made the subject of taxation by the other taxing jurisdiction, nor shall the amount of credit exceed the tax owed to the City under this Section.

(f) If a non-taxable service and a taxable service are billed together under a single charge, the entire charge shall be deemed taxable unless the telephone communications service supplier or taxpayer reasonably identifies actual charges for services not subject to the tax. The telephone communications service supplier or taxpayer seeking a reduction has the burden of proving the proper valuation and apportionment of taxable and non-taxable charges based upon books and records that are kept in the regular course of business and in a manner consistent with generally accepted accounting principles.

(Amended by 529-82, App. 11/5/82; Ord. 138-87, App. 4/27/87; Ord. 262-93, App. 8/10/93; Ord. 21-98, App. 1/16/98; Ord. 224-06, File No. 061142, Effective without the signature of the Mayor; Amended by Proposition O, § 4, 11/4/2008)

SEC. 704. ELECTRICITY USERS TAX.

(a) There is hereby imposed a tax upon every person, other than an electrical corporation or a gas corporation, using electrical energy in the City and County. The tax imposed by this Section shall be on the charges made for such energy and shall be paid by the person paying for such energy. "Charges" as used in this Section shall include charges made for (1) metered energy, and (2) minimum charges for service, including customer charges, service charges, demand charges, standby charges and annual and monthly charges.

(b) As used in this Section, the term "using electrical energy" shall not be construed to mean the storage of such energy by a person in a battery owned or possessed by him for use in an automobile or other machinery or device apart from the premises upon which the energy was received; provided however, that the term shall include the receiving of such energy for the purpose of using it in the charging of batteries.

(c) As used in this Section, the words "using electrical energy" shall not be construed to mean the receiving of such energy by an electrical corporation or a governmental agency at a point within the City and County for resale, or electrical energy used by a water corporation to pump water.

(d) For purposes of the exemption from this tax provided in Section 707.1, the words "residential customers" shall mean and include:

(1) Every person who is charged for electricity based upon residential and/or domestic rate schedules filed with the California Public Utilities Commission by an electrical corporation; and

(2) Any residential hotel where at least 50 percent of the guest units in the residential hotel are leased for a minimum period of one month and are occupied for nine months of the year.

(e) The tax imposed by this Section shall be collected from the service user by the person supplying such electrical energy. The amount of tax collected in one month shall be remitted to the Tax Collector on or before the last day of the following month.

(Amended by Ord. 81-84, App. 2/23/84; Ord. 138-87, App. 4/27/87; Ord. 21-98, App. 1/16/98)

SEC. 705. GAS USERS TAX.

(a) There is hereby imposed a tax upon every person, other than a gas corporation or an electrical corporation, using gas which is delivered through mains or pipes in the City and County by a gas corporation. The tax imposed by this Section shall be on the charges made for such gas, including minimum charges for services, and shall be paid by the person paying for such gas.

(b) As used in this Section, the word "charges" shall not include charges made for gas used in the generation of electrical energy by a public utility or a governmental agency.

(c) As used in this Section, the words "using gas" shall not be construed to mean the receiving of such gas by a gas corporation or governmental agency at a point within the City and County for resale and delivery through pipes and mains or gas used by a water corporation to pump water or gas used by a steam corporation to generate steam.

(d) For purposes of the exemption from this tax provided in Section 707.1, the words "residential customers" shall mean and include:

(1) Every person who is charged for gas based upon residential and/or domestic rate schedules filed with the California Public Utilities Commission by a gas corporation; and

(2) Any residential hotel where at least 50 percent of the guest units in the residential hotel are leased for a minimum period of one month and are occupied for nine months of the year.

(e) The tax imposed in this Section shall be collected from the service user by the person selling the gas. The amount collected in one month shall be remitted to the Tax Collector on or before the last day of the following month.

(Amended by Ord. 81-84, App. 2/28/84; Ord. 138-87, App. 4/27/87; Ord. 324-93, App. 10/15/93; Ord. 21-98, App. 1/16/98)

SEC. 706. WATER USERS TAX.

(a) There is hereby imposed a tax upon every person, other than a water corporation, using water which is delivered through mains or pipes in the City and County. The tax imposed by this Section shall be on the charges made for such water including minimum charges

for services, and shall be paid by the person paying for such water. For purposes of the exemption from this tax provided in Section 707.1, a residential customer shall include any residential hotel where at least 50 percent of the guest units in the residential hotel are leased for a minimum period of one month and are occupied for nine months of the year.

(b) The tax imposed by this Section shall be collected from the service user by the City and County or other person supplying the water. The amount collected in one month shall be remitted to the Tax Collector on or before the last day of the following month.

■ (Amended by Ord. 81-84, App. 2/23/84; Ord. 138-87, App. 4/27/87; Ord. 21-98, App. 1/16/98)

SEC. 706.1. STEAM USERS TAX.

(a) There is hereby imposed a tax upon every person, other than a steam corporation, using steam heat which is delivered through mains or pipes in the City and County. The tax imposed by this Section shall be on the charges made for such steam heat, including minimum charges for services, and shall be paid by the person paying for such steam heat. For purposes of the exemption from this tax provided in Section 707.1, a "residential customer" shall include any residential hotel where at least 50 percent of the guest units in the residential hotel are leased for a minimum period of one month and are occupied for nine months of the year.

(b) The tax imposed by this Section shall be collected from the service user by the City and County or other person supplying the steam heat. The amount collected in one month shall be remitted to the Tax Collector on or before the last day of the following month.

■ (Amended by Ord. 81-84, App. 2/23/84; Ord. 138-87, App. 4/27/87; Ord. 21-98, App. 1/16/98)

SEC. 707. ADDITIONAL EXEMPTIONS.

All components of gas and electric bills calculated on the baseline rate, as defined in Section 739 of the California Public Utilities Code, as amended, shall be exempt from the utility users tax. An exemption shall also apply to any universal lifeline service rate established by State authorities for telephone service or any lifeline rate established by local authority for water service.

■ (Amended by Ord. 578-85, App. 12/27/85; Ord. 21-98, App. 1/16/98)

SEC. 707.1. UTILITY USERS TAX EXEMPTION.

(a) No tax shall be levied upon residential telephone communications service or upon the use in the City and County of San Francisco by residential customers of electrical energy or gas, water or steam which is delivered through mains or pipes or of any other utility service after June 30, 1988.

(b) For the purposes of this Section, "residential customer" shall mean any customer paying for the utility service at a residential or domestic rate consistent with the rate schedule set by the California Public Utilities Commission or any other rate-making authority.

(c) This Section was adopted by the voters of San Francisco at the November 3, 1987 election and may be amended only by the vote of the electorate.

■ (Added by Proposition R, 11/3/87; Amended by Proposition O, § 4, 11/4/2008)

SEC. 707.2. UTILITY USERS TAX RATES.

The tax set forth in Section 703 (telephone users), shall be at the rate of 7½ percent and the tax set forth in Section 704 (electricity users), in Section 705 (gas users), in Section 706 (water users), and in Section 706.1 (steam users) shall be at the rate of 7½ percent.

(Added by Ord. 215-92, App. 7/14/92; amended by Ord. 260-93, App. 8/12/93; Ord. 21-98, App. 1/16/98)

SEC. 707.3. RESERVED.

■ (Added by Ord. 215-92, App. 7/14/92; amended by Ord. 260-93, App. 8/12/93; Repealed by Proposition O, § 4, 11/4/2008)

SEC. 708. COLLECTION OF TAX.

(a) Unless prohibited by the laws of the United States or the State of California, or exempted by the provisions of this Code every person using telephone communications services, electrical water gas or steam services in this City and County shall be required to pay the tax imposed in this Article and Article 10B to the service supplier along with the charges made for such services. This obligation is not satisfied until the tax has been paid to this City and County, except that a receipt indicating payment of the service charges from a service supplier maintaining a place of business in this City and County or from a supplier who is authorized by the Tax Collector to collect the tax shall be sufficient to relieve the service user from further liability for the tax to which the receipt refers.

(b) Every service supplier maintaining a place of business in this City and County, and providing telephone communications services electrical, water gas or steam services to a service user, not exempted under this Code shall, at the time of collecting the charges made for such services from the service user, also collect the tax imposed by this Article and Article 10B from the service user and on demand shall give to the service user a receipt therefor. In all cases in which the tax is not collected by the service supplier, as aforesaid, the

service supplier shall be liable to the Tax Collector of the City and County for the amount of the tax due on the amount of taxable service charges collected from the service user under the provisions of this Article and Article 10B, the same as though the tax were paid by the service user. In all cases of transactions upon credit or deferred payment, the payment of tax to the Tax Collector may be deferred in accordance therewith, and the service supplier shall be liable therefor at the time and to the extent that such credits are paid or deferred payments are made in accordance with the rate of tax owing on the amount thereof.

The Tax Collector shall have the power to adopt rules and regulations prescribing methods and schedules for the collection and payment of the tax and such methods and schedules shall eliminate fractions of one cent.

(c) The taxes imposed by this Article and Article 10B shall be collected, insofar as practicable, at the same time as and along with the collection of charges made in accordance with the regular billing practice of the service supplier. If the amount paid by a service user is less than the full amount of the charges and tax which has accrued for the billing period, a proportionate share of both the charges and the tax shall be deemed to have been paid.

The duty to collect shall arise separately for each period for which a service supplier bills a service user.

(d) The Tax Collector may issue administrative rulings identifying telephone communications services that are subject to the taxes imposed by Section 703 of this Article and Article 10B. Such rulings shall be consistent with legal requirements and shall not impose a new tax, revise an existing tax methodology, or increase an existing tax, except as allowed by California Government Code Section 53750(h)(2) and (3) or other law. To the extent that the Tax Collector determines that the taxes imposed under Section 703 or Article 10B shall not be collected in full for any period of time, such a determination falls within the Tax Collector's prosecutorial discretion to settle disputes. The Tax Collector's exercise of such forbearance under this Section does not constitute a change in taxing methodology for purposes of Government Code section 53750(h), and the City does not waive or abrogate its ability to impose the taxes imposed by Section 703 or Article 10B in full as a result of such determinations and may suspend such determinations and recommence enforcement of the taxes without additional voter approval.

(e) A service supplier shall be obligated to collect and remit the tax imposed by Section 703 of this Article and Article 10B if it is "engaging in business within the City" as described in Article 6, Section 6.2-12.

■ (Added by Ord. 287-70, App. 8/28/70; amended by Ord. 262-93, App. 8/10/93; Ord. 21-98, App. 1/16/98; Amended by Proposition O, § 4, 11/4/2008)

SEC. 709. [REPEALED.]

■ (Amended by Ord. 330-70, App. 10/8/70; Ord. 21-98, App. 1/16/98; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 713. [REPEALED.]

(Added by Ord. 287-70, App. 8/28/70; amended by Ord. 21-98, App. 1/16/98; Ord. 291-10, File No. 101099, App. 11/18/2010; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 714. REFUNDS.

(a) Any tax, interest or penalty overpaid or paid more than once may be refunded pursuant to Section 6.15-1, Refunds, of the San Francisco Business and Tax Regulations Code.

■ (Amended by Ord. 330-70, App. 10/8/70; Ord. 21-98, App. 1/16/98; Ord. 224-06, File No. 061142, Effective without the signature of the Mayor)

SEC. 715. FAILURE TO PAY TAX; ADMINISTRATIVE REMEDY.

Notwithstanding any other provision of this Article, including the provisions of Section 711, whenever the Tax Collector determines that a service user has deliberately withheld the amount of the tax owed by him for the amounts remitted to a service supplier, or that a service user has failed to pay the amount of the tax for a period of four or more billing periods, or whenever the Tax Collector deems it in the best interest of the City and County, the Tax Collector shall relieve the service supplier of the obligation to collect taxes due under this ordinance from certain named services users for specified billing periods. The Tax Collector shall notify the service user that he has assumed responsibility to collect the taxes due for the stated periods and demand payment of such taxes. The notice shall be served on the service user by handing it to him personally or by deposit of the notice in the United States mail, postage prepaid thereon, addressed to the service user at the address to which billing was made by the service supplier, or, should the service user have changed his address, to his last known address. If a service user fails to remit the tax to the Tax Collector within 15 days from the date of the service of the notice upon him, which shall be the date of mailing if service is not accomplished in person, a penalty of 25 percent of the amount of the tax set forth in the notice shall be imposed, but not less than \$5.00. The penalty shall become a part of the tax herein required to be paid. This penalty shall be in addition to, and not exclusive of, any other penalties provided in this Code.

■ (Added by Ord. 287-70, App. 8/28/70; amended by Ord. 21-98, App. 1/16/98)

SEC. 717. ADMINISTRATIVE AGREEMENTS.

The Tax Collector may make administrative agreements with service suppliers to vary the strict requirements of this Article so that collection of any tax imposed herein may be made in conformance with the billing procedures of a particular service supplier so long as the overall result of said agreements results in collection of the tax in conformance with the general purpose and scope of this Article. A copy of each such agreement shall be on file and available for public examination in the Tax Collector's office.

■ (Added by 287-70, App. 8/28/70)

SEC. 717.1. REFUND AGREEMENTS.

Notwithstanding the provisions of Section 714 above, the Tax Collector may enter into agreements with service suppliers to refund to service users previously collected taxes based upon charges which were subsequently ordered by the Public Utilities Commission of the State of California to be refunded to the service user by the service supplier.

■ (Added by Ord. 242-77, App. 6/17/77)

SEC. 719. CALIFORNIA PUBLIC UTILITIES COMMISSION JURISDICTION.

Nothing contained in this Article is intended to conflict with applicable rules, regulations and tariffs of any service supplier subject to the jurisdiction of the California Public Utilities Commission. In the event of any conflict, the provisions of said rules, regulations and tariffs shall control.

■ (Added by Ord. 287-70, App. 8/28/70)

SEC. 720. PURPOSE.

The taxes imposed and levied by the provisions of this Article are solely for the purpose of providing revenue for the usual current expenses of the City. The provisions of this Article are not enacted for regulatory purposes.

■ (Added by Ord. 287-70, App. 8/28/70; amended by Ord. 419-93, App. 12/23/93; Ord. 21-98, App. 1/16/98)

SEC. 721. EFFECT OF STATE AND FEDERAL AUTHORIZATION.

To the extent that the City's authorization to impose or collect any tax imposed under Section 703 of this Article or Article 10B is expanded or limited as a result of changes in state or Federal law, no amendment or modification of Section 703 or Article 10B shall be required to conform the taxes to those changes, and the taxes shall be imposed and collected to the full extent of the City's authorization up to the full amount of the taxes imposed under Section 703 and Article 10B.

■ (Added by Proposition O, § 4, 11/4/2008)

SEC. 722. AMENDMENT OF ORDINANCE.

Article 6, Article 10 and Article 10B of the Business and Tax Regulations Code may be repealed or amended by the Board of Supervisors without a vote of the people except as follows: as required by Article XIII C of the California Constitution ("Proposition 218"), any amendment that increases the amount or rate of tax beyond the levels authorized by this Ordinance may not take effect unless approved by a vote of the people. The Board of Supervisors may impose the taxes authorized by Section 703 and Article 10B in any amount or rate which does not exceed the amount or rate approved by the voters.

■ (Added by Proposition O, § 4, 11/4/2008)

SEC. 723. SEVERABILITY.

If any section, sentence, clause, phrase, or portion of Article 6, Article 10 or Article 10B is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining sections, sentences, clauses, phrases, or portions of these Articles shall nonetheless remain in full force and effect. The people of the City and County of San Francisco hereby declare that they would have adopted each section, sentence, clause, phrase, or portion of these Articles, irrespective of the fact that any one or more sections, sentences, clauses, phrases, or portions of these Articles be declared invalid or unenforceable and, to that end, the provisions of these Articles are severable.

(Added by Proposition O, § 4, 11/4/2008)

ARTICLE 10A:

[RESERVED]

SECS. 750 — 770. RESERVED.

(Repealed by Proposition O, § 2, 11/4/2008)

ARTICLE 10B:

ACCESS LINE TAX

Sec. 780.	Purpose.
Sec. 781.	Definitions.
Sec. 782.	Imposition of Access Line Tax.
Sec. 783.	Exemptions.
Sec. 784.	Tax Schedule.
Sec. 785.	Collection of Tax.
Sec. 786.	Administration of Tax.

■

SEC. 780. PURPOSE.

The tax imposed and levied by this Article is intended to provide revenue for such general fund services as may be determined by the Board of Supervisors including, without limitation, police, fire, and emergency services.

■ (Added by Proposition O, § 2, 11/4/2008)

SEC. 781. DEFINITIONS.

When used in this, Article, the following terms shall have the following meanings;

- (a) **Access Line.** "Access line" means any connection whether by wire or by wireless technology, from a customer location to a provider of telephone communications services offered to the public for compensation. "Access line" includes the assignment of a 10-digit telephone number under the North American Numbering Plan for the purpose of providing telephone communications services, including without limitation voice over. Internet protocol telephone communications services, using such telephone number.
- (b) **Billing Address.** "Billing address" has the meaning given in Article 10 of this Code.
- (c) **High Capacity Trunk Line.** "High capacity trunk line," shall mean a trunk line with a capacity of at least 24 channels over a high capacity service.
- (d) **Lifeline Service.** "Lifeline service" means discounted telephone communications service available to eligible low income residential customers.
- (e) **Prepaid Calling Service.** "Prepaid calling service" means the right to access telephone communications service, which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount, without the provisioning of an access line.
- (f) **Post-Paid Calling Service.** "Post-paid calling service" means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service without the provisioning of an access line.
- (g) **Service Address.** "Service address" has the meaning given in Article 10 of this Code.
- (h) **Telephone Communications Service.** "Telephone communications service" has the meaning given in Article 10 of this Code.
- (i) **Service Supplier.** "Service supplier" means any person supplying an access line to any telephone communications service subscriber within the City and County of San Francisco or the billing agent of any such person.
- (j) **Telephone Communications Service Subscriber.** "Telephone communications service subscriber" means any person required to pay a tax under this Article.
- (k) **Trunk Line.** "Trunk line" means a line between a service supplier's switching device and a private branch exchange or automatic call distributing system, or other similar device, at a telephone communications service subscriber location, provided however that "trunk

line" shall not include any such line which is marketed to customers and configured by the service supplier to deliver only calls to the subscriber location and cannot be used by the subscriber to originate outgoing calls from the subscriber location (e.g., direct inward dial lines).

■ (Added by Proposition O, § 2, 11/4/2008)

SEC. 782. IMPOSITION OF ACCESS LINE TAX.

(a) There is hereby imposed a tax as provided in this Article on every person who subscribes to telephone communications services within the City and County of San Francisco, to the extent permitted by Federal and State law. The tax shall apply to each access line within the City's tax jurisdiction, including, without limitation, access lines billed to a telephone account having a situs in the City, as permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. § 116 et seq. There is a rebuttable presumption that service billed to a billing address or provided to a service address in the City is used, in whole or in part, within the City's boundaries and that such service is subject to taxation under this article. The tax shall not apply to a prepaid calling service or a post-paid calling service.

(b) The amount of the tax imposed by this Section shall be paid, on a per-access-line basis, by the person paying for telephone communications service; however, no telephone communications service subscriber shall be required to pay more than \$55,000.00 in tax per account per service location in any calendar year. The cost of wireless telephone communications services shall not be considered for purposes of this Subsection (b). The cap established by this subsection shall be adjusted annually in accordance with the increase in the Consumer Price Index; All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31st of each year, beginning with December 31, 2009, and such increase shall take effect when 1) notice of the increase is given by the Controller in the manner generally used by the Controller for notification of fee or tax changes and 2) such increase is approved by the Mayor and Board of Supervisors by resolution.

(c) Only one payment of the tax shall be required for any access line, trunk line or high capacity trunk line, notwithstanding that access lines of more than one person are used in furnishing telephone communications service to a telephone communications service subscriber.

■ (Added by Proposition O, § 2, 11/4/2008)

SEC. 783. EXEMPTIONS.

Nothing in this Article shall be construed as imposing a tax upon the access lines of:

- (a) A customer receiving Lifeline service; or
- (b) A service supplier; or
- (c) Coin-operated telephones; or
- (d) A nonprofit hospital which is exempt from federal income tax under Section 501(a) of the United States Code; or
- (e) A nonprofit educational organization which is exempt from income tax under Section 501(a) of the United States Code; or
- (f) Any person when imposition of such tax upon that person would violate the Constitution of the United States or that of the State of California or preemptive Federal or State law.

■ (Added by Proposition O, § 2, 11/4/2008)

SEC. 784. TAX SCHEDULE.

The amount of the tax shall be \$2.75 per month per access line, \$20.62 per month per trunk line and \$371.15 per month per high capacity line. These amounts shall be adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31st of each year, beginning with December 31, 2009, and such increase shall take effect 1) when notice of the increase is given by the Controller in the manner generally used by the Controller for notification of fee or tax changes and 2) such increase is approved by the Mayor and Board of Supervisors by resolution.

■ (Added by Proposition O, § 2, 11/4/2008)

SEC. 785. COLLECTION OF TAX.

(a) The tax imposed by this Article shall be collected from the telephone communications service subscriber by the service supplier.

(b) The tax required to be collected by service suppliers under this ordinance shall be added to and stated separately in the service supplier's billings to telephone communications service subscribers. The charge in such billings shall include only the amount authorized by this Article, and shall not include any additional charges or fees which may be imposed by the service supplier to recover the cost of collecting the tax.

(c) Nothing in this Article is intended to regulate the ability of a service supplier to recover any costs of collecting the tax imposed

under this Article, to the extent such that recovery may be authorized by state or federal law.

(d) Except as otherwise stated in this Article, the tax imposed by this Article shall be collected and remitted at the same time as and in the same manner as the tax imposed by Section 703 of Article 10.

■ (Added by Proposition O, § 2, 11/4/2008)

SEC. 786. ADMINISTRATION OF TAX.

Except as otherwise stated in this Article, the tax imposed by this Article shall be administered in the same manner as the tax imposed by Section 703 of Article 10.

(Added by Proposition O, § 2, 11/4/2008)

ARTICLE 11:

STADIUM OPERATOR ADMISSION TAX

- Sec. 801. Additional Definitions.
- Sec. 802. Imposition and Amount of Stadium Operator Admission Tax.
- Sec. 802A. Temporary or Supplemental Admission Tax.
- Sec. 803. Collection of the Tax.
- Sec. 804. Collection of Tax; Classification of Persons Collecting.
- Sec. 805. Exemption from Permit and Bond Requirement.
- Sec. 806. Printing of Price on Ticket.
- Sec. 807. Additional Exemptions.
- Sec. 808. Permit and Bond Required.
- Sec. 841. Stadium Operator Admission Tax Fund.

SEC. 801. ADDITIONAL DEFINITIONS.

When used in this Article the following terms shall mean or include:

- (a) "Admission Ticket." The term "Admission Ticket" shall mean any charge for the right or privilege to enter and occupy a seat or space in a stadium for each event.
- (b) "Operator." Any person conducting, operating or maintaining athletic contests, exhibitions and other special events within any stadium in the City and County of San Francisco, including but not limited to, the owner or operator of the stadium if other than the City and County, lessee, sublessee, mortgagee in possession, licensee or any other person otherwise operating athletic contests, exhibitions and other special events.
- (c) "Stadium." A structure with tiers of seats surrounding a field area where athletic contests, exhibitions and other special events may be presented for which any admission charge may be made.
- (d) "Occupy." To use or possess or have the right to use or possess any seat or space for the viewing of athletic contests, exhibitions or other special events.

■ (Added by Ord. 356-70, App. 10/30/70; amended by Ord. 23-98, App. 1/16/98; amended by Proposition F, 11/3/98)

SEC. 802. IMPOSITION AND AMOUNT OF STADIUM OPERATOR ADMISSION TAX.

There is hereby imposed a tax on any operator of athletic contests, exhibitions and other special events in an amount equivalent to \$0.50 on each admission ticket with a value of \$25.01 or less and \$1.50 on each admission ticket with a value of \$25.02 or more sold for the right to occupy a seat or space in any stadium within the City and County of San Francisco for each event.

■ (Added by Ord. 356-70, App. 10/30/70; amended by Ord. 166-93, App. 5/28/93)

SEC. 802A. TEMPORARY OR SUPPLEMENTAL ADMISSION TAX.

(a) There is hereby imposed a temporary admission tax on any operator of athletic contests, exhibition and other special events based upon the price of each admission ticket sold for the right to occupy a seat or space in any stadium within the City and County of San Francisco for such event. The amount of the temporary admission tax shall be as follows: For tickets priced at \$27 or more (including the admission tax under Section 802), the amount of the temporary admission tax shall be \$0.75 per ticket; for tickets priced at less than \$27

(including the admission tax under Section 802), the amount of the temporary tax shall be \$0.25. This temporary admission tax shall be in addition to the admission tax under Section 802.

(b) The exemptions provided in Section 807, Subsections (2) through (5) shall apply to the temporary admission tax imposed by this Section. The exemption provided in Section 807, Subsection (1) shall not apply to the temporary admission tax imposed by this Section.

(c) Notwithstanding anything to the contrary in Section 841, or any other provision of law, all monies collected pursuant to this temporary admission tax shall be deposited in the general fund, and shall not be earmarked for any special purpose whatsoever.

(d) For tickets to professional football games and professional baseball games, this temporary admission tax shall expire after the 2000 season; for all other tickets, this temporary admission tax shall expire June 30, 2000. The temporary admission tax for tickets to professional games for the 1992 season shall be remitted to the City prior to July 1, 1992. The temporary admission tax for tickets to professional games for the 1993 season shall be remitted to the City prior to July 1, 1993. The temporary admission tax for tickets to professional games for the 1994 and 1995 and subsequent seasons shall be remitted to the City according to the provisions of Subsections (a) and (b) of Section 804 herein. The temporary admission tax for all other tickets shall be remitted to the City according to the provisions of Subsection (c) of Section 804 herein.

(e) Notwithstanding Subsection (d), the voters of the City and County of San Francisco hereby approve a supplemental admission tax to be imposed on a permanent basis in accordance with the rates and procedures set forth in Subsections (a) through (c) pertaining to the temporary admission tax. The City and County shall impose this tax immediately upon expiration of the authority to collect the temporary admission tax as set forth in Subsection (d). The supplemental admission tax for tickets to professional games for subsequent seasons shall be remitted to the City according to the provisions of Subsections (a) and (b) of Section 804 herein. The supplemental admission tax for all other tickets shall be remitted to the City according to the provisions of Subsection (c) of Section 804 herein. Under no circumstances shall an operator be liable for both the temporary admission tax and the supplemental admission tax on the same ticket.

■ (Added by Ord. 220-91, App. 6/11/91; amended by Ord. 136-92, App. 5/21/92; Ord. 250-94, App. 7/7/94; Ord. 322-95, App. 10/13/95; amended by Proposition F, 11/3/98)

SEC. 803. COLLECTION OF THE TAX.

Every operator shall hold the tax imposed in Section 802 hereof in trust until the same is paid to the Tax Collector as hereinafter provided.

■ (Added by Ord. 356-70, App. 10/30/70)

SEC. 804. COLLECTION OF TAX; CLASSIFICATION OF PERSONS COLLECTING.

(a) **Regularly Scheduled Professional Games.** Any operator of a major league professional baseball or football club which uses and occupies a stadium in the City and County for a regular schedule of games as set forth in annual schedules established in each calendar year for professional baseball or football games (including preseason, regular and championship schedules) shall within five days after the first day of each calendar month following the start of such schedule of games pay the tax due together with a return to the Tax Collector at his office, provided that any portion of any tax which is collected pursuant to Section 802 herein and which exceeds \$0.50 per ticket shall be paid either monthly or annually, at the option of the club. If paid annually, payment shall be due on or before February 1st of each year for the sale of admission tickets for games played during the previous 12 months.

(b) **Season Tickets for Professional Games.** Taxes imposed on the sale of season admission tickets or subscriptions for the 1971 baseball or football seasons, whether sold in 1970 or 1971, shall be due and payable within five days after the first day of the calendar month following the month wherein such tickets or subscriptions are sold.

From and after the 1971 baseball or football seasons, taxes imposed on the sale of season tickets or subscriptions shall be due and payable within five days after the first day of the calendar month following the month wherein such tickets or subscriptions are sold, provided that any portion of any tax which is collected pursuant to Section 802 herein and which exceeds \$0.50 per ticket shall be paid either monthly or annually, at the option of the club. If paid annually, payment shall be due on or before February 1st of each year for the sale of admission tickets for games played during the previous 12 months.

(c) Any person who operates an occasional athletic contest, a special event or exhibition within any stadium shall within five days after the completion of the scheduled event pay the proceeds of the tax to the Tax Collector.

■ (Added by Ord. 356-70, App. 10/30/70; amended by Ord. 250-94, App. 7/7/94; amended by Proposition F, 11/3/98)

SEC. 805. EXEMPTION FROM PERMIT AND BOND REQUIREMENT.

Operators of athletic teams who:

(1) Have leases from the City and County for the right to exhibit athletic contests for a period longer than five years shall be deemed to be registered as an operator and shall be exempt from the provisions of Section 808 hereof; and

(2) Operators or sponsors of all-star charity athletic contests where the entire proceeds go to charity shall also be exempt.

■ (Added by Ord. 356-70, App. 10/30/70; amended by Proposition F, 11/3/98)

SEC. 806. PRINTING OF PRICE ON TICKET.

The price at which every admission ticket or card is sold, with the amount of the tax to be paid, shall be printed on the face of the ticket which is taken up by the operator of the stadium at which admission is claimed.

■ (Added by Ord. 356-70, App. 10/30/70)

SEC. 807. ADDITIONAL EXEMPTIONS.

(a) No tax shall be imposed (1) on the receipts from admission tickets sold at two dollars and one cent (\$2.01) or less; this exemption shall apply only to the first 42,500 paid admissions to any single event; (2) when a stadium is used by athletic teams sponsored by the San Francisco Unified School District or by the San Francisco Community College District; (3) when a stadium is used by nonprofit elementary or secondary schools, attendance at which satisfies the requirements of the compulsory education laws of the State of California; (4) when a stadium is used by an operator or sponsor of charity athletic contests or other special benefit entertainment events no part of the net earnings of which inures to the benefit of any private shareholder or individual and the assets of said operating or sponsoring organization are irrevocably dedicated to tax-exempt purposes; and (5) any recreation field operated by the City and County where athletic contests, exhibitions or special events may be presented and which may contain a seating arrangement adjacent to one portion of said field containing not more than 5,000 permanent seats.

(b) Notwithstanding Sections 802 and 802A herein, the total stadium operator admission tax imposed under this Article shall be limited to \$0.25 per ticket for admission to any professional baseball game at the stadium to be located at China Basin, and known as Pacific Bell Park, for the initial term of the Ground Lease dated November 26, 1997 between the City and County of San Francisco, acting through its Port Commission as landlord, and the China Basin Ballpark Company LLC, as tenant.

(Amended by Ord. 76-86, App. 3/14/86; Ord. 97-87, App. 3/23/87; Ord. 86-88, App. 2/25/88; Ord. 60-89, App. 3/9/89; Ord. 74-90, App. 2/22/90; Ord. 153-92, App. 5/29/92; ■ Ord. 92-93, App. 4/2/93; Ord. 23-98, App. 1/16/98; amended by Proposition F, 11/3/98)

SEC. 808. PERMIT AND BOND REQUIRED.

Prior to conducting such an occasional athletic contest, exhibition or special event at a stadium, a permit shall first be obtained from the Tax Collector. Every person conducting such exhibition or special event shall file a statement and remittance covering the tax collected within five days following the conclusion of operations; provided, however, that before a permit shall be issued under this Section, the applicant for the same shall deposit with the Tax Collector a sum of money, or bond in lieu thereof, conditioned upon the faithful compliance with the provisions of this Section in an amount to be determined by the Tax Collector as sufficient to cover the amount which shall become due and owing to the City and County upon the conclusion of the athletic contest, exhibition or special event.

■ (Added by Ord. 356-70, App. 10/30/70)

SEC. 841. STADIUM OPERATOR ADMISSION TAX FUND.

The Tax Collector shall transmit all monies collected pursuant to this Article to the Treasurer for deposit to the credit of a special fund to be known as the "Stadium Operator Admission Tax Fund." Said fund shall be used solely for the following purposes:

- (1) Administration of the provisions of this Article, cost of which shall not exceed two percent of the total amount collected;
- (2) Refunds of any overpayments of the tax imposed hereunder;

(3) Effective July 1, 1971, appropriating funds for base rental and additional base rental as provided for in the Amended Park Lease and Supplemental Amended Park Lease between City and County and San Francisco Stadium, Inc., for the Improvement and Expansion of the Recreation Center located at Candlestick Park;

(4) Once all monies due in accordance with Subsection (3) have been paid, all monies collected pursuant to this Article shall be deposited in the General Fund and subject to the budgetary and fiscal provisions of the Charter, may be expended for any lawful City purpose.

(Added by Ord. 356-70, App. 10/30/70; amended by Proposition F, 11/3/98)

ARTICLE 12:

BUSINESS REGISTRATION

Sec. 851.	Short Title.
Sec. 852.	Operation of Definitions.
Sec. 852.1.	"Newly Established Business."
Sec. 852.2.	"Registration Certificate."
Sec. 852.4.	"Registration Year."

- Sec. 853. Registration Certificate – Required.
- Sec. 855. Registration Certificate – Fee.
- Sec. 856. Registration Certificate – Application and Issuance.
- Sec. 857. Proof of Registration Required to File Statement of Fictitious Business Name.
- Sec. 858. Issuance of Registration Certificate Prohibited to Person not in Compliance with Child or Family Support Order or Judgment.
- Sec. 859. Business Registration Certificate Required on Certain Vehicles.
- Sec. 860. Registration Certificate – Revocation.
- Sec. 861. Authority to Promulgate Regulations.
- Sec. 862. Savings Clause.
- Sec. 863. Amendment of Ordinance.

SEC. 851. SHORT TITLE.

This Article shall be known as the "Business Registration Ordinance."

■ (Added by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 852. OPERATION OF DEFINITIONS.

Except where the context otherwise requires, (i) the terms used in this Article shall have the meanings given to them in Sections 852.1 through 852.4, inclusive, of this Article, and (ii) terms not defined in this Article that are defined in Article 6 of the Business and Tax Regulations Code shall have the same meaning as given to them in that Article.

■ (Added by Ord. 63-01, File No. 010274, App. 4/25/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 852.1. "NEWLY ESTABLISHED BUSINESS."

(a) The term "newly established business" means a business that was not conducted within the City during the immediately preceding tax year. The following shall not be considered newly established businesses:

(1) A business conducted from a new location, whether within or without the City, if the business conducted at the location during the preceding tax year was discontinued prior to or concurrently with commencement of business at the new location.

(2) A business that was conducted within the City at any time during the preceding tax year.

(b) The Tax Collector may, on written application by the taxpayer, and after considering all the facts and circumstances, determine that a business described in Subsection (a) of this Section is in fact newly established and not a continuation of a business conducted within the City during the immediately preceding tax year.

(Added as Sec. 852.4 by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Ord. [222-14](#), File No. 140798, App. 11/7/2014, Eff. 12/7/2014)

■ (Former Sec. 852.1 added by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered as Sec. 6.2-5 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 852.2. "REGISTRATION CERTIFICATE."

The term "registration certificate" means a registration certificate issued by the Tax Collector in accordance with the provisions of this Article.

(Added as Sec. 852.7 by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered by Ord. 26-04, File No. 031990, App. 2/19/2004)

■ (Former Sec. 852.2 added by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered as Sec. 6.2-6 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 852.3.

(Added as Sec. 852.8 by Ord. 177-01, File No. 010826, App. 8/17/2001; renumbered by Ord. 26-04, File No. 031990, App. 2/19/2004; repealed by Ord. [222-14](#), File No. 140798, App. 11/7/2014, Eff. 12/7/2014)

■ (Former Sec. 852.3 added by Ord. 63-01, File No. 010274, App. 4/25/2001; repealed by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 852.4. "REGISTRATION YEAR."

The term "Registration Year" means the fiscal year commencing July 1 of each calendar year and ending on June 30 of the subsequent calendar year.

(Added as Sec. 852.9 by Ord. 177-01, File No. 010826, App. 8/17/2001; renumbered by Ord. 26-04, File No. 031990, App. 2/19/2004)

- (Former Sec. 852.4 added by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered as Sec. 852.1 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 852.5.

- (Added by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered as Sec. 6.2-14 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 852.6.

- (Added by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered as Sec. 6.2-15 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 852.7.

- (Added by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered as Sec. 852.2 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 852.8.

(Added by Ord. 177-01, File No. 010826, App. 8/17/2001; renumbered as Sec. 852.3 by Ord. 26-04, File No. 031990, App. 2/19/2004)

- (Former Sec. 852.8 renumbered as Sec. 852.10 by Ord. 177-01, File No. 010826, App. 8/17/2001)

SEC. 852.9.

(Added by Ord. 177-01, File No. 010826, App. 8/17/2001; renumbered as Sec. 852.4 by Ord. 26-04, File No. 031990, App. 2/19/2004)

- (Former Sec. 852.9 renumbered as Sec. 852.11 by Ord. 177-01, File No. 010826, App. 8/17/2001)

SEC. 852.10.

- (Added as Sec. 852.8 by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered by Ord. 177-01, File No. 010826, App. 8/17/2001; renumbered as Sec. 6.2-18 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 852.11.

- (Added as Sec. 852.9 by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered by Ord. 177-01, File No. 010826, App. 8/17/2001; renumbered as Sec. 6.2-20 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 853. REGISTRATION CERTIFICATE – REQUIRED.

(a) Except as provided in subsections (d) and (e), no person may engage in business within the City unless the person has obtained a current registration certificate pursuant to this Article 12. Every person engaging in business within the City shall conspicuously display a current registration certificate on the business premises, regardless of whether such person is subject to tax pursuant to the provisions of the Business and Tax Regulations Code.

(b) Any organization having a formally recognized exemption from income taxation pursuant to Section 501(c), 501(d), or 401(a) of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of Title 26 of the Internal Revenue Code of 1986, as amended, and engaging in business within the City shall obtain a registration certificate.

(c) Failure to obtain a registration certificate shall not absolve any person from payment of any tax imposed or license required by the City.

(d) A person receiving rental income in connection with the operation of any of the following shall not, by reason of that fact alone, be required to obtain a registration certificate pursuant to this Article 12:

- (1) a cooperative housing corporation, as defined in Section 216(b) of the Internal Revenue Code of 1986, as amended;

(2) one residential structure consisting of fewer than four units; or

(3) one residential condominium.

(e) The requirements to obtain a registration certificate and pay a fee under this Article 12 shall be suspended for any driver for a transportation network company and for any taxi driver for registration years 2018-2019 through and including 2027-2028. Additionally, the requirements to obtain a registration certificate and pay a fee under this Article 12 shall be suspended for any driver for a transportation network company and for any taxi driver commencing business in the City on or after January 1, 2018, for registration year 2017-2018. The suspensions in this subsection (e) are further qualified and defined solely for purposes of this subsection (e) as follows:

(1) The suspensions apply only to drivers whose business activity in the City is limited to transportation network company driving and/or taxi driving.

(2) “Transportation network company” has the same meaning as in Section 5431(c) of the California Public Utilities Code.

(3) “Taxi” has the same meaning as in Section 1102 of Article 1100 of the Transportation Code.

(4) The Board of Supervisors may at any time, by ordinance, extend or terminate the suspensions.

(Added by Ord. 63-01, File No. 010274, App. 4/25/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [93-18](#), File No. 180157, App. 4/27/2018, Eff. 5/28/2018, Retro. 1/1/2018; Ord. [298-19](#), File No. 191107, App. 12/20/2019, Eff. 1/20/2020; Ord. [43-21](#), File No. 210180, App. 4/2/2021, Eff. 5/3/2021; Ord. [59-22](#), File No. 220057, App. 4/15/2022, Eff. 5/16/2022; Ord. [45-23](#), File No. 221162, App. 4/14/2023, Eff. 5/15/2023)

SEC. 854. RESERVED.

(Added by Ord. 63-01, File No. 010274, App. 4/25/2001; renumbered as Sec. 6.2-12 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 855. REGISTRATION CERTIFICATE – FEE.

(a) **Fee for Registration Years Ending After June 30, 2015, but On or Before June 30, 2021.**

(1) **General Rule.** Except as otherwise provided in this Section 855 and Section 856 of this Article 12, the annual fee for obtaining a registration certificate, for the registration years ending after June 30, 2015, but on or before June 30, 2021, payable in advance, shall be as follows:

<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
\$0 to \$100,000	\$90
\$100,001 to \$250,000	\$150
\$250,001 to \$500,000	\$250
\$500,001 to \$750,000	\$500
\$750,001 to \$1,000,000	\$700
\$1,000,001 to \$2,500,000	\$300
\$2,500,001 to \$7,500,000	\$500
\$7,500,001 to \$15,000,000	\$1,500
\$15,000,001 to \$25,000,000	\$5,000
\$25,000,001 to \$50,000,000	\$12,500
\$50,000,001 to \$100,000,000	\$22,500
\$100,000,001 to \$200,000,000	\$30,000
\$200,000,001 and over	\$35,000

(2) **Fee for Retail Trade, Wholesale Trade, and Certain Services.** Except as otherwise provided in this Section 855 and Section 856 of this Article 12, for registration years ending after June 30, 2015, but on or before June 30, 2021, the annual fee for obtaining a registration certificate, payable in advance, for a business that was required to report all of its gross receipts pursuant to Article 12-A-1, Section 953.1 for the preceding tax year, shall be as follows:

<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
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<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
\$0 to \$100,000	\$75
\$100,001 to \$250,000	\$125
\$250,001 to \$500,000	\$200
\$500,001 to \$750,000	\$400
\$750,001 to \$1,000,000	\$600
\$1,000,001 to \$2,500,000	\$200
\$2,500,001 to \$7,500,000	\$400
\$7,500,001 to \$15,000,000	\$1,125
\$15,000,001 to \$25,000,000	\$3,750
\$25,000,001 to \$50,000,000	\$7,500
\$50,000,001 to \$100,000,000	\$15,000
\$100,000,001 to \$200,000,000	\$20,000
\$200,000,001 and over	\$30,000

(b) Fee for Registration Years Beginning On or After July 1, 2021.

(1) **General Rule.** Except as otherwise provided in this Section 855 and Section 856 of this Article 12, and Section 76.3 of Article 2 of this Code, the annual fee for obtaining a registration certificate, for the registration years beginning on or after July 1, 2021, payable in advance, shall be as follows:

<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
\$0 to \$100,000	\$52
\$100,000.01 to \$250,000	\$86
\$250,000.01 to \$500,000	\$144
\$500,000.01 to \$750,000	\$288
\$750,000.01 to \$1,000,000	\$403
\$1,000,000.01 to \$1,500,000	\$575
\$1,500,000.01 to \$2,000,000	\$805
\$2,000,000.01 to \$2,500,000	\$345
\$2,500,000.01 to \$7,500,000	\$575
\$7,500,000.01 to \$15,000,000	\$1,725
\$15,000,000.01 to \$25,000,000	\$5,751
\$25,000,000.01 to \$50,000,000	\$14,379
\$50,000,000.01 to \$100,000,000	\$25,882
\$100,000,000.01 to \$200,000,000	\$34,510
\$200,000,000.01 and over	\$40,261

(2) **Fee for Retail Trade, Wholesale Trade, and Certain Services.** Except as otherwise provided in this Section 855 and Section 856 of this Article 12, and Section 76.3 of Article 2 of this Code, for registration years beginning on or after July 1, 2021, the annual fee for obtaining a registration certificate, payable in advance, for a person or combined group that was required to report all of its gross receipts pursuant to Section 953.1 of Article 12-A-1 for the preceding tax year, shall be as follows:

<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
<i>San Francisco Gross Receipts for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
\$0 to \$100,000	\$43
\$100,000.01 to \$250,000	\$72

\$250,000.01 to \$500,000	\$115
\$500,000.01 to \$750,000	\$230
\$750,000.01 to \$1,000,000	\$345
\$1,000,000.01 to \$1,500,000	\$475
\$1,500,000.01 to \$2,000,000	\$665
\$2,000,000.01 to \$2,500,000	\$230
\$2,500,000.01 to \$7,500,000	\$460
\$7,500,000.01 to \$15,000,000	\$1,294
\$15,000,000.01 to \$25,000,000	\$4,313
\$25,000,000.01 to \$50,000,000	\$8,627
\$50,000,000.01 to \$100,000,000	\$17,255
\$100,000,000.01 to \$200,000,000	\$23,006
\$200,000,000.01 and over	\$34,510

(c) Except as provided in subsection (d) (Fee for Persons Subject to Administrative Office Tax), in the event that an applicant for a registration certificate, for a registration year ending after June 30, 2015, has not filed a tax return for the immediately preceding tax year as required by Section 6.9-2 of Article 6, the Tax Collector shall determine the amount of the registration fee required based on the applicant's estimated gross receipts under Article 12-A-1 (Gross Receipts Tax Ordinance) for the period covered by the registration certificate.

(d) **Fee for Persons Subject to Administrative Office Tax.** Except as otherwise provided in this Section 855 and Section 856 of this Article 12, and Section 76.3 of Article 2 of this Code, the annual fee for obtaining a registration certificate, payable in advance, for a person or combined group that was required to pay the Administrative Office Tax under Section 953.8 of Article 12-A-1 for the preceding tax year, shall be as follows:

<i>San Francisco Payroll Expense for the Immediately Preceding Tax Year</i>	<i>Annual Registration Fee</i>
\$0 to \$2,500,000	\$15,000
\$2,500,000.01 to \$25,000,000	\$25,000
\$25,000,000.01 or more	\$35,000

(e) In the event that an applicant for a registration certificate that was required to pay the Administrative Office Tax under Section 953.8 of Article 12-A-1 for the preceding tax year has not filed a tax return for the immediately preceding tax year as required by Section 6.9-2 of Article 6, the Tax Collector shall determine the amount of the registration fee required based on the applicant's estimated payroll expense under Article 12-A-1 for the period covered by the registration certificate.

(f) The amount of annual registration fee under subsections (a) and (d) of this Section 855, for all registration years ending after June 30, 2016, shall be adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31st of the preceding year, beginning July 1, 2016.

(g) The amount of annual registration fee under subsection (b) of this Section 855, for all registration years ending after June 30, 2022, shall be adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31 of the preceding year, beginning July 1, 2022.

(h) An organization that is exempt from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from the registration fee under this Article 12, only so long as those exemptions continue to exist under state or federal law.

(i) A person shall be exempt from paying the registration fee required by this Section 855 if and to the extent that, and only so long as, federal or state law prohibits the imposition of the registration fee upon such person.

(j) The business registration fee is a tax imposed for general governmental purposes and may not be extended or increased without a vote of the people, as provided in Article XIII C of the California Constitution. This tax may be collected in any manner legally permitted to the City.

(Added by Ord. 63-01, File No. 010274, App. 4/25/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004; Proposition E, App. 11/6/2012, Oper. 12/14/2012; Ord. [222-14](#), File No. 140798, App. 11/7/2014, Eff. 12/7/2014; [Proposition E](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [179-23](#), File No. 230664, App. 7/28/2023, Eff. 8/28/2023, Retro. 7/1/2023)

SEC. 856. REGISTRATION CERTIFICATE – APPLICATION AND ISSUANCE.

(a) Each person engaging in business within the City shall apply to the Tax Collector for a registration certificate, using the form prescribed by the Tax Collector. The application shall be accompanied by the person's registration fee as determined under this Article 12, except for the initial application filed for a person that is part of a combined group (as described in Section 956.3 of Article 12-A-1) where the combined group has already paid the fee on a combined basis. A combined group as described in Section 956.3 of Article 12-A-1 shall apply for a separate certificate for each person in the combined group that is engaging in business within the City, but shall calculate and remit its fee on a combined basis and shall file only one application for renewal for all entities in the combined group.

(b) A person shall have 15 days after commencing business within the City to apply for a registration certificate. The registration fee for newly-established businesses shall be prorated as follows:

(1) For registration years commencing on or after July 1, 2015, but ending on or before June 30, 2021, the fee for obtaining a registration certificate for a newly established business shall be determined pursuant to Section 855(a) of this Article 12 using the applicant's estimated gross receipts under Article 12-A-1 (Gross Receipts Tax Ordinance) for the tax year in which the person commences such business within the City. For registration years commencing on or after July 1, 2021, the fee for obtaining a registration certificate for a newly established business shall be determined pursuant to Section 855(b) of this Article using the applicant's estimated gross receipts under Article 12-A-1 (Gross Receipts Tax Ordinance) for the tax year in which the person commences such business within the City. The registration fee shall be prorated as follows: For persons commencing business between January 1 and March 31, the registration fee shall be 50% of the annual fee; for persons commencing business between April 1 and June 30, the registration fee shall be 25% of the annual fee; for persons commencing business between July 1 and September 30, the registration fee shall be 100% of the annual fee; and for persons commencing business between October 1 and December 31, the registration fee shall be 75% of the annual fee. Where a registration certificate is issued for a period other than for a registration year, the Tax Collector shall have discretion to prorate the registration fee in accordance with this model.

(2) Notwithstanding any other provision of this Article 12, no person obtaining a registration certificate for a newly established business that qualifies for the minimum registration fee set forth in Section 855 of this Article shall be entitled to prorate the registration fee under this Section 856, but instead shall pay the minimum registration fee.

(c) All applications for renewal of registration certificates shall be accompanied by the full amount of the applicant's annual registration fee for the period covered by the registration certificate. A combined group shall file only one application for renewal for all entities in the combined group.

(d) Promptly after receiving a properly completed application and registration fee from any person, the Tax Collector shall determine whether the applicant has paid all outstanding: (1) gross receipts taxes; (2) payroll expense taxes; (3) costs and/or charges assessed pursuant to Article 5.1 of the Public Works Code, as amended from time to time, for failure to abate a nuisance regarding the cleanliness of an abutting public sidewalk or right-of-way; and (4) other taxes and license fees due to the City. In addition, the Tax Collector may investigate whether the applicant has paid other amounts owing to the City as a result of fines, penalties, interest, assessments, or any other financial obligations imposed by law, regulation or contract. If the Tax Collector determines that all liabilities have been paid, the Tax Collector shall issue a registration certificate to the applicant for each place of business maintained by the applicant.

(e) If a person submits a timely application under this Section and the Tax Collector determines that the applicant has satisfied all the requirements of this Article, including the payment of all outstanding liabilities owed to the City, then the Tax Collector shall issue a registration certificate to the applicant by the later of: (1) 30 days after the Tax Collector makes such determination; or (2) the date on which the registration certificate would be effective.

(f) Each registration certificate shall be non-assignable and nontransferable. The holder of the registration certificate shall surrender the certificate to the Tax Collector immediately upon the sale or transfer of the business for which the Tax Collector issued the registration certificate. The holder of the registration certificate shall also surrender the certificate to the Tax Collector when such holder ceases to conduct business at the location designated in the certificate.

(g) If the Tax Collector determines that any liabilities enumerated in subsection (d) of this Section remain unpaid as of the date an application is received, the Tax Collector shall give written notification of that fact to the applicant. The written notification shall set forth the amount owed, the liabilities enumerated in subsection (d) of this Section for which the amount(s) are owed, the dates the liabilities were incurred and any other information the Tax Collector deems necessary to apprise the applicant of what specific liabilities are owed to the City. The Tax Collector shall not issue a registration certificate unless and until the applicant has paid all amounts owing to the City, including, but not limited to, taxes, license fees, and costs or charges assessed for failure to abate a nuisance condition on a public right-of-way under Article 5.1 of the Public Works Code, as amended from time to time, for which the applicant is liable; provided, that if a good faith dispute exists regarding the amount of the outstanding liability or liabilities owed by the applicant to the City and the dispute is pending before a City agency or court of competent jurisdiction, then the Tax Collector shall not refuse to issue a registration certificate solely for non-payment of the amount in dispute.

(h) Each registration certificate, and each duplicate thereof, shall set forth the name under which the person transacts or intends to transact business, the location of the registrant's place of business and such other information as the Tax Collector may require, and be prominently displayed therein. In the case of a sole proprietorship, the registration certificate shall be signed by the sole proprietor; in the case of a partnership, the registration certificate shall be signed by a general partner; in the case of a limited liability company, the registration certificate shall be signed by the managing member; and in the case of a corporation, the registration certificate shall be signed by the person authorized by the corporation to sign on its behalf.

(i) Each person liable for payment of a registration fee pursuant to this Article shall pay only one annual registration fee. The Tax Collector shall issue a separate registration certificate for each location within the City where the person engages in business.

(j) The person may register up to 15 fictitious business names (sometimes abbreviated DBA, dba or d/b/a) without an additional charge. The Tax Collector shall charge a fee of \$25, in addition to the registration fee, for each fictitious business name under which the business or operation is registered to conduct business in the City in addition to the first 15 fictitious business names registered.

(k) In addition to all other civil penalties provided for by law, the Tax Collector may charge any person who fails to register in a timely manner a fictitious business name or a location within the City where the person engages in business, an administrative penalty of \$500 per fictitious business name or business location that the person fails to register.

(Added by Ord. 63-01, File No. 010274, App. 4/25/2001; amended by Ord. 177-01, File No. 010826, App. 8/17/2001; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. 291-10, File No. 101099, App. 11/18/2010; Proposition E, App. 11/6/2012, Oper. 12/14/2012; Ord. [222-14](#), File No. 140798, App. 11/7/2014, Eff. 12/7/2014; [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 856.1. [REPEALED]

■ (Added by Ord. 196-06, File No. 060781, App. 7/21/2006; repealed by Ord. [36-17](#), File No. 161225, App. 2/17/2017, Eff. 3/19/2017)

SEC. 857. PROOF OF REGISTRATION REQUIRED TO FILE STATEMENT OF FICTITIOUS BUSINESS NAME.

The County Clerk shall not accept for filing, pursuant to Section 179000 et seq. of the California Business and Professions Code, as amended from time to time, or any successor statute, any statement of fictitious business name representing any new, renewal, addition, withdrawal or abandonment of a fictitious business name until a registration certificate or other evidence is presented which shows that the applicant has complied with this Article. The County Clerk shall promulgate rules and regulations to implement this section.

■ (Added by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 858. ISSUANCE OF REGISTRATION CERTIFICATE PROHIBITED TO PERSON NOT IN COMPLIANCE WITH CHILD OR FAMILY SUPPORT ORDER OR JUDGMENT.

(a) The following definitions shall apply to terms used in this Section:

(1) The term "compliance with a judgment or order for support" means that, as set forth in a judgment or order for child or family support, the obligor is no more than 30 calendar days in arrears in making payments in full for current support, in making periodic payments on a support arrearage, or in making periodic payments on a judgment for reimbursement of public assistance, or has obtained a judicial determination that the judgment or order is unenforceable; and

(2) The term "Department of Child Support Services" means the Department of Child Support Services of the City.

(b) The Department of Child Support Services shall maintain a list of persons included in a case being enforced under Title IV-D of the Social Security Act, as amended from time to time, or any successor statute, for whom a child or family support order or judgment has been rendered by, or registered in, a court of the State of California, and who are not in compliance with that order or judgment. The Department of Child Support Services shall submit an updated list with the names, social security numbers, and last known addresses of these persons to the Tax Collector on a monthly basis. The Department of Child Support Services shall verify that the persons listed are subject to an order or judgment for the payment of support and that these persons are not in compliance with the order or judgment.

(c) Promptly after receiving a properly completed application for a registration certificate pursuant to this Article, the Tax Collector shall determine whether the applicant is on the most recent certified list provided by the Department of Child Support Services. If the applicant is on the list, the Tax Collector shall immediately serve notice on the applicant of the Tax Collector's intent to withhold issuance of the annual registration certificate for non-compliance with a judgment or order of support. The notice shall be made personally or by mail to the applicant's last known mailing address on file with the Tax Collector. The notice shall:

(1) indicate that the applicant must obtain a release from the Department of Child Support Services as a condition for the issuance of an annual registration certificate;

(2) indicate that the applicant may obtain a temporary registration certificate by filing a request for review with the Department of Child Support Services, pursuant to Subsection (e) of this Section within 30 calendar days of the issuance of the Tax Collector's notice; and

(3) include a form that the applicant may use to request a review by the Department of Child Support Services.

(d) Notwithstanding the requirements of Section 906 of this Article, the Tax Collector shall not issue a registration certificate to an otherwise qualified applicant unless and until the Tax Collector receives a release from the Department of Child Support Services, as provided in Subsection (e) of this Section. The Tax Collector shall issue a temporary registration certificate, valid for a period of 150 days, to any applicant whose name is on the certified list if the applicant is otherwise eligible for a registration certificate and if the applicant requests a review by the Department of Child Support Services within 30 calendar days of the issuance of the Tax Collector's notice and notifies the Tax Collector of such support.

(e) If the applicant wishes to challenge the submission of his or her name on the certified list, the applicant shall submit a written request for review to the Department of Child Support Services, on the form provided by the Tax Collector, and shall notify the Tax Collector of such request. The Department of Child Support Services shall establish review procedures to allow an applicant to have the underlying arrearage and any relevant defenses investigated, to provide an applicant information on the process of obtaining a

modification of a support order, or to provide an applicant assistance in the establishment of a payment schedule on arrearages if the circumstances so warrant. The Department of Child Support Services shall inform the applicant in writing of his or her findings upon completion of the review. The Department of Child Support Services shall immediately send a release to the Tax Collector and the applicant, if any of the following conditions are met:

(1) The applicant is found to be in compliance or enters an agreement with the Department of Child Support Services for a payment schedule on arrearages or reimbursement; or

(2) The applicant has obtained a judicial finding of compliance with a judgment or order of support; or

(3) The applicant has filed and served a request for judicial review pursuant to this Section, but a resolution of that review will not be made within the 150-day period of the temporary registration certificate. This paragraph shall only apply if the delay in completing the judicial review process does not result from the applicant's failure to act in a reasonable, timely and diligent manner upon receiving the Department of Child Support Services' notice of findings.

(f) Except as otherwise provided in this Section, the Department of Child Support Services shall not issue a release if the applicant is not in compliance with a judgment or order for support. If, upon completing a review initiated pursuant to Subsection (e) of this Section, the Department of Child Support Services finds that a release should not be issued, the Department of Child Support Services shall notify the applicant in writing that the applicant may, by filing an order to show cause or notice of motion, request any or all of the following:

(1) Judicial review of the Department of Child Support Services' decision not to issue a release; or

(2) A judicial determination of compliance; or

(3) A modification of the support judgment or order.

The notice of findings of the Department of Child Support Services shall contain the name and address of the court in which the applicant shall file the order to show cause or notice of motion and inform the applicant that his or her name shall remain on the list prepared by the Department of Child Support Services pursuant to this Section if the applicant does not timely request judicial review. The applicant shall comply with all statutes and rules of court regarding orders to show cause and motions.

(g) The request for judicial review shall be served by the applicant upon the Department of Child Support Services within seven calendar days of the filing of the petition, notice of motion or order to show cause. If the judicial review results in a finding by the court that the obligor is in compliance with the judgment or order for support, the Department of Child Support Services shall immediately send a release in accordance with Subsection (e) of this Section to the Tax Collector.

(h) If the Tax Collector does not receive a release from the Department of Child Support Services upon expiration of the applicant's temporary registration certificate, the Tax Collector shall refer the case to the Department of Child Support Services.

(i) The Tax Collector and the Department of Child Support Services shall enter into a cooperative agreement to provide for the receipt by the Tax Collector of federal funds to cover that portion of costs incurred by the Tax Collector in implementing this Section which are reimbursable according to federal law and regulation.

(j) In the event that a registration certificate is denied pursuant to this Section, the Tax Collector may retain a portion of the registration fee in an amount not to exceed the City's cost in processing the registration application.

■ (Added by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 859. BUSINESS REGISTRATION CERTIFICATE REQUIRED ON CERTAIN VEHICLES.

(a) The Tax Collector shall require persons engaged in the businesses listed in subsection (b) to display prominently upon each vehicle which is registered as a commercial vehicle with the California Department of Motor Vehicles, and which is used by the person in the conduct of his or her business, a copy of the person's business registration certificate in such form and color and containing such information as the Tax Collector shall determine. An employee's personally owned vehicles are exempt from this requirement.

(b) Persons engaged in the following business(es) shall be required to display a copy of the person's business registration certificate on company vehicles which are registered as commercial vehicles with the California Department of Motor Vehicles and which are used in the conduct of his or her business:

Roofing contractor and any other contractor performing work for which a reroofing permit is required.

(Added by Ord. 63-01, File No. 010274, App. 4/25/2001; amended by Ord. 291-10, File No. 101099, App. 11/18/2010 ; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013)

SEC. 860. REGISTRATION CERTIFICATE – REVOCATION.

If a person fails to comply with any provision of this Article or any rule or regulation adopted pursuant thereto, the Tax Collector, after giving such person 15 days notice in writing specifying the time and place of the hearing and requiring such person to show cause why his or her registration certificate or registration certificates should not be revoked, may revoke any one or more of the registration certificates held by such person. The notice shall be served in the same manner prescribed for the service of a notice of a deficiency determination under Article 6. The Tax Collector shall not issue a new registration certificate after the revocation of a registration certificate unless the registrant complies with the provisions of the Business and Tax Regulations Code and the rules and regulations

adopted thereunder.

(Added by Ord. 63-01, File No. 010274, App. 4/25/2001; amended by Ord. 26-04, File No. 031990, App. 2/19/2004 ; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013)

SEC. 861. AUTHORITY TO PROMULGATE REGULATIONS.

The Tax Collector may promulgate regulations and issue rules, determinations and interpretations consistent with the purposes of this Article and Article 6 of the Business and Tax Regulations Code as may be necessary and appropriate to apply such Articles in a lawful manner, including provisions for penalties due to fraud, underpayment of fees and taxes, or any evasion of such Articles or the rules and regulations promulgated thereunder. All regulations, rules, determinations and interpretations promulgated or issued by the Tax Collector that are not inconsistent with such Articles, and that were promulgated or issued prior to the effective date of this Article, shall remain in full force and effect.

(Added by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 862. SAVINGS CLAUSE.

No section, clause, part or provision of this Article shall be construed as requiring the payment of any fee for engaging in a business or the doing of an act when such payment or act would constitute an unlawful burden upon or an unlawful interference with interstate or foreign commerce, or which payment or act would be in violation of the United States Constitution or a statute of the United States or of the California Constitution or a statute of the State of California. If any section, clause, part or provision of this Article, or the application thereof to any person or circumstance, is held invalid or unconstitutional, the remainder of this Article, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Article are severable.

(Added by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 863. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal Article 12 of the Business and Tax Regulations Code without a vote of the people except as limited by Article XIII C of the California Constitution.

(Added by Proposition E, App. 11/6/2012, Oper. 12/14/2012)

ARTICLE 12-A:

[REPEALED]

Editor's note:

Article 12-A, the Payroll Expense Tax Ordinance, was repealed by the approval of [Proposition F](#) at the November 3, 2020 election, effective December 29, 2020 and operative January 1, 2021, except for the repeal of Section 906.3-1, which became operative February 1, 2021.

SEC. 901. [REPEALED.]

(Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80, App. 3/28/80; Ord. 357-88, App. 8/4/88; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 902. [REPEALED.]

(Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 357-88, App. 8/4/88; Ord. 26-04, File No. 031990, App. 2/19/2004; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 902.1. [REPEALED.]

(Added as Sec. 902.6 by Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 357-88, App. 8/4/88; redesignated and amended by Ord. 26-04, File No. 031990, App. 2/19/2004; amended by Proposition Q, 11/4/2008; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

(Former Sec. 902.1 added by Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 357-88, App. 8/4/88; redesignated as Sec. 6.2-4 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 902.2. [REPEALED.]

(Added by Proposition Q, 11/4/2008; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

(Former Sec. 902.2 added by Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 357-88, App. 8/4/88; redesignated as Sec. 6.2-5 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 902.4. [REDESIGNATED.]

(Added by Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 395-84, App. 9/20/84; Ord. 357-88, App. 8/4/88; Ord. 24-98, App. 1/16/98; redesignated as Sec. 6.2-9 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 902.5. [REDESIGNATED.]

(Added by Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 357-88, App. 8/4/88; redesignated as Sec. 6.2-10 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 902.6. [REDESIGNATED.]

(Added by Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 357-88, App. 8/4/88; redesignated as Sec. 902.1 by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 903. [REPEALED.]

(Added by Ord. 275-70, App. 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 493-84, App. 12/13/84; Ord. 357-88, App. 8/4/88; Ord. 250-89, App. 6/22/89; Ord. 24-98, App. 1/16/98; Ord. 26-04, File No. 031990, App. 2/19/2004; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 903.1. [REPEALED.]

(Added by Ord. 295-90, App. 8/1/90; amended by Ord. 273-93, App. 8/25/93; Ord. 179-94, App. 5/3/94; Ord. 24-98, App. 1/16/98; Ord. 26-04, File No. 031990, App. 2/19/2004; Proposition E, App. 11/6/2012, Oper. 1/1/2014; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 904. [REPEALED.]

(Added by Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 357-88, App. 8/4/88; Ord. 24-98, App. 1/16/98; Ord. 26-04, File No. 031990, App. 2/19/2004; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 905. [REDESIGNATED.]

(Added by Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 357-88, App. 8/4/88; Ord. 24-98, App. 1/16/98; redesignated as Sec. 6.2-12 and amended by Ord. 26-04, File No. 031990, App. 2/19/2004)

SEC. 905-A. [REPEALED.]

(Amended by Ord. 397-82, App. 8/12/82; Ord. 357-88, App. 8/4/88; Ord. 273-93, App. 8/25/93; Ord. 179-94, App. 5/3/94; Ord. 195-94, App. 5/13/94; Ord. 267-94, App. 7/29/94; Ord. 429-94, App. 12/23/94; Ord. 24-98, App. 1/16/98; Ord. 63-01, File No. 010274, App. 4/25/2001; Ord. 177-01, File No. 010826, App. 8/17/2001; Ord. 26-04, File No. 031990, App. 2/19/2004; Proposition Q, App. 11/4/2008; Proposition E, App. 11/6/2012, Oper. 1/1/2014; Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013, Oper. 1/1/2014; Ord. [222-14](#), File No. 140798, App. 11/7/2014, Eff. 12/7/2014; Ord. [10-18](#), File No. 171133, App. 2/1/2018, Eff. 3/4/2018; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 906. [REPEALED.]

(Added by Ord. 275-70, 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 395-84, App. 9/20/84; Ord. 357-88, App. 8/4/88; Ord. 423-91, App. 12/19/91; Ord. 26-04, File No.

- 031990, App. 2/19/2004; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 906A. [REPEALED.]

- (Added by Ord. 38-92, App. 2/3/92; amended by Ord. 200-93, App. 6/16/93; Ord. 24-98, App. 1/16/98; Ord. 113-08, File No. 080350, App. 6/30/2008; repealed by [Proposition E](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 906B. [EXPIRED.]

- (Added by Ord. 199-93, App. 6/16/93; amended by Ord. 188-96, App. 5/8/96; Ord. 24-98, App. 1/16/98; Ord. 389-98, App. 12/24/98; expired 12/31/2002)

SEC. 906C. [EXPIRED.]

- (Added by Ord. 239-96, App. 6/11/96; amended by Ord. 24-98, App. 1/16/98; expired 12/31/2001)

SEC. 906D. [EXPIRED.]

- (Added by Ord. 11-97, App. 1/3/97; amended by Ord. 166-99, File No. 990335, App. 6/18/99; expired 12/31/2001)

SEC. 906E. [EXPIRED.]

- (Added by Ord. 391-98, App. 12/24/98; amended by Proposition E, App. 11/6/2012, Oper. 1/1/2014; expired 12/31/2018)

SEC. 906.1. [REPEALED.]

- (Added by Ord. 209-04, File No. 040592, App. 8/12/2004; amended by Ord. 105-10, File No. 091269, App. 5/21/2010; Ord. [75-14](#), File No. 140226, App. 5/28/2014, Eff. 6/27/2014; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 906.2. [REPEALED.]

- (Added by Ord. 249-05, File No. 050922, App. 11/10/2005; amended by Ord. 21-06, File No. 051818, App. 2/3/2006; Ord. 313-08, File No. 081449, 12/19/2008; Ord. [75-14](#), File No. 140226, App. 5/28/2014, Eff. 6/27/2014; Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 906.3. [REPEALED.]

- (Added by Ord. [68-11](#), File No. 110155, App. 4/20/2011, Eff. 5/20/2011; amended by Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; repealed by [Proposition E](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 906.3-1. [REPEALED.]

- (Added by Ord. [103-11](#), File No. 110435, App. 6/20/2011, Eff. 7/20/2011; amended by Ord. [223-12](#), File No. 111160, App. 10/29/2012, Eff. 11/28/2012; Ord. [75-14](#), File No. 140226, App. 5/28/2014, Eff. 6/27/2014; Ord. [199-17](#), File No. 170741, App. 10/5/2017, Eff. 11/4/2017; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 2/1/2021)

SEC. 906.4. [EXPIRED.]

- (Added by Ord. [87-11](#), File No. 110337, App. 6/3/2011, Eff. 7/3/2011; expired 12/31/2017)

SEC. 906.5. [EXPIRED.]

- (Added by Ord. [160-12](#), File No. 120377, App. 7/12/2012, Eff. 8/11/2012; amended by Ord. [233-12](#), File No. 120965, App. 11/20/2012, Eff. 12/20/2012; expired 12/31/2015)

SEC. 907. [REPEALED.]

(Ord. 275-70, App. 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 395-84, App. 9/20/84; Ord. 357-88, App. 8/4/88; Ord. 273-93, App. 8/25/93; Ord. 26-04, File No. 031990, App. 2/19/2004; Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 908. [REPEALED.]

■ (Added by Ord. 63-01, File No. 010274, App. 4/25/2001; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 909. [REPEALED.]

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 917.1. [REPEALED.]

(Ord. 275-70, App. 9/2/70; amended by Ord. 118-80, App. 3/28/80; Ord. 357-88, App. 8/4/88; Ord. 24-98, 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

ARTICLE 12-A-1:

GROSS RECEIPTS TAX ORDINANCE

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SEC. 950. FINDINGS AND PURPOSE.

The voters hereby find and declare as follows:

1. San Francisco is the only major city in California that levies its entire business tax on payroll expense. This exclusive payroll-based tax discourages job creation and economic growth, lowers wages, and provides an unstable revenue stream.
2. San Francisco currently charges a flat rate on its payroll expense tax base. Instituting a tiered rate structure, in which businesses are taxed based on their gross receipts, will better distribute the tax burden according to a business's ability to pay.
3. Gross receipts is the most common business tax base among California's largest cities.
4. Amending San Francisco's business tax system to include a gross receipts tax will promote revenue stability by diversifying the tax base.
5. The rate schedules and the small business exemption for businesses with receipts under \$1,000,000 provide particular tax relief to small businesses.
6. The legislation will gradually phase in the new gross receipts tax over a five-year period, beginning in tax year 2014, to allow businesses time to adjust to the change and to minimize the risk to the City and to taxpayers of instability in City revenues during the transition from the payroll expense tax to a gross receipts tax.
7. Also beginning in tax year 2014, the payroll expense tax will be adjusted, over the same period, in increments that are consistent with the phase in of the gross receipts tax.
8. Each year during the phase-in period, the formula dictates an increase in the gross receipts tax rate and an adjustment in the payroll expense tax rate that is expected to reduce the payroll expense tax rate to zero by or before 2018. The Controller will calculate the annual increase in the gross receipts tax rate and the adjustment in the payroll expense tax rate by applying formulas specified in this legislation.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 951. SHORT TITLE.

This Article shall be known as the "Gross Receipts Tax Ordinance" and the tax this Article imposes shall be known as the "Gross Receipts Tax."

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 952. DEFINITIONS.

Except where the context otherwise requires, the terms used in this Article 12-A-1 shall have the meanings given to them in Sections 6.2-1 *et seq.* of Article 6. For purposes of this Article 12-A-1, "pass-through entity" includes a trust, partnership, corporation described in Subchapter S of the Internal Revenue Code of 1986, as amended, limited liability company, limited liability partnership, professional corporation, and any other person or entity (other than a disregarded entity for federal income tax purposes) which is not subject to the income tax imposed by Subtitle A, Chapter 1 of the Internal Revenue Code of 1986, as amended, or which is allowed a deduction in computing such tax for distributions to the owners or beneficiaries of such person or entity.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 952.1. ADVANCE PAYMENT.

"Advance payment" means a nonrefundable payment for the purchase of property or services to be delivered or performed in the future.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 952.2. CASH DISCOUNT.

"Cash discount" means a deduction from the invoice price of goods or charge for services which is allowed if the bill is paid on or before a specified date, or paid in cash rather than by credit card.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 952.3. GROSS RECEIPTS.

(a) "Gross receipts" means the total amounts received or accrued by a person from whatever source derived, including, but not limited to, amounts derived from sales, services, dealings in property, interest, rent, royalties, dividends, licensing fees, other fees, commissions and distributed amounts from other business entities. Except as otherwise specifically provided in this Article, gross receipts includes but is not limited to all amounts that constitute gross income for federal income tax purposes. Except as otherwise specifically provided in this Article, gross receipts includes all receipts, cash, credits and property of any kind or nature and including any amount for which credit is allowed by the seller to the purchaser, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever, except that cash discounts allowed or taken on sales shall not be included as gross receipts. Gross receipts, including advance payments, shall be included in a taxpayer's gross receipts at the time such receipts are recognized as gross income for federal income tax reporting purposes.

(b) "Gross receipts" with respect to any lease or rental shall include payment for any services that are part of the lease or rental, whether received in money or otherwise, that are paid to, on behalf of, or for the benefit of, the lessor, and all receipts, cash, credits, property of any kind or character and the fair market value of services so paid or rendered by the lessee.

(c) **Treatment of Taxes.** "Gross receipts" shall not include the amount of any federal, state, or local tax imposed on or with respect to retail sales whether imposed upon the retailer or upon the purchaser and regardless of whether the amount of tax is stated as a separate charge, or such part of the sales price of any property previously sold and returned by the purchaser to the seller which is refunded by the seller by way of cash or credit allowances given or taken as part payment on any property so accepted for resale. Gross receipts shall also not include any federal, state or local tax imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer. Gross receipts shall not include any amount of third-party taxes that a taxpayer collects from or on behalf of the taxpayer's customers and remits to the appropriate governmental entity imposing such tax. Gross receipts shall not include any tax refunds received by a person from a governmental entity. Gross receipts shall include any federal, state or local tax not specifically excluded in this subsection.

(d) "Gross receipts" shall not include any amount received from or charged to any person that is a related entity to the taxpayer. Nor shall gross receipts include any grants received from governmental entities or any gifts. Gross receipts shall not include any investment receipts. "Investment receipts" includes interest, dividends, capital gains, other amounts received on account of financial instruments, and distributions from business entities, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments, or from the provision of services, to any person. Gross receipts also shall not include any allocations of income or gain, or distributions (such as dividends, interest and other returns on capital) from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from an investment in such entity, and not from any other property sold to, or services provided to, such entity. Any gross receipts of a pass-through entity which is subject to the gross receipts tax shall not also constitute gross receipts of any owner of that entity.

(e) Notwithstanding the provisions of subsection (a), "gross receipts" from the sale or exchange of stocks or other similar written instruments evidencing a right to participate in the assets of any business, or of bonds or other evidence of indebtedness, or of any other marketable securities (collectively referred to in this Article as "financial instruments"), or of any real property, shall not include the cost to acquire the financial instrument(s), or real property, sold or otherwise exchanged or converted. Nor shall "gross receipts" include the amount received by the original issuer of a financial instrument in exchange for such issuance. To the extent that any loss on the sale or exchange of financial instruments reduces the gross income of a person for federal income tax purposes in the year the loss is incurred, that loss shall reduce gross receipts from the sale or exchange of financial instruments, but in no event shall those receipts be less than zero, and in no event may any such loss be carried back or carried forward to reduce gross receipts in a tax year other than that in which the loss was incurred.

(f) No person shall be deemed to be engaging in business in the City if that person is an individual whose only gross receipts within the City are derived from investments of that individual's own funds in financial instruments. Gross receipts of an individual shall not include interest, dividends, capital gains and similar items or investment income earned from the investment of that individual's own capital.

(g) For purposes of this Article and Article 12, and notwithstanding Section 6.2-12 of Article 6, no person shall be deemed to be engaging in business within the City if its activities in the City consist solely of one or more of the following:

(1) contracting with, acting through, or otherwise using the services of, any investment advisor or affiliate thereof which is not a related entity;

(2) maintaining documents of formation, incorporation, or registration within the City;

(3) being an owner, member, or other participant in an entity engaging in business within the City which is a pass-through entity for federal income tax purposes; or

(4) having trustees or directors who meet or reside within the City.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 952.4. NAICS CODE.

"NAICS code" means the numerical classification for business activities established in the North American Industry Classification System used by federal governmental agencies to classify business establishments; references in this Article to particular numerical NAICS codes are intended to apply the definitions and descriptions adopted in that system as of the effective date of this Article.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 952.5. RELATED ENTITY.

A person is a "related entity" to a taxpayer if that person and the taxpayer are permitted or required by the California Franchise Tax Board under Section 25102 *et seq.* of the California Revenue and Taxation Code, or any successor, to have their income reflected on the same combined report. For purposes of this Article, if two or more persons derive gross receipts solely from sources within California, and their business activities are such that, if conducted both within and outside California, a combined report would be required under the California Revenue and Taxation Code, or any successor, then those persons are related entities regardless of whether they file a combined report under the California Revenue and Taxation Code, or successor.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 952.6. SALE AND SELL.

"Sale" and "sell" mean the making of any transfer of title, in any manner or by any means whatsoever, to property for a price, and to the serving, supplying or furnishing, for a price, of any property fabricated or made at the special order of consumers who do or who do not furnish directly or indirectly the specifications or materials therefor. A transaction whereby the possession of property is transferred but the seller retains the title as a security for the payment of the price shall likewise be deemed a sale.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 953. IMPOSITION OF GROSS RECEIPTS TAX.

(a) Except as otherwise provided under this Article 12-A-1, the City imposes and every person engaging in business within the City shall pay an annual gross receipts tax measured by the person's gross receipts from all taxable business activities attributable to the City. A person's liability for the gross receipts tax shall be calculated according to Sections 953.1 through 953.7.

(b) The gross receipts tax is a privilege tax imposed upon persons engaging in business within the City for the privilege of engaging in a business or occupation in the City. The gross receipts tax is imposed for general governmental purposes. Proceeds from the tax shall be deposited in the City's general fund and may be expended for any purposes of the City.

(c) The voters intend by adopting this measure to authorize application of the gross receipts tax in the broadest manner consistent with the provisions of this Article 12-A-1 and the requirements of the California Constitution, the United States Constitution, and any other applicable provision of federal and state law.

(d) The tax on Administrative Office Business Activities imposed by Section 953.8 is intended as a complementary tax to the gross receipts tax, and shall be considered a gross receipts tax for purposes of this Article 12-A-1.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 953.1. GROSS RECEIPTS TAX APPLICABLE TO RETAIL TRADE; WHOLESALE TRADE; AND CERTAIN SERVICES.

(a) The gross receipts tax rates applicable to the business activities of retail trade, wholesale trade, and certain services are:

(1) For tax years beginning on or after January 1, 2018 and ending on or before December 31, 2020:

0.075% (e.g., \$0.75 per \$1,000) for gross receipts between \$0 and \$1,000,000

0.1% (e.g., \$1 per \$1,000) for gross receipts between \$1,000,001 and \$2,500,000

0.135% (e.g., \$1.35 per \$1,000) for gross receipts between \$2,500,001 and \$25,000,000

0.16% (e.g., \$1.60 per \$1,000) for gross receipts over \$25,000,000

(2) For the business activities of retail trade and certain services:

(A) For tax years 2021 through and including 2024:

0.053% (e.g., \$0.53 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.07% (e.g., \$0.70 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.095% (e.g., \$0.95 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.224% (e.g., \$2.24 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2025:

0.079% (e.g., \$0.79 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.105% (e.g., \$1.05 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.142% (e.g., \$1.42 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.224% (e.g., \$2.24 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax years beginning on or after January 1, 2026:

0.105% (e.g., \$1.05 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.14% (e.g., \$1.40 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.189% (e.g., \$1.89 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.224% (e.g., \$2.24 per \$1,000) for taxable gross receipts over \$25,000,000

(3) For the business activity of wholesale trade for tax years beginning on or after January 1, 2021:

0.105% (e.g., \$1.05 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.14% (e.g., \$1.40 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.189% (e.g., \$1.89 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.224% (e.g., \$2.24 per \$1,000) for taxable gross receipts over \$25,000,000

(b) Retail trade includes the activity of retailing any type of personal property, generally without significantly transforming its characteristics, and rendering services incidental to the retail sale of property; it includes business activity described in NAICS codes 44 and 45.

(c) Wholesale trade includes the activity of wholesaling property, generally without transformation, and rendering services incidental to the sale of property on a wholesale basis; it includes business activity described in NAICS code 42.

(d) Certain services includes the repair and maintenance services, personal and laundry services, and religious, grantmaking, civic, professional and similar organizations that are not otherwise exempt; it includes business activity described in NAICS codes 811, 812 and 813.

(e) The amount of gross receipts from retail trade activities and from wholesale trade activities subject to the gross receipts tax shall be one-half of the amount determined under Section 956.1 plus one-half of the amount determined under Section 956.2.

(f) The amount of gross receipts from certain services activities subject to the gross receipts tax shall be the total amount determined under Section 956.2.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [151-23](#), File No. 230155, App. 7/28/2023, Eff. 8/28/2023, Retro. 1/1/2023)

SEC. 953.2. GROSS RECEIPTS TAX APPLICABLE TO MANUFACTURING; TRANSPORTATION AND WAREHOUSING; INFORMATION; BIOTECHNOLOGY; CLEAN TECHNOLOGY; AND FOOD SERVICES.

(a) The gross receipts tax rates applicable to the business activities of manufacturing, transportation and warehousing, information, biotechnology, clean technology, and food services are:

(1) For tax years beginning on or after January 1, 2018 and ending on or before December 31, 2020:

0.125% (e.g., \$1.25 per \$1,000) for gross receipts between \$0 and \$1,000,000

0.205% (e.g., \$2.05 per \$1,000) for gross receipts between \$1,000,001 and \$2,500,000

0.37% (e.g., \$3.70 per \$1,000) for gross receipts between \$2,500,001 and \$25,000,000

0.475% (e.g., \$4.75 per \$1,000) for gross receipts over \$25,000,000

(2) For the business activities of manufacturing and food services:

(A) For tax years 2021 through and including 2024:

- 0.088% (e.g., \$0.88 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.144% (e.g., \$1.44 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.259% (e.g., \$2.59 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.665% (e.g., \$6.65 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2025:

- 0.131% (e.g., \$1.31 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.215% (e.g., \$2.15 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.389% (e.g., \$3.89 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.665% (e.g., \$6.65 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax years beginning on or after January 1, 2026:

- 0.175% (e.g., \$1.75 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.287% (e.g., \$2.87 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.518% (e.g., \$5.18 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.665% (e.g., \$6.65 per \$1,000) for taxable gross receipts over \$25,000,000

(3) For the business activities of transportation and warehousing and clean technology for tax years beginning on or after January 1, 2021:

- 0.175% (e.g., \$1.75 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.287% (e.g., \$2.87 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.518% (e.g., \$5.18 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.665% (e.g., \$6.65 per \$1,000) for taxable gross receipts over \$25,000,000

(4) For the business activity of biotechnology:

(A) For tax year 2021:

- 0.175% (e.g., \$1.75 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.287% (e.g., \$2.87 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.518% (e.g., \$5.18 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.665% (e.g., \$6.65 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2022 and, if the Controller does not certify under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, for tax year 2023:

- 0.181% (e.g., \$1.81 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.297% (e.g., \$2.97 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.537% (e.g., \$5.37 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.689% (e.g., \$6.89 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax year 2023 if the Controller certifies under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, and for tax year 2024 if the Controller does not certify under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024:

- 0.188% (e.g., \$1.88 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.308% (e.g., \$3.08 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.555% (e.g., \$5.55 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.713% (e.g., \$7.13 per \$1,000) for taxable gross receipts over \$25,000,000

(D) For tax year 2024 if the Controller certifies under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024, and for tax years beginning on or after January 1, 2025:

- 0.194% (e.g., \$1.94 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.318% (e.g., \$3.18 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.574% (e.g., \$5.74 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.736% (e.g., \$7.36 per \$1,000) for taxable gross receipts over \$25,000,000

(5) For the business activity of information:

(A) For tax year 2021:

0.56% (e.g., \$5.60 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.644% (e.g., \$6.44 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.714% (e.g., \$7.14 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.784% (e.g., \$7.84 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2022 and, if the Controller does not certify under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, for tax year 2023:

0.573% (e.g., \$5.73 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.665% (e.g., \$6.65 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.751% (e.g., \$7.51 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.832% (e.g., \$8.32 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax year 2023 if the Controller certifies under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, and for tax year 2024 if the Controller does not certify under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024:

0.579% (e.g., \$5.79 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.675% (e.g., \$6.75 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.77% (e.g., \$7.70 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.855% (e.g., \$8.55 per \$1,000) for taxable gross receipts over \$25,000,000

(D) For tax year 2024 if the Controller certifies under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024, and for tax years beginning on or after January 1, 2025:

0.585% (e.g., \$5.85 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.685% (e.g., \$6.85 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.788% (e.g., \$7.88 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.879% (e.g., \$8.79 per \$1,000) for taxable gross receipts over \$25,000,000

(b) Manufacturing includes the activity of transforming materials, substances or components into new products by mechanical, physical or chemical means; it includes the activity of assembling component parts of manufactured products; it includes business activity described in NAICS codes 31, 32 and 33.

(c) Transportation and warehousing includes the activities of providing transportation of passengers and/or goods, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation; it includes business activity described in NAICS codes 48 and 49.

(d) Information includes producing and distributing information or cultural products; providing the means to transmit or distribute those products; and processing data; it includes business activity described in NAICS code 51.

(e) For purposes of this Article 12-A-1:

(1) Biotechnology includes the activity of conducting biotechnology research and experimental development, and operating laboratories for biotechnology research and experimental development, using DNA, cells, and/or bioprocessing techniques, as well as the application thereof to the development of therapeutics, diagnostic products and/or devices to improve human health, animal health, and agriculture. For purposes of this Section 953.2(e)(1):

(A) "DNA" is a nucleic acid sequence, or fragment thereof, that contains the genetic information for cell growth, division, and function. Examples of DNA include recombinant DNA, RNA, mRNA, antisense, RNAi, genes and ESTs.

(B) "Cells" are membrane bound structures containing biomolecules, such as nucleic acids, proteins, and polysaccharides. This definition includes both prokaryotic (bacterial) and eukaryotic (animal or plant) cells. Examples include primary cells, transformed or cultured cells, stem cells, iPS, ESCs, fused cells and cell lines.

(C) "Bioprocessing" is the use of microbial, plant, or animal cells or portions thereof, for the production of therapeutics or diagnostics. Bioprocessing includes the extraction of compounds from biomaterials; reaction of biomaterials, such as microbial fermentation, cell culture, cell fusion or biotransformation by enzymes; and separation of product from biomaterials using filtration, purification, precipitation, centrifugation, solvents, chromatography or other means.

(2) Clean technology includes the activity of a business, as defined in Section 6.2-5 of Article 6 of the Business and Tax Regulations

Code, in which at least 75% of all business activities carried on during the tax year are directly related to one or more of the following activities:

(A) Research and development and/or associated manufacturing applying scientific advances to the production, distribution or storage of clean energy.

(B) Research and development and/or associated manufacturing applying scientific advances to prototype or commercially viable materials and products powered by clean energy, including but not limited to single passenger vehicles and fueling infrastructure.

(C) Research and development and/or associated manufacturing applying scientific advances to prototype or commercially viable techniques, materials and products that materially improve energy efficiency, water conservation or air quality.

(D) Research and development, manufacture and/or installation of solar panels.

(3) For purposes of Section 953.2(e)(2), “clean energy” means energy utilizing energy produced by wind, solar energy, landfill gas, geothermal resources, ocean thermal energy conversion, quantifiable energy conservation measures, tidal energy, wave energy, biomass, biofuels, or hydrogen fuels derived from renewable sources, excluding:

(A) any fossil fuel based energy production, including but not limited to, clean coal, clean diesel, natural gas and hydrogen from natural gas;

(B) any nuclear based energy production;

(C) waste to energy via combustion or incineration; or/and

(D) other technologies that are detrimental to human health.

(f) Food services includes the activity of preparing meals, snacks and/or beverages to customer order for immediate on-premises or off-premises consumption; it includes drinking places; it includes business activity described in NAICS code 722.

(g) The amount of gross receipts from all business activities described in this Section subject to the gross receipts tax shall be one-half of the amount determined under Section 956.1 plus one-half of the amount determined under Section 956.2.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [151-23](#), File No. 230155, App. 7/28/2023, Eff. 8/28/2023, Retro. 1/1/2023)

SEC. 953.3. GROSS RECEIPTS TAX APPLICABLE TO ACCOMMODATIONS; UTILITIES; AND ARTS, ENTERTAINMENT AND RECREATION.

(a) The gross receipts tax rates applicable to the business activities of accommodations; utilities; and arts, entertainment and recreation are:

(1) For tax years beginning on or after January 1, 2018 and ending on or before December 31, 2020:

0.3% (e.g., \$3 per \$1,000) for gross receipts between \$0 and \$1,000,000

0.325% (e.g., \$3.25 per \$1,000) for gross receipts between \$1,000,001 and \$2,500,000

0.325% (e.g., \$3.25 per \$1,000) for gross receipts between \$2,500,001 and \$25,000,000

0.4% (e.g., \$4 per \$1,000) for gross receipts over \$25,000,000

(2) For the business activities of accommodations and arts, entertainment and recreation:

(A) For tax years 2021 through and including 2024:

0.21% (e.g., \$2.10 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.228% (e.g., \$2.28 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.228% (e.g., \$2.28 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.56% (e.g., \$5.60 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2025:

0.315% (e.g., \$3.15 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.341% (e.g., \$3.41 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.341% (e.g., \$3.41 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.56% (e.g., \$5.60 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax years beginning on or after January 1, 2026:

0.42% (e.g., \$4.20 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.455% (e.g., \$4.55 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.455% (e.g., \$4.55 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.56% (e.g., \$5.60 per \$1,000) for taxable gross receipts over \$25,000,000

(3) For the business activity of utilities:

(A) For tax year 2021:

0.42% (e.g., \$4.20 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.455% (e.g., \$4.55 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.455% (e.g., \$4.55 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.56% (e.g., \$5.60 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2022 and, if the Controller does not certify under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, for tax year 2023:

0.435% (e.g., \$4.35 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.471% (e.g., \$4.71 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.471% (e.g., \$4.71 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.58% (e.g., \$5.80 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax year 2023 if the Controller certifies under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, and for tax year 2024 if the Controller does not certify under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024:

0.45% (e.g., \$4.50 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.488% (e.g., \$4.88 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.488% (e.g., \$4.88 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.6% (e.g., \$6 per \$1,000) for taxable gross receipts over \$25,000,000

(D) For tax year 2024 if the Controller certifies under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024, and for tax years beginning on or after January 1, 2025:

0.465% (e.g., \$4.65 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.504% (e.g., \$5.04 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.504% (e.g., \$5.04 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.62% (e.g., \$6.20 per \$1,000) for taxable gross receipts over \$25,000,000

(b) Accommodations includes the activity of providing lodging or short-term accommodations for travelers, vacationers, or others; it includes business activity described in NAICS code 721.

(c) Utilities includes the activities of the generation, transmission and distribution of electric power, the distribution of natural gas, the provision and distribution of steam supply, the treatment and distribution of water supply, and the removal of sewage; it includes business activity described in NAICS code 22; it excludes establishments primarily engaged in waste management services.

(d) Arts, entertainment and recreation include the activity of operating facilities or providing services to meet cultural, entertainment or recreational interests of customers or patrons; it includes business activity described in NAICS code 71.

(e) The amount of gross receipts and from accommodations subject to the gross receipts tax shall be the total amount of gross receipts derived from or related to properties located or used within the City.

(f) The amount of gross receipts from utilities subject to the gross receipts tax shall be one-half of the amount determined under Section 956.1 plus one-half of the amount determined under Section 956.2.

(g) The amount of gross receipts from arts, entertainment and recreation subject to the gross receipts tax shall be the total amount determined under Section 956.2.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021; Ord. [151-23](#), File No. 230155, App. 7/28/2023, Eff. 8/28/2023, Retro. 1/1/2023)

SEC. 953.4. GROSS RECEIPTS TAX APPLICABLE TO PRIVATE EDUCATION AND HEALTH SERVICES; ADMINISTRATIVE AND SUPPORT SERVICES; AND MISCELLANEOUS BUSINESS ACTIVITIES.

(a) The gross receipts tax rates applicable to the business activities of private education and health services, administrative and support services, and all business activities not otherwise exempt and not elsewhere subjected to a gross receipts tax rate or an

administrative office tax by this Article 12-A-1 are:

(1) For tax years beginning on or after January 1, 2018 and ending on or before December 31, 2020:

- 0.525% (e.g., \$5.25 per \$1,000) for gross receipts between \$0 and \$1,000,000
- 0.55% (e.g., \$5.50 per \$1,000) for gross receipts between \$1,000,001 and \$2,500,000
- 0.6% (e.g., \$6 per \$1,000) for gross receipts between \$2,500,001 and \$25,000,000
- 0.65% (e.g., \$6.50 per \$1,000) for gross receipts over \$25,000,000

(2) For the business activities of private education and health services and administrative and support services:

(A) For tax year 2021:

- 0.735% (e.g., \$7.35 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.77% (e.g., \$7.70 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.84% (e.g., \$8.40 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.91% (e.g., \$9.10 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2022 and, if the Controller does not certify under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, for tax year 2023:

- 0.761% (e.g., \$7.61 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.798% (e.g., \$7.98 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.87% (e.g., \$8.70 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.943% (e.g., \$9.43 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax year 2023 if the Controller certifies under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, and for tax year 2024 if the Controller does not certify under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024:

- 0.788% (e.g., \$7.88 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.825% (e.g., \$8.25 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.9% (e.g., \$9 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.975% (e.g., \$9.75 per \$1,000) for taxable gross receipts over \$25,000,000

(D) For tax year 2024 if the Controller certifies under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024, and for tax years beginning on or after January 1, 2025:

- 0.814% (e.g., \$8.14 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.853% (e.g., \$8.53 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.93% (e.g., \$9.30 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 1.008% (e.g., \$10.08 per \$1,000) for taxable gross receipts over \$25,000,000

(3) For all business activities not otherwise exempt and not elsewhere subjected to a gross receipts tax rate or an administrative office tax by this Article 12-A-1:

(A) For tax year 2021:

- 0.735% (e.g., \$7.35 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.77% (e.g., \$7.70 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.84% (e.g., \$8.40 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.91% (e.g., \$9.10 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2022 and, if the Controller does not certify under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, for tax year 2023:

- 0.788% (e.g., \$7.88 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000
- 0.825% (e.g., \$8.25 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000
- 0.9% (e.g., \$9 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000
- 0.975% (e.g., \$9.75 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax year 2023 if the Controller certifies under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, and for tax year 2024 if the Controller does not certify under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024:

0.814% (e.g., \$8.14 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.853% (e.g., \$8.53 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.93% (e.g., \$9.30 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

1.008% (e.g., \$10.08 per \$1,000) for taxable gross receipts over \$25,000,000

(D) For tax year 2024 if the Controller certifies under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024, and for tax years beginning on or after January 1, 2025:

0.84% (e.g., \$8.40 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.88% (e.g., \$8.80 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.96% (e.g., \$9.60 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

1.04% (e.g., \$10.40 per \$1,000) for taxable gross receipts over \$25,000,000

(b) Private education and health services include the activity by persons other than governmental agencies of providing instruction and training in any subject, or of providing health care or social assistance for individuals; it includes business activity described in NAICS codes 61 and 62.

(c) Administrative and support services includes the activity of performing routine support activities for the day-to-day business activities of others; it includes business activity described in NAICS code 56.

(d) The amount of gross receipts from all business activities described in this Section subject to the gross receipts tax shall be determined under Section 956.2.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition E](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 953.5. GROSS RECEIPTS TAX APPLICABLE TO CONSTRUCTION.

(a) The gross receipts tax rates applicable to the business activity of construction are:

(1) For tax years beginning on or after January 1, 2018 and ending on or before December 31, 2020:

0.3% (e.g., \$3 per \$1,000) for gross receipts between \$0 and \$1,000,000

0.35% (e.g., \$3.50 per \$1,000) for gross receipts between \$1,000,001 and \$2,500,000

0.4% (e.g., \$4 per \$1,000) for gross receipts between \$2,500,001 and \$25,000,000

0.45% (e.g., \$4.50 per \$1,000) for gross receipts over \$25,000,000

(2) For tax years beginning on or after January 1, 2021:

0.42% (e.g., \$4.20 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.49% (e.g., \$4.90 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.56% (e.g., \$5.60 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.63% (e.g., \$6.30 per \$1,000) for taxable gross receipts over \$25,000,000

(b) Construction includes the activity of preparing sites for, subdividing land for, or working on, buildings or engineering projects (including highways and utility systems); it includes business activity described in NAICS code 23.

(c) The amount of gross receipts from construction subject to the gross receipts tax shall be one-half of the amount determined under Section 956.1 plus one-half of the amount determined under Section 956.2. The amount of gross receipts so determined shall then be reduced by any amounts which were included in a person's gross receipts within the City pursuant to Section 956.1, and which that person paid to a subcontractor possessing a valid business registration certificate with the City during the tax year. There shall be no reduction for any other costs, including without limitation costs for materials, fees, equipment, or other services. In order to claim such a reduction, a person must maintain an itemized schedule of payments to subcontractors and information sufficient to enable the Tax Collector to verify that the subcontractor possessed a valid business registration certificate with the City.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition E](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 953.6. GROSS RECEIPTS TAX APPLICABLE TO FINANCIAL SERVICES; INSURANCE; AND PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES.

(a) The gross receipts tax rates applicable to the business activities of financial services; insurance; and professional, scientific and technical services are:

(1) For tax years beginning on or after January 1, 2018 and ending on or before December 31, 2020:

0.4% (e.g., \$4 per \$1,000) for gross receipts between \$0 and \$1,000,000

0.46% (e.g., \$4.60 per \$1,000) for gross receipts between \$1,000,001 and \$2,500,000

0.51% (e.g., \$5.10 per \$1,000) for gross receipts between \$2,500,001 and \$25,000,000

0.56% (e.g., \$5.60 per \$1,000) for gross receipts over \$25,000,000

(2) For the business activity of insurance:

(A) For tax year 2021:

0.56% (e.g., \$5.60 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.644% (e.g., \$6.44 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.714% (e.g., \$7.14 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.784% (e.g., \$7.84 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2022 and, if the Controller does not certify under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, for tax year 2023:

0.58% (e.g., \$5.80 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.667% (e.g., \$6.67 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.74% (e.g., \$7.40 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.812% (e.g., \$8.12 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax year 2023 if the Controller certifies under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, and for tax year 2024 if the Controller does not certify under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024:

0.6% (e.g., \$6 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.69% (e.g., \$6.90 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.765% (e.g., \$7.65 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.84% (e.g., \$8.40 per \$1,000) for taxable gross receipts over \$25,000,000

(D) For tax year 2024 if the Controller certifies under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024, and for tax years beginning on or after January 1, 2025:

0.62% (e.g., \$6.20 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.713% (e.g., \$7.13 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.791% (e.g., \$7.91 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.868% (e.g., \$8.68 per \$1,000) for taxable gross receipts over \$25,000,000

(3) For the business activities of financial services and professional, scientific and technical services:

(A) For tax year 2021:

0.56% (e.g., \$5.60 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.644% (e.g., \$6.44 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.714% (e.g., \$7.14 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.784% (e.g., \$7.84 per \$1,000) for taxable gross receipts over \$25,000,000

(B) For tax year 2022 and, if the Controller does not certify under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, for tax year 2023:

0.6% (e.g., \$6 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.69% (e.g., \$6.90 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.765% (e.g., \$7.65 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.84% (e.g., \$8.40 per \$1,000) for taxable gross receipts over \$25,000,000

(C) For tax year 2023 if the Controller certifies under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, and for tax year 2024 if the Controller does not certify under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024:

0.62% (e.g., \$6.20 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.713% (e.g., \$7.13 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.791% (e.g., \$7.91 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.868% (e.g., \$8.68 per \$1,000) for taxable gross receipts over \$25,000,000

(D) For tax year 2024 if the Controller certifies under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024, and for tax years beginning on or after January 1, 2025:

0.64% (e.g., \$6.40 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.736% (e.g., \$7.36 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$2,500,000

0.816% (e.g., \$8.16 per \$1,000) for taxable gross receipts between \$2,500,000.01 and \$25,000,000

0.896% (e.g., \$8.96 per \$1,000) for taxable gross receipts over \$25,000,000

(b) Financial services includes the activities of engaging in or facilitating financial transactions; it includes business activities described in NAICS codes 521, 522 and 523.

(c) Insurance includes the activities of facilitating or supporting the pooling of risk by underwriting insurance and annuities; the activities covered by this Section include those of persons not exempt from the gross receipts tax based on business activities described in NAICS code 524.

(d) Professional, scientific and technical services includes the activity of providing for others, specialized professional, scientific, or technical services that require a high degree of expertise and training; it includes business activity described in NAICS code 54.

(e) The amount of gross receipts from the activities described in this Section subject to the gross receipts tax shall be the amount determined under Section 956.2.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition E](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 953.7. GROSS RECEIPTS TAX APPLICABLE TO REAL ESTATE AND RENTAL AND LEASING SERVICES.

(a) The gross receipts tax rates applicable to the business activities of real estate and rental and leasing services are:

(1) For tax years beginning on or after January 1, 2018 and ending on or before December 31, 2020:

0.285% (e.g., \$2.85 per \$1,000) for gross receipts between \$0 and \$1,000,000

0.285% (e.g., \$2.85 per \$1,000) for gross receipts between \$1,000,001 and \$5,000,000

0.3% (e.g., \$3.00 per \$1,000) for gross receipts between \$5,000,001 and \$25,000,000

0.3% (e.g., \$3.00 per \$1,000) for gross receipts over \$25,000,000

(2) For tax year 2021:

0.399% (e.g., \$3.99 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.399% (e.g., \$3.99 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$5,000,000

0.42% (e.g., \$4.20 per \$1,000) for taxable gross receipts between \$5,000,000.01 and \$25,000,000

0.42% (e.g., \$4.20 per \$1,000) for taxable gross receipts over \$25,000,000

(3) For tax year 2022 and, if the Controller does not certify under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, for tax year 2023:

0.413% (e.g., \$4.13 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.413% (e.g., \$4.13 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$5,000,000

0.435% (e.g., \$4.35 per \$1,000) for taxable gross receipts between \$5,000,000.01 and \$25,000,000

0.435% (e.g., \$4.35 per \$1,000) for taxable gross receipts over \$25,000,000

(4) For tax year 2023 if the Controller certifies under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, and for tax year 2024 if the Controller does not certify under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024:

0.428% (e.g., \$4.28 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.428% (e.g., \$4.28 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$5,000,000

0.45% (e.g., \$4.50 per \$1,000) for taxable gross receipts between \$5,000,000.01 and \$25,000,000

0.45% (e.g., \$4.50 per \$1,000) for taxable gross receipts over \$25,000,000

(5) For tax year 2024 if the Controller certifies under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024, and for tax years beginning on or after January 1, 2025:

0.442% (e.g., \$4.42 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

0.442% (e.g., \$4.42 per \$1,000) for taxable gross receipts between \$1,000,000.01 and \$5,000,000

0.465% (e.g., \$4.65 per \$1,000) for taxable gross receipts between \$5,000,000.01 and \$25,000,000

0.465% (e.g., \$4.65 per \$1,000) for taxable gross receipts over \$25,000,000

(b) Real estate and rental and leasing services includes the activities of renting, leasing, or otherwise allowing the use of tangible or intangible assets, and the activity of providing related services; it includes business activity described in NAICS code 53.

(c) The amount of gross receipts from real estate and rental and leasing services subject to the gross receipts tax shall be the total amount of gross receipts derived from or related to properties located or used within the City. Gross receipts shall not include amounts derived from or related to properties located or used outside the City.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition E](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 953.8. TAX ON ADMINISTRATIVE OFFICE BUSINESS ACTIVITIES.

(a) Except as provided in this Section 953.8, notwithstanding any other provision of this Article 12-A-1 and in lieu of the other taxes provided by this Article for any person or combined group, every person engaging in business within the City as an administrative office, as defined below, shall pay an annual administrative office tax measured by its total payroll expense that is attributable to the City. If a person is a member of a combined group, then its tax shall be measured by the total payroll expense of the combined group attributable to the City. Such combined group shall pay only the administrative office tax. The administrative office tax rate is:

(1) For tax years beginning on or after January 1, 2014 and ending on or before December 31, 2021: 1.4%.

(2) For tax year 2022 and, if the Controller does not certify under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, for tax year 2023: 1.47%.

(3) For tax year 2023 if the Controller certifies under Section 953.10 that the 90% gross receipts threshold has been met for tax year 2023, and for tax year 2024 if the Controller does not certify under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024: 1.54%.

(4) For tax year 2024 if the Controller certifies under Section 953.10 that the 95% gross receipts threshold has been met for tax year 2024, and for tax years beginning on or after January 1, 2025: 1.61%

(b) "Engaging in business within the City as an administrative office" means that:

(1) a person is engaging in business within the City during the tax year and over 50 percent of the total combined payroll expense within the City of that person and its related entities for the preceding tax year was associated with providing administrative or management services exclusively to that person or related entities;

(2) the total combined number of employees of that person and its related entities within the United States as of the last day of the preceding tax year exceeded 1,000; and

(3) the total combined gross receipts of that person and its related entities reported on United States federal income tax return(s) for the preceding tax year exceeded \$1,000,000,000.

(c) For purposes of subsection (b) only, a related entity shall include any person who could be included in the same combined report under California Revenue and Taxation Code Section 25102 but for the existence of a water's edge election under Section 25110 of that Code.

(d) "Administrative or management services" comprises internal support services provided on an enterprise-wide basis, such as executive office oversight, company business strategy, recordkeeping, risk management, personnel administration, legal, accounting, market research and analysis, and training services; it does not include sales personnel or personnel actively engaged in marketing, research and development, direct customer service, and product support services. The Tax Collector is authorized to classify in its reasonable discretion which personnel employed by any person provide administrative or management services.

(e) A person provides administrative office services exclusively for itself or a related entity only if the final recipient of those services is at a location where that person or a related entity conducts business activities.

(f) "Payroll expense" for purposes of this Section 953.8 means the compensation paid to, on behalf of, or for the benefit of an individual, including shareholders of a professional corporation or a Limited Liability Company ("LLC"), including salaries, wages,

bonuses, commissions, property issued or transferred in exchange for the performance of services (including but not limited to stock options), compensation for services to owners of pass-through entities, and any other form of compensation, who during any tax year, perform work or render services, in whole or in part in the City; and if more than one individual or shareholders of a professional corporation or members of an LLC, during any tax year performs work or renders services in whole or in part in the City, the term “Payroll Expense” means the total compensation paid including salaries, wages, bonuses, commissions, property issued or transferred in exchange for the performance of services (including but not limited to stock options), in addition to any compensation for services to owners of pass-through entities, and any other form of compensation for services, to all such individuals and shareholders of a professional corporation or members of an LLC. For purposes of this definition of payroll expense:

(1) Any person that grants a service provider a right to acquire an ownership interest in such person in exchange for the performance of services shall include in its payroll expense for the tax year in which such right is exercised an amount equal to the excess of (A) the fair market value of such ownership interest on the date such right is exercised over (B) the price paid for such interest. This Section 953.8(f)(1) shall not apply for purposes of determining whether a person is engaging in business within the City as an administrative office, but shall apply for all other purposes of this Section 953.8.

(2) Any individual compensated in his or her capacity as a real estate salesperson or mortgage processor shall be deemed an employee of the real estate broker or mortgage broker for or under whom such individual performs services, and any compensation received by such individual, including compensation by way of commissions, shall be included in the payroll expense of such broker. For purposes of this Section 953.8(f), “real estate broker” and “mortgage broker” refer to any individual licensed as such under the laws of the State of California who engages the services of salespersons or a salesperson, or of mortgage processors or a mortgage processor, to perform services in the business which such broker conducts under the authority of his or her license; a “salesperson” is an individual who is engaged by a real estate broker to perform services, which may be continuous in nature, as a real estate salesperson under an agreement with a real estate broker, regardless of whether the individual is licensed as a real estate broker under the laws of the State of California; a “mortgage processor” is an individual who is engaged by a real estate broker or mortgage broker to perform services, which may be continuous in nature, as a mortgage processor under an agreement with such real estate broker or mortgage broker, regardless of whether the mortgage processor is also licensed as a mortgage broker under the laws of the State of California.

(3) All compensation, including all pass-through compensation for services paid to, on behalf of, or for the benefit of owners of a pass-through entity, shall be included in the calculation of such entity’s payroll expense tax base for purposes of determining such entity’s tax liability under this Section 953.8. For purposes of this Section 953.8(f), the “pass-through compensation for services” of a pass-through entity shall be the aggregate compensation paid by such entity for personal services rendered by all such owners, and shall not include any return on capital investment. The taxpayer may calculate the amount of compensation to owners of the entity subject to the administrative office tax in this Section 953.8, or the taxpayer may presume that, in addition to amounts reported on a W-2 form, the amount subject to the administrative office tax is, for each owner, an amount that is 200% of the average annual compensation paid to, on behalf of, or for the benefit of the employees of the pass-through entity whose compensation is in the top quartile (i.e., 25%) of the entity’s employees who are based in the City; provided, the total number of employees of the entity based in the City is not less than four.

(4) Where payroll expense is incurred by reason of work performed or services rendered by an individual wholly within the City, all of the payroll expense for such individual shall be attributable to the City and subject to tax under this Section 953.8. Where payroll expense is incurred by reason of work performed or services rendered by an individual partly within and partly without the City, the portion of such payroll expense attributable to the City (and subject to tax under this Section) shall be determined as follows:

(A) Except as otherwise provided in this Section 953.8(f)(4), the portion of such payroll expense attributable to the City shall be the portion of such payroll expense which the total number of working hours employed within the City bears to the total number of working hours within and without the City.

(B) If the amount of such payroll expense depends on the volume of business transacted by such individual, then the portion of such payroll expense attributable to the City shall be the portion of such payroll expense which the volume of business transacted by such individual in the City bears to the volume of business transacted by such individual within and without the City.

(C) If it is impracticable, unreasonable or improper to apportion such payroll expenses as aforesaid either because of the particular nature of the services of such individual, or on account of the unusual basis of compensation, or for any other reason, then the amount of such payroll earnings reasonably attributable to work performed or services rendered in the City shall be determined on the basis of all relevant facts and circumstances of the particular case, in accordance with any rulings or regulations issued or promulgated by the Tax Collector for the purpose.

(D) If the Tax Collector determines that the percentage of payroll expenses attributable to the City, for any one or more persons, is a relatively stable percentage, the Tax Collector may establish that percentage as a prima facie evidence of payroll expense attributable to the City; provided, that the Tax Collector shall condition the establishment of such fixed percentage upon the obligation of the taxpayer to report immediately to the Tax Collector any significant change in the taxpayer’s mode of business which may impact the portion of the person’s payroll expense which is attributable to the City; and, provided further, that the Tax Collector may rescind any such fixed percentage at any time by providing written notice to the taxpayer of such rescission.

(g) In addition to the administrative office tax provided in subsection (a), any person engaging in business within the City as an administrative office exclusively for itself or a related entity shall apply for a registration certificate and pay a registration fee, as provided in Article 12.

(h) Except as provided in this Section, the provisions of Article 6 and Article 12 apply to the administrative office tax. In particular, and without limiting the applicability of the balance of Article 6, the provisions of Sections 6.9-1 through 6.9-3, inclusive, of Article 6, regarding due dates, returns and prepayments, apply to the administrative office tax.

SEC. 953.9. PERSONS OR COMBINED GROUPS ENGAGED IN MULTIPLE BUSINESS ACTIVITIES.

If a person, or a combined group as described in Section 956.3, engages in business activities described in more than one of Sections 953.1 through 953.7, inclusive, or engages in business activities listed in more than one of subsections 953.1(a)(2), 953.1(a)(3), 953.2(a)(2), 953.2(a)(3), 953.2(a)(4), 953.2(a)(5), 953.3(a)(2), 953.3(a)(3), 953.4(a)(2), 953.4(a)(3), 953.6(a)(2), and 953.6(a)(3), the rate or rates of gross receipts tax to be applied to that person or combined group, and the method for determining gross receipts in the City, shall be determined as follows:

(a) If more than 80% of its gross receipts, determined in accordance with Section 956, are derived from business activities described in only one of Sections 953.1 through 953.7, inclusive, then the rules of that applicable Section apply to all of its gross receipts derived from all business activities. If the Section from which the person or combined group derived more than 80% of its gross receipts includes different rates for different business activities described in that Section, then the rates applicable to the gross receipts that are deemed to be from business activities described in that Section shall be the rates that apply to the business activities within that Section from which the person or combined group derived the most taxable gross receipts, or if there is not a single business activity within that Section from which the person or combined group derived the most taxable gross receipts because the person or combined group derived the same amount of taxable gross receipts from one or more business activities within the Section, then the rates applicable to the gross receipts that are deemed to be from business activities described in that Section shall be the highest rates within that Section that apply to business activities from which the person or combined group derived the same amount of taxable gross receipts.

(b) If its business activities in the City are described in more than one of Sections 953.1 through 953.7, inclusive, or are listed in more than one of subsections 953.1(a)(2), 953.1(a)(3), 953.2(a)(2), 953.2(a)(3), 953.2(a)(4), 953.2(a)(5), 953.3(a)(2), 953.3(a)(3), 953.4(a)(2), 953.4(a)(3), 953.6(a)(2), and 953.6(a)(3), and, after applying subsection (a) of this Section 953.9, the person or combined group remains subject to the rates in more than one of Sections 953.1 through 953.7, inclusive, or more than one of subsections 953.1(a)(2), 953.1(a)(3), 953.2(a)(2), 953.2(a)(3), 953.2(a)(4), 953.2(a)(5), 953.3(a)(2), 953.3(a)(3), 953.4(a)(2), 953.4(a)(3), 953.6(a)(2), and 953.6(a)(3), then such person or combined group shall separately compute the gross receipts tax for each set of business activities as provided in the Section or subsection applicable to that particular set of business activities, modified as follows:

(1) if the set of business activities described in any of Sections 953.1 through 953.7, inclusive, generates less than 20% of the total gross receipts of the person or combined group, then the receipts and payroll of any such set of activities may be combined for all purposes related to computing the gross receipts tax with whichever set of that person's or combined group's activities are taxed at the highest rate;

(2) the small business exemption provided in Section 954.1 shall apply only if the sum of receipts within the City from all sets of business activities does not exceed the applicable threshold in Section 954.1 in total;

(3) the progressive rates described in Sections 953.1 through 953.7, and the subsections within those Sections, apply on an aggregate basis for businesses with multiple sets of activities;

(4) the applicable rate for each set of business activities shall be determined in numbered order of the Sections and subsections describing each set of business activities; e.g., the gross receipts and tax for business activities described in subsection 953.1(a)(2) should be determined first, subsection 953.1(a)(3) second, subsection 953.3(a)(2) third, and so on;

(5) the rate(s) applicable to any set of activities after the first shall be determined by adding together the gross receipts determined for all previous sets of activities and applying the rate scale commencing with the total gross receipts so determined; and

(6) the gross receipts tax liability for the person or combined group shall be the sum of the liabilities for each set of business activities.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 953.10. CONTROLLER TO PUBLISH AND CERTIFY TAXABLE GROSS RECEIPTS AMOUNTS.

(a) On or before October 3, 2022, for purposes of determining the applicable tax rates for tax year 2023, the Controller shall publish the total amount of taxable gross receipts for tax year 2021 reported by taxpayers as of June 30, 2022, and if that amount is equal to or greater than 90% of taxable gross receipts for tax year 2019 reported by taxpayers as of June 30, 2020, the Controller shall certify that the 90% gross receipts threshold has been met for tax year 2023.

(b) On or before October 2, 2023, for purposes of determining the applicable tax rates for tax year 2024, the Controller shall publish the total amount of taxable gross receipts for tax year 2022 reported by taxpayers as of June 30, 2023, and if that amount is equal to or greater than 95% of taxable gross receipts for tax year 2019 reported by taxpayers as of June 30, 2020, the Controller shall certify that the 95% gross receipts threshold has been met for tax year 2024.

(c) For purposes of this Section 953.10, "taxable gross receipts" means a person or combined group's gross receipts, not excluded under Section 954, attributable to the City.

■ (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 953.21. GROSS RECEIPTS TAX APPLICABLE TO CATEGORY 2 BUSINESS ACTIVITIES.



New Ordinance Notice

Publisher's Note: This section has been **ADDED** by new legislation (Ord. [214-24](#), approved 8/8/2024, effective 9/8/2024, oper.if approved by electorate and not terminated). The text of the amendment will be incorporated under the new section number when the amending legislation is operative.

SEC. 954. EXEMPTIONS AND EXCLUSIONS.

(a) An organization that is exempt from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from taxation under this Article 12-A-1, only so long as those exemptions continue to exist under state or federal law.

(b) Gross receipts as defined in Section 952.3 shall not include receipts from business activities if, and only so long as and to the extent that, the City is prohibited from taxing such receipts under the Constitution or laws of the United States or under the Constitution or laws of the State of California.

(c) **Rent Controlled Buildings Exclusion.** A person subject to the tax may exclude from gross receipts in any tax year 50% of the total amount received from the rental of real property to tenants in occupancy at any location in the City, which is subject to limits on rent increases pursuant to the Residential Rent Stabilization and Arbitration Ordinance, Administrative Code, Chapter 37, Section 37.1 *et seq.*

(d) **Exclusion of Certain Sales of Real Property.** Gross receipts as defined in Section 952.3 shall not include receipts from any sales of real property with respect to which the Real Property Transfer Tax imposed by Article 12-C has been paid to the City.

(e) For only so long as and to the extent that the City is prohibited from imposing the tax under this Article 12-A-1, the following persons shall be exempt from the gross receipts tax:

(1) Banks and financial corporations exempt from local taxation under Article XIII, Section 27 of the California Constitution and Revenue and Taxation Code Section 23182;

(2) Insurance companies exempt from local taxation under Article XIII, Section 28 of the California Constitution;

(3) Persons engaging in business as a for-hire motor carrier of property under Revenue and Taxation Code Section 7233;

(4) Persons engaging in intercity transportation as a household goods carrier under Public Utilities Code Section 5327;

(5) Charter-party carriers operating limousines that are neither domiciled nor maintain a business office within the City under Public Utilities Code Section 5371.4; and

(6) Any person upon whom the City is prohibited under the Constitution or laws of the State of California from imposing the gross receipts tax.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 954.1. SMALL BUSINESS EXEMPTION.

(a) Notwithstanding any other provision of this Article 12-A-1, a “small business enterprise,” as hereinafter defined for purposes of this Article, shall be exempt from payment of the gross receipts tax, nevertheless, a small business enterprise shall pay the annual registration fee pursuant to Section 855 of Article 12.

(b) For purposes of this Article 12-A-1, the term “small business enterprise” shall mean:

(1) For tax years beginning on or after January 1, 2014 and ending on or before December 31, 2020, any person or combined group, except for a lessor of residential real estate, whose gross receipts within the City did not exceed \$1,000,000, adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31 of the preceding year, beginning with December 31, 2014.

(2) For tax years beginning on or after January 1, 2021, any person or combined group, except for a lessor of residential real estate, whose gross receipts within the City did not exceed \$2,000,000, adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31 of the preceding year, beginning with December 31, 2021.

(c) For purposes of this Article 12-A-1, and notwithstanding any other provision of this Section 954.1, a lessor of residential real estate is a “small business enterprise” if and only if the lessor leases fewer than 4 units in any individual building. “Residential real estate” means real property where the primary use of or right to use the property is for the purpose of dwelling, sleeping or lodging other than as part of the business activity of accommodations. For purposes of this Article 12-A-1 and Article 12, a lessor of residential real estate is treated as a separate person with respect to each individual building in which it leases residential real estate units, notwithstanding Section 6.2-15 of Article 6, or Section 956.3 of this Article 12-A-1. The provisions of this subsection (c) apply only to leasing residential real estate units within a building, and not to any business activity related to other space, either within the same building or other buildings, which is not residential real estate. The Tax Collector is authorized to determine what constitutes a separate building and the number of units in a building.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by Ord. [222-14](#), File No. 140798, App. 11/7/2014, Eff. 12/7/2014; Ord. [10-18](#), File No. 171133, App. 2/1/2018, Eff. 3/4/2018; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 955. PERSONS DERIVING NO GROSS RECEIPTS FROM BUSINESS ACTIVITIES OUTSIDE THE CITY.

Notwithstanding any other provision of this Article, any person subject to the gross receipts tax who derives non-exempt gross receipts from business activities within the City and derives no gross receipts from business activities outside the City is subject to tax on all non-exempt gross receipts.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 956. ALLOCATION AND APPORTIONMENT FOR ALL PERSONS DERIVING GROSS RECEIPTS FROM BUSINESS ACTIVITIES BOTH WITHIN AND OUTSIDE THE CITY.

All persons deriving gross receipts from business activities both within and outside the City shall allocate and/or apportion their gross receipts to the City, using the rules set forth in Section 956.1 and 956.2, in the manner directed in Sections 953.1 through 953.7, inclusive, and in Section 953.9 of this Article.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 956.1. ALLOCATION OF RECEIPTS FROM REAL, PERSONAL, TANGIBLE AND INTANGIBLE PROPERTY.

(a) For all persons required to determine an amount of gross receipts pursuant to this Section, that amount shall be all non-exempt gross receipts within the City as determined hereunder.

(b) Gross receipts from the sale, lease, rental or licensing of real property are in the City if the real property is located in the City.

(c) Gross receipts from sales of tangible personal property are in the City if the property is delivered or shipped to a purchaser within the City regardless of the f.o.b. point or other conditions of the sale.

(d) Gross receipts from the rental, lease or licensing of tangible personal property are in the City if the property is located in the City.

(e) Gross receipts from services are in the City to the extent the purchaser of the services received the benefit of the services in the City.

(f) Gross receipts from intangible property are in the City to the extent the property is used in the City. In the case of financial instruments, sales are in the City if the customer is located in the City.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 956.2. APPORTIONMENT OF RECEIPTS BASED ON PAYROLL.

(a) For all persons required to determine an amount of gross receipts pursuant to this Section, that amount shall be all non-exempt combined gross receipts of the person multiplied by a fraction, the numerator of which is payroll in the City and the denominator of which is combined payroll.

(b) Combined gross receipts are the total worldwide gross receipts of the person and all related entities to the person, unless the election provided for in California Revenue and Taxation Code Section 25110 is in effect for the person, in which case combined gross receipts shall be computed consistently with the water's edge election, as set forth therein.

(c) Combined payroll is the total worldwide compensation paid by the person and all related entities to the person, unless the election provided for in California Revenue and Taxation Code Section 25110 is in effect for the person, in which case combined payroll shall be computed consistently with the water's edge election, as set forth therein. A person who has no combined payroll in a tax year shall have no gross receipts under this Section for that tax year.

(d) Payroll in the City is the total amount paid for compensation in the City by the person and by all related entities to the person.

(e) Compensation paid in the City shall be determined as set forth in Section 953.8(f)(4).

(f) "Compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for services. In the case of any person who has no employees, compensation shall also include all taxable income for federal income tax purposes of the owners or proprietors of such person who are individuals. Those owners or proprietors shall be treated as individuals to whom compensation is paid for purposes of subsection (e).

(g) The apportionment provided by this Section 956.2 shall not include in either the numerator or the denominator any payroll of persons exempt from tax under subsections (a) or (e) of Section 954.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 956.3. COMBINED RETURNS.

A person engaging in business within the City must file gross receipts tax returns as provided in Article 6. Those returns must be filed on a combined basis with all of that person's related entities. That person, and all of that person's related entities, constitute a combined group. Every combined group must file a single return; the combined group must choose a single person to file the return on its behalf. Each person within the combined group engaging in business in the City must provide a power of attorney to the person filing the return, authorizing the person filing the return to file said return and to act on behalf of each person with respect to payments, refunds, audits, resolutions, and any other items related to the tax liability reflected in the return. The power of attorney shall be substantially in a form prescribed or approved by the Tax Collector. Each return filed by a combined group constitutes a combined return under this Article and Article 6. The person filing any combined return shall pay the tax liability reflected on the return and any liability determined on audit at the time and in the manner set forth for returns and liabilities in Article 6.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by Ord. [271-13](#), File No. 131031, App. 11/27/2013, Eff. 12/27/2013, Oper. 1/1/2014)

SEC. 957. TAX COLLECTOR AUTHORIZED TO DETERMINE GROSS RECEIPTS.

The Tax Collector may, in his or her reasonable discretion, independently establish a person's gross receipts within the City and establish or reallocate gross receipts among related entities so as to fairly reflect the gross receipts within the City of all persons. This authority extends to determining whether any amount excluded from gross receipts by virtue of Section 952.3(f) is in whole or in part compensation or payment for services and thus included in gross receipts.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 958. ADMINISTRATION OF THE GROSS RECEIPTS TAX ORDINANCE.

Except as otherwise provided under this Article, the Gross Receipts Tax Ordinance shall be administered pursuant to Article 6 of the San Francisco Business and Tax Regulations Code.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 959. [REPEALED.]

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; repealed by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 960. THE "PAYROLL EXPENSE TAX EXCLUSION" CREDIT.

(a) "Payroll Expense Tax Exclusion Credit" means the dollar amount by which a person would have been able to reduce its payroll expense tax liability pursuant to the Enterprise Zone Tax Credit under Section 906A of former Article 12-A and/or the Biotechnology Exclusion under Section 906.1 of former Article 12-A, as if the payroll expense tax were in full force and effect and calculated at a rate of 1.5%.

(b) For so long as a particular payroll expense tax exclusion listed under subsection (a) would have been in effect had the payroll expense tax not been repealed, a person may credit against its gross receipts tax liability for a tax year the amount of a particular payroll expense tax exclusion credit to which it would have been entitled under the former payroll expense tax; however, in no event shall such credit reduce a person's gross receipts tax liability to less than zero. Any person who claims the credit under this Section 960 must meet all of the eligibility requirements of the former payroll expense tax exclusion(s) it claims. The credit may be claimed against the tax liability only of the person who would have qualified for the former payroll expense tax exclusion and not against any liability of related entities or other members of that person's combined group.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; amended by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 960.1. TAX CREDIT FOR OPENING A PHYSICAL LOCATION IN DESIGNATED

AREAS IN THE CITY.

(a) A person or combined group that opens a physical location in the Designated Areas on or after January 1, 2023 through and including December 31, 2027, shall be allowed a credit against that person or combined group's Gross Receipts Tax if the person or combined group did not have a physical location in the City for at least three years prior to opening the physical location. The credit under this Section 960.1 shall be an annual credit for each of up to three tax years immediately following the tax year in which the person or combined group opened the physical location in the Designated Areas, provided the person or combined group maintains a physical location in the Designated Areas in the tax year that the credit is taken. To be eligible for the credit, the person or combined group must take the credit for each tax year on an original Gross Receipts Tax return filed with the Tax Collector. The credit shall be in an amount per tax year, not to exceed \$1,000,000 per tax year, calculated as follows:

(1) for a person or combined group not engaged in business within the City as an administrative office, as defined in Section 953.8 of Article 12-A-1, 0.45% of the person or combined group's taxable gross receipts during the tax year from one or more of the business activities of information, administrative and support services, financial services, insurance, and professional, scientific and technical services, as those activities are defined in Sections 953.2, 953.4, and 953.6 of this Article 12-A-1, without regard to any application of Section 953.9 of Article 12-A-1; or

(2) for a person or combined group engaged in business within the City as an administrative office, as defined in Section 953.8 of Article 12-A-1, 0.7% of the person or combined group's taxable payroll expense during the tax year.

(b) For purposes of this Section 960.1:

(1) "Designated Areas" means the areas in the City located in zip codes 94102, 94103, 94104, 94105, 94107, 94108, 94109, 94111, 94133, and 94158, as those zip codes exist on the effective date of the ordinance adding this Section 960.1.

(2) "Opens a physical location" means that the person or combined group opens, by acquiring real property or pursuant to an agreement with a term for at least six months, a location of the person or combined group that is available for the person or combined group's use and can accommodate one or more employees.

(3) In determining whether a person or combined group had a physical location in the City prior to opening a physical location, any physical location in the City of the person or combined group's predecessor in interest shall be deemed a physical location in the City of that person or combined group.

(4) The acquisition of an existing business shall not constitute the opening of a physical location.

(5) In determining whether a person or combined group had a physical location in the City prior to opening a physical location, and in determining whether a person or combined group has opened a physical location in the Designated Areas:

(A) A physical location shall not include a home or other residential location and shall also not include a location for a short-term residential rental use, as that term is defined in Section 41A.4 of Chapter 41A of the Administrative Code, as may be amended from time to time; and

(B) A person or combined group that owned or leased real property all of which such person or combined group leased or subleased to a third party that was not in such person's combined group and did not lease back shall not be considered to have had or opened a physical location as a result of owning or leasing that real property for the time period in which the real property was leased or subleased to the third party.

(c) For purposes of this Section 960.1, "taxable gross receipts" means a person or combined group's gross receipts, not excluded under Section 954 of Article 12-A-1, attributable to the City.

(d) For purposes of this Section 960.1, "taxable payroll expense" means "payroll expense" as defined in Section 953.8(f) of Article 12-A-1, attributable to the City.

(e) In no event shall the credit under this Section 960.1 reduce a person or combined group's Gross Receipts Tax liability to less than \$0 for any tax year. The credit under this Section shall not be refundable and may not be carried forward to a subsequent tax year.

(f) Notwithstanding Section 6.22-1 of the Business and Tax Regulations Code or any other provision of law that would limit public disclosure, the person or each person in the combined group that is engaging in business within the City waives any right to confidentiality in the fact that it has claimed any credit under this Section 960.1 for a particular tax year. Nothing in this subsection (f) shall constitute a waiver of the confidentiality of the information in the person or combined group's Gross Receipts Tax return, including the amount of any credit claimed under this Section, other than the fact that the person or combined group has claimed a credit under this Section.

(g) Notwithstanding any other provision of this Section 960.1, no person or combined group may claim the credit authorized under this Section 960.1 for tax years commencing on or after January 1, 2029.

(h) Commencing with a report filed no later than October 31, 2024, for the 2023 tax year, the Tax Collector shall submit an annual report by October 31 of the calendar year following each tax year to the Board of Supervisors for each tax year for which the credit under this Section 960.1 is in effect that sets forth aggregate information on the dollar amount of the credits taken each year and the number of businesses taking the credit.

SEC. 961. [REPEALED.]

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014; repealed by [Proposition E](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021)

SEC. 962. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal Article 12-A-1 of the Business and Tax Regulations Code without a vote of the people except as limited by Article XIII C of the California Constitution.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 963. EFFECT OF STATE AND FEDERAL AUTHORIZATION.

To the extent that the City's authorization to impose or collect any tax imposed under this Article 12-A-1 is expanded or limited as a result of changes in state or federal law, no amendment or modification of this Article 12-A-1 shall be required to conform the taxes to those changes, and the taxes are hereby imposed and the Tax Collector shall collect them to the full extent of the City's authorization up to the full amount and rate of the taxes imposed under this Article 12-A-1.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 964. SEVERABILITY.

Except as provided in Section 965(b) below, if any section, sentence, clause, phrase, or portion of Article 12-A-1 is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining sections, sentences, clauses, phrases, or portions of this Article shall nonetheless remain in full force and effect. The people of the City and County of San Francisco hereby declare that, except as provided in Section 965(b), they would have adopted each section, sentence, clause, phrase, or portion of this Article, irrespective of the fact that any one or more sections, sentences, clauses, phrases, or portions of this Article be declared invalid or unenforceable and, to that end, the provisions of this Article are severable.

■ (Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

SEC. 965. SAVINGS CLAUSE.

(a) No section, clause, part or provision of this Article 12-A-1 shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California. Except as provided in subsection (b) of this Section 965, if any section, clause, part or provision of this Article, or the application thereof to any person or circumstance, is held invalid or unconstitutional, the remainder of this Article, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Article are severable.

(b) If the imposition of the gross receipts tax in Section 953 is held in its entirety to be facially invalid or unconstitutional in a final court determination, the remainder of this Article 12-A-1 shall be void and of no force and effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code.

(Added by Proposition E, App. 11/6/2012, Oper. 1/1/2014)

ARTICLE 12-B:

[REPEALED]

Editor's Note:

Article 12-B, Business Tax Refund, comprising Sections 1021 through 1024, was repealed by Ordinance [52-21](#), effective October 30, 2021.

SEC. 1001.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1002.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1002.1.

SEC. 1002.2.

SEC. 1002.3.

SEC. 1002.5.

SEC. 1002.6.

SEC. 1002.6-1.

SEC. 1002.6-2.

SEC. 1002.6-5.

SEC. 1002.6-6.

SEC. 1002.6-8.

SEC. 1002.6-9.

SEC. 1002.6-10.

SEC. 1002.6-12.

SEC. 1002.6-13.

SEC. 1002.7.

SEC. 1002.8-5.

SEC. 1002.9.

SEC. 1002.10.

SEC. 1002.11.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1002.12.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1002.13.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1002.15.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 409-84, App. 9/28/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; amended by Ord. 96-99, File No. 990306, App. 4/30/99; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1003.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 29-81, App. 1/9/81; Ord. 345-88, App. 8/4/88; Ord. 358-88, App. 8/4/88; Ord. 195-94, App. 5/13/94; Ord. 267-94, App. 7/29/94; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 242-86, App. 6/20/86; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.01.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.02.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.03.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.04.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.05.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.06.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.07.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 2/28/80; Ord. 493-84, App. 12/13/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.08.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.09.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.10.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 493-84, App. 12/13/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.11.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01,

SEC. 1004.12.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.13.

(Amended by Ord. 493-84, App. 12/13/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.15.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-84, App. 9/21/84; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.16.

(Added by Proposition S, App. 6/3/80; amended by Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.17.

(Added by Ord. 295-90, App. 8/1/90; amended by Ord. 261-93, App. 8/10/93; Ord. 306-93, App. 9/30/93; Ord. 195-94, App. 5/13/94; Ord. 267-94, App. 7/29/94; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1004.18.

(Added by Ord. 195-94, App. 5/13/94; amended by Ord. 267-94, App. 7/29/94; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1005.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1005.3.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 397-82, App. 8/12/82; Ord. 345-88, App. 8/4/88; Ord. 358-88, App. 8/4/88; Ord. 273-93, App. 8/25/93; Ord. 179-94, App. 5/3/94; Ord. 195-94, App. 5/13/94; Ord. 267-94, App. 7/29/94; Ord. 429-94, App. 12/13/94; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1005.5.

(Added by Ord. 38-92, App. 2/3/92; amended by Ord. 200-93, App. 6/16/93; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1005.6.

(Added by Ord. 199-93, App. 6/16/93; amended by Ord. 25-98, App. 1/16/98; Ord. 389-98, App. 12/24/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1005.7.

(Added by Ord. 239-96, App. 6/11/96; amended by Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1005.8.

(Added by Ord. 11-97, App. 1/3/97; amended by Ord. 25-98, App. 1/16/98; amended by Ord. 167-99, File No. 990336, App. 6/28/99; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1005.9.

(Added by Ord. 392-98, App. 12/24/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1006.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1007.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 345-88, App. 8/4/88; Ord. 358-88, App. 8/4/88; Ord. 295-90, App. 8/1/90; Ord. 346-90, App. 10/17/90; Ord. 273-93, App. 8/25/93; Ord. 390-94, App. 11/18/94; Ord. 25-98, App. 1/16/98; amended by Ord. 97-99, File No. 990307, App. 4/30/99; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1007.1.

(Added by Ord. 443-88, App. 9/28/88; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1007.2.

(Added by Ord. 538-88, App. 12/16/88; amended by Ord. 273-93, App. 8/25/93; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1007.3.

(Added by Ord. 356-93, App. 11/12/93; amended by Ord. 328-97, App. 8/15/97; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1007.4.

(Added by Ord. 9-95, App. 1/13/95; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1008.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; Ord. 25-98, App. 1/16/98; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1009.

(Amended by Ord. 395-84, App. 9/20/84; Ord. 358-88, App. 8/4/88; Ord. 273-93, App. 8/25/93; Ord. 25-98, App. 1/16/98; Ord. 89-99, File No. 990299, App. 4/30/99; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1009.5.

- (Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

SEC. 1021. [REPEALED.]

- (Added by Ord. 63-01, File No. 010274, App. 4/25/2001; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 1022. [REPEALED.]

- (Added by Ord. 63-01, File No. 010274, App. 4/25/2001; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 1023. [REPEALED.]

- (Added by Ord. 63-01, File No. 010274, App. 4/25/2001; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 1024. [REPEALED.]

(Added by Ord. 63-01, File No. 010274, App. 4/25/2001; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 1026.1.

(Ord. 245-68, App. 8/21/68; amended by Ord. 119-80, App. 3/28/80; Ord. 358-88, App. 8/4/88; repealed by Ord. 63-01, File No. 010274, App. 4/25/2001)

ARTICLE 12B-1:

NEIGHBORHOOD BEAUTIFICATION AND GRAFFITI CLEAN-UP FUND TAX OPTION

- Sec. 1030. Initial Option.
- Sec. 1031. Amount of Fund Annually.
- Sec. 1032. Subsequent Option.
- Sec. 1033. Severability.

■

SEC. 1030. INITIAL OPTION.

Commencing in tax year 1990, any business, as defined in Section 1002.1 of this Code, that is subject to the Payroll Expense Tax or the Business Tax may elect to designate up to one percent of its tax liability for deposit in the Neighborhood Beautification and Graffiti Clean-up Fund.

■ (Added by Proposition D, 6/5/90)

SEC. 1031. AMOUNT OF FUND ANNUALLY.

It is the intent of the voters of the City and County of San Francisco that one million dollars (\$1,000,000.00), derived from tax proceeds designated by the taxpayers pursuant to Section 1031, shall be deposited annually in the Neighborhood Beautification and Graffiti Clean-up Fund. The Controller shall annually adjust this figure for inflation to reflect changes in the most recently available U.S. Bureau of Labor Statistics Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San José Metropolitan Area, or its successor index.

■ (Added by Proposition D, 6/5/90)

SEC. 1032. SUBSEQUENT OPTION.

For each tax year after 1990, the Controller shall determine the amount of fund revenues actually generated in the prior year, including the interest thereon and the balance, if any, remaining at the close of the tax year. On the basis of the prior year's experience of taxpayer contributions and total revenues generated by the payroll expense and business taxes, the Controller shall calculate a percentage ceiling of total tax liability which taxpayers may designate for deposit in the fund the following tax year. The Controller shall set the percentage ceiling so that the revenues produced thereby are most likely to generate a total of one million dollars (adjusted for inflation) in the fund for the forthcoming tax year. The Controller shall transmit his or her calculation to the Board of Supervisors, which shall adopt a new tax designation ceiling, if necessary, in advance of the tax year to enable the Tax Collector to perform his or her collection duties.

■ (Added by Proposition D, 6/5/90)

SEC. 1033. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this initiative ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this initiative ordinance or any part thereof. The People of the City and County of San Francisco hereby declare that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective. In addition, the voters declare their intention that should any portion of this initiative ordinance or all of it be declared invalid in whole or in part, such invalidity shall have no effect upon the continued validity of the Payroll Expense Tax and Business Tax.

(Added by Proposition D, 6/5/90)

ARTICLE 12-C:

REAL PROPERTY TRANSFER TAX

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| Sec. 1101. | Short Title. |
| Sec. 1101.1. | Definitions. |
| Sec. 1102. | Tax Imposed. |
| Sec. 1102.1. | Assessor's Parcel Numbers. |
| Sec. 1102.2. | Domestic Partners. |
| Sec. 1103. | Payment of Tax; Due Dates and Delinquency Dates. |
| Sec. 1104. | Instrument to Secure Debt. |
| Sec. 1105. | Exemptions. |
| Sec. 1106. | Exceptions. |
| Sec. 1107. | Orders of Securities and Exchange Commission. |
| Sec. 1108. | Application to Partnerships. |
| Sec. 1108.1. | Exemption; Dissolution of Marriage, Etc. |
| Sec. 1108.2. | Exemption; Deeds in Lieu of Foreclosure, Etc. |
| Sec. 1108.3. | Application to Leasehold Instruments. |
| Sec. 1108.4. | Exemption; Certain Conversions of Stock Cooperatives to Condominium Units. |

- Sec. 1108.5. Exemption; Transfers between Spouses and Transfers between Domestic Partners.
- Sec. 1108.6. Partial Exemption for Rent-Restricted Affordable Housing.
- Sec. 1108.7. Exemption for Conversion to Residential Use.
- Sec. 1108.8. Partial Exemption for Transfers of Residential Rental Properties Built and Financed by Certain Labor Organizations.
- Sec. 1109. Title Changes Not Affecting Ownership.
- Sec. 1110. Administration by County Recorder.
- Sec. 1111. Recording Payment of Tax.
- Sec. 1111.1. Records; Investigation; Subpoenas.
- Sec. 1113. Claims for Refunds.
- Sec. 1113.1. Refunds Permissible Without a Claim.
- Sec. 1113.2. Refunds; Interest.
- Sec. 1113.3. Exhaustion of Administrative Remedies; Presentation of Claim for Refund as Prerequisite to Suit; Payment of Disputed Amount and Petition for Refund; Limitations.
- Sec. 1114. Administration and Interpretation.
- Sec. 1115. Deficiency Determinations; Jeopardy Determinations.
- Sec. 1115.1. Lien Proceedings.
- Sec. 1115.2. Penalties and Interest.
- Sec. 1115.3. Manner of Giving Notice.
- Sec. 1115.4. Tax as Debt.
- Sec. 1115.5. Summary Judgment.
- Sec. 1115.6. Collection of Tax from Third Party.
- Sec. 1116. Misdemeanors.
- Sec. 1117. Remedies Cumulative.
- Sec. 1118. Confidentiality.
- Sec. 1119. Amendment of Article.

SEC. 1101. SHORT TITLE.

This Article shall be known as the "Real Property Transfer Tax Ordinance." It is adopted pursuant to the authority contained in Part 6.7 (commencing with Section 11901) of Division 2 of the Revenue and Taxation Code of the State of California.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 352-84, App. 8/8/84; Ord. 377-84, App. 8/31/84)

SEC. 1101.1. DEFINITIONS.

Except where the context otherwise requires, the terms used in this Article 12-C shall have the meanings given to them in Sections 6.2-2 *et seq.* of the Business and Tax Regulations Code.

■ (Added by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1102. TAX IMPOSED.

There is hereby imposed on each deed, instrument or writing by which any lands, tenements, or other realty sold within the City and County of San Francisco shall be granted, assigned, transferred or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his or her or their direction, when the consideration or value of the interest or property conveyed (not excluding the value of any lien or encumbrances remaining thereon at the time of sale) (a) exceeds \$100 but is less than or equal to \$250,000, a tax at the rate of \$2.50 for each \$500 or fractional part thereof; or (b) more than \$250,000 and less than \$1,000,000, a tax at the rate of \$3.40 for each \$500 or fractional part thereof for the entire value or consideration, including, but not limited to, any portion of such value or consideration that is less than \$250,000; or (c) at least \$1,000,000 and less than \$5,000,000, a tax at the rate of \$3.75 for each \$500 or fractional part thereof for the entire value or consideration, including, but not limited to, any portion of such value or consideration that is less than \$1,000,000; or (d) at least \$5,000,000 and less than \$10,000,000, a tax at the rate of \$11.25 for each \$500 or fractional part thereof for the entire value or consideration, including, but not limited to, any portion of such value or consideration that is less than \$5,000,000; or (e) at least \$10,000,000 and less than \$25,000,000, a tax at the rate of \$27.50 for each \$500 or fractional part thereof for the entire value or consideration, including but not limited to, any portion of such value or consideration that is less than \$10,000,000; or (f) at least \$25,000,000, a tax at the rate of \$30 for each \$500 or fractional part thereof for the entire value or consideration, including but not limited to, any portion of such value or consideration that is less than \$25,000,000.

(Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Ord. 357-90, App. 10/17/90; Ord. 337-94, App. 9/8/94; Ord. 338-94, Eff. 10/4/94; Proposition N, 11/4/2008; Proposition N, 11/2/2010; [Proposition W](#), 11/8/2016; [Proposition I](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2021; Proposition C, 3/5/2024, Eff. 4/12/2024)

SEC. 1102.1. ASSESSOR'S PARCEL NUMBERS.

Every document pertaining to real property that is submitted for recordation shall show on the face of the document the Assessor's current parcel number, or numbers, and the commonly-known situs and/or street name and number of the real property described therein.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 579-85, App. 12/27/85; Ord. 201-01, File No. 011242, App. 9/28/2001)

SEC. 1102.2. DOMESTIC PARTNERS.

"Domestic partnerships" shall mean a domestic partnership created pursuant to Chapter 62 of the Administrative Code, Division 2.5 of the California Family Code, or the laws of another state or political subdivision thereof, and for which a Declaration of Domestic Partnership or similar official record acknowledging the domestic partnership has been filed with the County Clerk pursuant to Chapter 62, or with the public official responsible for the registration of domestic partnerships pursuant to the laws of the jurisdiction under which the domestic partnership was created.

■ (Added by Ord. 108-04, File No. 040493, App. 6/21/2004)

SEC. 1103. PAYMENT OF TAX; DUE DATES AND DELINQUENCY DATES.

(a) Any tax imposed pursuant to this Article 12-C shall be paid by any person who makes, signs, or issues any document or instrument subject to the tax, or for whose use or benefit the same is made, signed, or issued.

(b) The tax imposed by this Article 12-C is due and payable at the time the deed, instrument or writing effecting a transfer subject to the tax is delivered, and is delinquent if unpaid 30 days later.

(c) The County Recorder may accept partial payments of taxes due. The difference between the amount paid by the person liable for the tax and the total amount due shall be treated as a delinquent tax and shall be subject to penalties and interest on the unpaid balance under Section 1115.2. Partial payments shall be applied first to administrative collection costs, interest, penalties, and other costs and charges, in that order, and the balance, if any, shall be applied to the taxes due.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1104. INSTRUMENT TO SECURE DEBT.

Any tax imposed pursuant to this ordinance shall not apply to any instrument in writing given to secure a debt.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84)

SEC. 1105. EXEMPTIONS.

Any deed, instrument or writing to which the United States or any agency or instrumentality thereof, any state or territory, or political subdivision thereof, is a party shall be exempt from any tax imposed pursuant to this ordinance when the exempt agency is acquiring title.

Any deed, instrument or writing shall be exempt from up to one-third (1/3) of any tax imposed pursuant to this ordinance if: (1) it transfers an interest in real property used as a residence; and (2) after January 1, 2009, the transferor has installed an active solar system, as that term is defined in Revenue & Taxation Code § 73(b), or has made seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies, as those terms are defined in Revenue & Taxation Code § 74.5(b), and the transferor has claimed and the Assessor has approved an exclusion from reassessment for the value of that system or those improvements. This partial exemption shall only apply to the initial transfer by the person who installed the active solar system or made the seismic safety improvements. The amount of this partial exemption shall not exceed the transferor's cost of seismic retrofitting improvements or the active solar system. Multi-family residential properties are eligible for this partial exemption.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Proposition N, 11/4/2008)

SEC. 1106. EXCEPTIONS.

Any tax imposed pursuant to this ordinance shall not apply to the making, delivering or filing of conveyances to make effective any plan of reorganization or adjustment:

(a) Confirmed under Title 11 of the United States Code;

(b) Whereby a mere change in identity, form or place or organization is effected.

Subdivisions (a) and (b), inclusive, of this Section shall only apply if the making, delivery or filing of instruments of transfer or conveyances occurs within five years from the date of such confirmation approval or change.

SEC. 1107. ORDERS OF SECURITIES AND EXCHANGE COMMISSION.

Any tax imposed pursuant to this ordinance shall not apply to the making or delivery of conveyances to make effective any order of the Securities and Exchange Commission, as defined in Subdivision (a) of Section 1083 of the Internal Revenue Code of 1954; but only if:

(a) The order of the Securities and Exchange Commission in obedience to which such conveyance is made recites that such conveyance is necessary or appropriate to effectuate the provisions of Section 79K of Title 15 of the United States Code, relating to the Public Utility Holding Company Act of 1935;

(b) Such order specifies the property which is ordered to be conveyed;

(c) Such conveyance is made in obedience to such order.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84)

SEC. 1108. APPLICATION TO PARTNERSHIPS.

(a) In the case of any realty held by a partnership or other entity treated as a partnership for federal income tax purposes, no levy shall be imposed pursuant to this Article by reason of any transfer of an interest in a partnership or other entity treated as a partnership for federal income tax purposes or otherwise, if:

(1) Such partnership or other entity treated as a partnership (or another partnership or other entity treated as a partnership) is considered a continuing partnership within the meaning of Section 708 of the Internal Revenue Code of 1986, as amended; and

(2) Such continuing partnership or other entity treated as a partnership continues to hold the realty concerned.

(b) If there is a termination of any partnership or other entity treated as a partnership for federal income tax purposes within the meaning of Section 708 of the Internal Revenue Code of 1986, as amended, for purposes of this Article, such partnership or other entity shall be treated as having executed an instrument whereby there was conveyed, for fair market value, all realty held by such partnership or other entity at the time of such termination.

(c) Not more than one tax shall be imposed pursuant to this Article by reason of a termination described in Subdivision (b), and any transfer pursuant thereto, with respect to the realty held by such partnership or other entity treated as a partnership for federal income tax purposes at the time of such termination.

(d) Notwithstanding any other language in this Section 1108, nothing in this Section shall exempt from the tax imposed under this Article 12-C any "realty sold" as described in Section 1114(b).

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Ord. 28-95, App. 2/3/95; Ord. 20-09, File No. 081450, App. 2/5/2009; [Proposition W](#), 11/8/2016)

SEC. 1108.1. EXEMPTION; DISSOLUTION OF MARRIAGE, ETC.

(a) Any tax imposed pursuant to this Article shall not apply with respect to any transfer of real property, instrument, or other writing which purports to transfer, divide, or allocate community, quasi-community, or quasi-marital property assets between spouses for the purpose of effecting a division of community, quasi-community, or quasi-marital property which is required by a judgment decreeing a dissolution of the marriage or legal separation, by a judgment of nullity, or by any other judgment or order rendered pursuant to Divisions 4, 6 and 7 of the Family Code, or by written agreement between the spouses, executed in contemplation of any such judgment or order, whether or not the written agreement is incorporated as part of any of those judgments or orders.

(b) Any tax imposed pursuant to this Article shall not apply with respect to any transfer to transfer, divide, or allocate assets held as joint tenants or as tenants-in-common between domestic partners for the purpose of effecting a division of assets upon the dissolution of a domestic partnership.

(c) In order to qualify for the exemption provided in subsections (a) or (b), the deed, instrument or other writing effecting the transfer shall include a written recital, signed by either spouse or domestic partner, stating that the transfer is entitled to the exemption.

(d) Individuals of the same sex who obtain a certificate of marriage or other official government document of any state or political subdivision thereof acknowledging their union in marriage shall be deemed to be or have been in a "domestic partnership" that qualifies for the exemption under subsection (b) in the event such individuals are denied the legal status of spouses or former spouses for purposes of the exemption in subsection (a), or the marriage certificate or other official government document acknowledging their marriage is invalidated in a final judgment or by operation of law because such individuals are of the same sex, if: (i) the transfer is for the purpose of effecting a division of assets between such individuals upon the dissolution of their union; (ii) they hold the real property or interest therein as joint tenants or tenants-in-common before the transfer; (iii) the union, regardless of its characterization as an invalid marriage or an informal or unregistered domestic partnership, has been dissolved; and (iv) the written recital signed by either individual pursuant to Subsection (c) states the particulars that exempt the transfer under this Subsection (d).

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Ord. 236-94, App. 6/16/94; Ord. 108-04, File No. 040493, App. 6/21/2004)

SEC. 1108.2. EXEMPTION; DEEDS IN LIEU OF FORECLOSURE, ETC.

Any tax imposed pursuant to this ordinance shall not apply with respect to any deed, instrument, or writing to a beneficiary or mortgagee, which is taken from the mortgagor, trustor or trustee, as a result of or in lieu of foreclosure; provided, that such tax shall apply to the extent that the consideration exceeds the unpaid debt, including accrued interest and cost of foreclosure. Consideration, unpaid debt amount and identification of grantee as beneficiary or mortgagee shall be noted on said deed, instrument or writing or stated in an affidavit for tax purposes.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 352-84, App. 8/8/84; Ord. 377-84, App. 8/31/84)

SEC. 1108.3. APPLICATION TO LEASEHOLD INSTRUMENTS.

Any tax imposed pursuant to this ordinance shall not apply with respect to any deed, instrument or writing which creates, terminates, or transfers a leasehold interest having a remaining term (including renewal options) of less than 35 years.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Proposition N, 5, 11/4/2008)

SEC. 1108.4. EXEMPTION; CERTAIN CONVERSIONS OF STOCK COOPERATIVES TO CONDOMINIUM UNITS.

Any tax imposed pursuant to this Article shall not apply with respect to any deed, instrument, or writing in connection with the conversion to condominium units of the following kind of stock cooperative project: a stock cooperative project (a) which is entitled to an exemption from the annual limitation imposed on the number of conversions and the annual condominium conversion lottery pursuant to Section 1396 of the San Francisco Subdivision Code; and (b) wherein 80 percent or more of the condominium units serve as security for loans in favor of the City and County of San Francisco, pursuant to the Homeownership Assistance Loan Fund (under San Francisco Administrative Code Section 10.100 – 08) or its predecessor program, as identified by the Mayor's Office of Housing, prior to the conversion.

■ (Added by Ord. 473-96, App. 12/13/96; amended by Ord. 20-09, File No. 081450, App. 2/5/2009)

SEC. 1108.5. EXEMPTION; TRANSFERS BETWEEN SPOUSES AND TRANSFERS BETWEEN DOMESTIC PARTNERS.

(a) The tax imposed under this Article shall not apply to transfers of real property between spouses or between domestic partners.

(b) Individuals of the same sex who obtain a certificate of marriage or other official government document of any state or political subdivision thereof acknowledging their union in marriage shall be deemed to be in a "domestic partnership" that qualifies for the exemption under subsection (a) in the event such individuals are denied the legal status of marriage or the legal rights, privileges and obligations of spouses, or the marriage certificate or other official government document acknowledging their marriage is invalidated or revoked in a final judgment or by operation of law, because such individuals are of the same sex.

(c) In order to qualify for the exemption provided in this Section, the deed, instrument or other writing effecting the transfer of real property shall include a written recital, signed by either spouse or domestic partnership, stating that the transfer is entitled to the exemption for spouses and domestic partners.

■ (Added by Ord. 108-04, File No. 040493, App. 6/21/2004)

SEC. 1108.6. PARTIAL EXEMPTION FOR RENT-RESTRICTED AFFORDABLE HOUSING.

(a) **Definitions.** For purposes of this Section 1108.6:

“Low Income Threshold” means the greatest of the following:

- (1) 80% of the MOHCD Area Median Income;
- (2) 80% of the area median income for the County of San Francisco, adjusted for household size, as published by the California Tax Credit Allocation Committee or its successor entity;
- (3) “Lower Income” for the County of San Francisco, adjusted for household size, as published by the California Department of Housing and Community Development, or its successor agency, under the California Code of Regulations and pursuant to California Health and Safety Code Section 50079.5, as amended from time to time;
- (4) “Low Income” for the County of San Francisco within the “San Francisco, CA HUD Metro FMR Area,” adjusted for household size, as published by the United States Department of Housing and Urban Development, or its successor agency; or
- (5) The maximum household income for a unit to receive the welfare exemption under California Revenue and Taxation Code Section 214(g), as amended from time to time.

“MOHCD” means the Mayor’s Office of Housing and Community Development, or its successor agency, department, or office.

“MOHCD Area Median Income” means the median income as published annually by MOHCD for the City and County of San Francisco, derived in part from the income limits and area median income determined by the United States Department of Housing and Urban Development, or its successor agency, for the San Francisco County metro fair market rent area, adjusted solely for household size, but not for high housing cost area.

“Recorded Restriction” means a document, agreement, or instrument, recorded with the County Recorder, that restricts the use of the property against which the document, agreement, or instrument is recorded.

“Rent-Restricted Affordable Housing” means a property described under either of the following subsections (1) or (2):

(1) A property transferred under Section 41B.6 of the Administrative Code, as that Section 41B.6 existed as of June 3, 2019; or

(2) A Residential Rental Property that satisfies both of the following subsections (2)(A) and (2)(B):

(A) Meets the requirements of one or more of the following subsections (2)(A)(i), (2)(A)(ii), or (2)(A)(iii):

(i) Prior to and up to the time of the transfer for which an exemption is claimed under this Section 1108.6, was granted a welfare exemption by the County Assessor under California Revenue and Taxation Code Section 214 for at least 90% of all residential units in the property;

(ii) Prior to and up to the time of the transfer for which an exemption is claimed under this Section 1108.6, was unoccupied, uninhabited, or unused for residential or commercial purposes and contained no structures for which such uses were legally permissible; or

(iii) Meets the requirements of the following subsection (2)(A)(iii)a. and is the subject of the certification in the following subsection 2(A)(iii)b.

a. Prior to and up to the time of the transfer for which an exemption is claimed under this Section 1108.6, was wholly-owned, directly or indirectly, by one or more organizations that are exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which organization(s) transfer a portion of their ownership interest(s) solely to one or more persons or legal entities who intend to hold the ownership interests in compliance with the welfare exemption under California Revenue and Taxation Code Section 214(g) for at least 90% of all residential units in the property.

b. The transferor(s) of the ownership interest(s) must certify to MOHCD that an application for the welfare exemption under California Revenue and Taxation Code Section 214(g) for at least 90% of all residential units in the property will be submitted to the County Assessor within the time limits specified in California Revenue and Taxation Code Section 271(a), and that such application will be substantially complete and valid within nine months of the date of the transfer.

(B) At the time of the transfer for which an exemption is claimed under this Section 1108.6 is, or concurrently with such transfer becomes, subject to a Recorded Restriction with an original term of at least 55 years from the date the property becomes available for residential rental use under such Recorded Restriction, and a remaining term of at least 35 years from the date of the transfer, provided that such Recorded Restriction, at a minimum:

(i) limits the maximum household income for each residential rental unit at initial occupancy to no more than 120% of MOHCD Area Median Income; and

(ii) sets a maximum household income limit applicable at initial occupancy for each residential rental unit (“Unit Maximum Income”) such that the average of all Unit Maximum Incomes in the property does not exceed the Low Income Threshold; and

(iii) limits the maximum monthly rent for each residential rental unit to no more than either:

a. the tenant-paid portion of the contract rent as determined by the San Francisco Housing Authority for residential tenants holding Section 8 vouchers or certificates; or

b. one-twelfth of 30% of the Unit Maximum Income; or

c. if the household income of the residential tenants in a residential rental unit exceeds the Unit Maximum Income after initial occupancy, one-twelfth of 30% of the household income of the residential tenants; and

(iv) provides for the regulation, monitoring, and enforcement of the restrictions in this subsection (2)(B) by a governmental agency.

For purposes of this subsection (2)(B) only, a “residential rental unit” does not include a unit for an onsite property manager.

“Residential Rental Property” means a property that may only be used to rent to residential tenants, including an onsite property manager, and excluding travelers, vacationers, or other similarly transient individuals, except that it may include: (1) up to 30% of the square footage of all floors other than the ground floor for non-profit space serving residents and/or the community, such as childcare centers, health clinics, or job training centers; and (2) any amount of square footage of the ground floor for non-residential space.

“Section 41B.6 of the Administrative Code, as that Section 41B.6 existed as of June 3, 2019” means the text of Section 41B.6 in Ordinance No. 79-19, on file with the Clerk of the Board of Supervisors in File No. 181212.

(b) **Exemption from Increased Tax Rate.** As authorized by the last sentence of Section 1102 of this Article 12-C, the increased tax rates imposed by subsections (d), (e), and (f) of Section 1102 shall not apply with respect to any deed, instrument, or writing that effects a transfer of Rent-Restricted Affordable Housing. The lower tax rate imposed by subsection (c) of Section 1102 shall apply to the entire

consideration or value of the interest or property conveyed by a deed, instrument, or writing that is subject to the exemption in this subsection (b).

(c) Requirements for Exemption.

(1) Except as provided in subsection (c)(2), every person claiming the exemption under subsection (b) must:

(A) Obtain from MOHCD a certificate confirming that the deed, instrument, or writing effects a transfer of Rent-Restricted Affordable Housing.

(B) Submit the certificate described in subsection (c)(1)(A) of this Section 1108.6 to the County Recorder at the time such person submits the affidavit described in subsection (c) or (d) of Section 1111.

(2) Notwithstanding the requirements in subsection (c)(1), every person claiming the exemption under subsection (b) for a deed, instrument, or writing that effects a transfer of Rent-Restricted Affordable Housing, when that deed, instrument, or writing is delivered on or after January 1, 2017, but prior to July 1, 2024, may do the following in lieu of the procedures described in subsection (c)(1):

(A) Obtain from MOHCD a certificate confirming that the deed, instrument, or writing effected a transfer of Rent-Restricted Affordable Housing.

(B) By December 31, 2024, submit the certificate described in subsection (c)(2)(A) of this Section 1108.6 to the County Recorder, along with a request for a refund of the tax paid on, or the cancellation or reduction of any deficiency assessed with respect to, the transfer subject to the certificate that exceeds the rates described in Section 1102(c). The County Recorder may authorize the Controller to refund these amounts, without interest, without the need for a refund claim.

This subsection (c)(2) shall not apply where the deed, instrument, or writing effects a transfer under Section 41B.6 of the Administrative Code, as that Section 41B.6 existed as of June 3, 2019.

(3) Failure to timely satisfy the requirements in this subsection (c) renders the transfer ineligible for the exemption.

(d) Revocation of Exemption.

(1) If a transfer of Rent-Restricted Affordable Housing was granted an exemption under Section 1108.6(b) on the basis that the property satisfied subsection (iii) of the definition of Rent-Restricted Affordable Housing in Section 1108.6(a)(2)(A) and the property did not satisfy subsection (i) or (ii) of that definition, the person claiming such exemption must, within the later of 25 months of the transfer and the date such person submits any request for refund, cancellation, or reduction under Section 1108.6(c)(2)(B), submit proof to the County Recorder that the property was granted a welfare exemption by the County Assessor under California Revenue and Taxation Code Section 214(g) for at least 90% of all residential units in the property within two years from the date of the transfer. The County Recorder may grant a one-year extension to the 25-month and two-year periods in this subsection (d)(1) if the welfare exemption application submitted to the County Assessor was substantially complete within nine months of the date of the transfer and the person claiming the exemption was diligently pursuing the required welfare exemption but was unable to obtain such welfare exemption within the two-year period.

(2) If the County Recorder determines that a transfer of Rent-Restricted Affordable Housing was granted an exemption under Section 1108.6(b) on the basis that that property satisfied subsection (iii) of the definition of Rent-Restricted Affordable Housing in Section 1108.6(a)(2)(A) and the property did not satisfy subsection (i) or (ii) of that definition, and that the property was not granted a welfare exemption by the County Assessor under California Revenue and Taxation Code Section 214(g) for at least 90% of all residential units in the property within two years from the date of the transfer (or the extended date under Section 1108.6(d)(1)), the County Recorder may revoke the exemption and issue a deficiency determination for the amount of tax exempted upon the basis of any information within the County Recorder's possession or that may come into the County Recorder's possession. Such deficiency determination shall bear interest at the rate of 1% per month, or fraction thereof, on the amount of tax exempted, from the date the tax would have become delinquent had the exemption in Section 1108.6 not applied, and shall be subject to a penalty of 35% of the amount of tax exempted. Such deficiency determinations and the amounts paid pursuant to such deficiency determinations shall be subject to the procedures otherwise applicable in Article 12-C of the Business and Tax Regulations Code, except for the provisions in Section 1115.2, and except that, if the County Recorder grants the one-year extension under Section 1108.6(d)(1), the time period in Section 1115(b) of the Business and Tax Regulations Code for the County Recorder to serve notice of the deficiency determination under this Section 1108.6(d)(2) shall also be extended by one year.

(e) Operative Dates.

(1) This Section 1108.66 shall apply to all deeds, instruments, or writings that effect a transfer of Rent-Restricted Affordable Housing other than deeds, instruments, or writings that effect a transfer under Section 41B.6 of the Administrative Code, as that Section 41B.6 existed as of June 3, 2019, that are or have been delivered on or after January 1, 2017, but on or before the sunset date in subsection (f).

(2) This Section 1108.6 shall apply to all deeds, instruments, or writings that effect a transfer under Section 41B.6 of the Administrative Code, as that Section 41B.6 existed as of June 3, 2019, that are or have been delivered on or after June 3, 2019, but on or before the sunset date in subsection (f).

(f) **Sunset Date.** This Section 1108.6 shall expire by operation of law on December 31, 2030, and shall not apply to any deeds, instruments, or writings that are delivered on or after January 1, 2031.

(g) **Penalty Waiver.** The County Recorder shall waive all penalties and interest imposed on transfers qualifying for the exemption in Section 1108.6 (b) for deeds, instruments, or writings that effected a transfer of Rent-Restricted Affordable Housing under subsection (2) of the definition of Rent-Restricted Affordable Housing in Section 1108.6 (a), when the deed, instrument, or writing was delivered on or

after January 1, 2017, but prior to the effective date of the ordinance, in Board File No. 231007, adding this subsection (g). The waiver in this subsection (g) shall include penalties and interest on the portion of the transfer tax not subject to the exemption in Section 1108.6 (b). The County Recorder may authorize the Controller to refund any penalties or interest qualifying for waiver under this subsection (g), without interest, to the person that paid such penalties or interest if such person files a request for refund with the County Recorder on or before December 31, 2024.

(h) **Severability.** If any section, subsection, sentence, clause, phrase, or word of this Section 1108.6, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Section 1108.6. The Board of Supervisors hereby declares that it would have enacted this Section 1108.6 and each and every subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Section 1108.6 or application thereof would be subsequently declared invalid or unconstitutional.

(i) **Undertaking for the General Welfare.** In enacting and implementing this Section 1108.6, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

(Added by Ord. [79-19](#), File No. 181212, App. 5/3/2019, Eff. 6/3/2019; amended by Ord. [205-21](#), File No. 210937, App. 11/12/2021, Eff. 12/13/2021, Retro. 1/1/2021; Ord. [8-24](#), File No. 231007, App. 12/15/2023, Eff. 1/15/2024, Retro. 1/1/2017)

SEC. 1108.7. EXEMPTION FOR CONVERSION TO RESIDENTIAL USE.

(a) **Definitions.** For purposes of this Section 1108.7, the following terms have the following meanings:

“Converted Residential Property” has the meaning set forth in subsection (b) of this Section 1108.7.

“Development Application” means any application for a building permit, site permit, conditional use authorization, variance, or for any other authorization of a conversion of a property or portion thereof from a Nonresidential Property to a Residential Property required to be approved by the Planning Department, Zoning Administrator, Planning Commission, or Historic Preservation Commission.

“Exemption Certificate” means a certificate issued by the Planning Department showing:

(1) the square feet of gross floor area being transferred that is a First Transfer of Converted Residential Property that falls within the 5,000,000 square foot limitation in subsection (c) of this Section 1108.7; and

(2) the total square feet of gross floor area being transferred.

“Final Approval” means:

(1) approval of a conversion’s first Development Application, unless such approval is appealed;

(2) if subsection (1) does not apply and a conversion only requires a site or building permit, issuance of the first site or building permit, unless such permit is appealed; or

(3) if the first Development Application or first site or building permit is appealed, then the final decision upholding the Development Application, or first site or building permit, on the appeal by the relevant City board or commission.

“First Certificate of Occupancy” means the earlier of a certificate of final completion and occupancy, or a temporary certificate of occupancy, as those terms are used in Section 109A of the Building Code, as may be amended from time to time.

“First Construction Document” means the first building permit, building permit addendum, or other document that authorizes construction of the conversion, not including permits or addenda for demolition, grading, shoring, pile driving, or site preparation work.

“First Transfer” means the first transfer of a Converted Residential Property following issuance of its First Certificate of Occupancy if such transfer would have been subject to the tax imposed under this Article 12-C absent the exemption in this Section 1108.7. For Converted Residential Properties transferred in part, the first taxable transfer of each portion of a Converted Residential Property following issuance of its First Certificate of Occupancy constitutes a “First Transfer,” but subsequent transfers of the same portion do not constitute “First Transfers.” Notwithstanding the prior sentence, a “First Transfer” does not include any transfer of all or a portion of a Converted Residential Property after a transfer subject to the exemption in this Section 1108.7 where the tax on such transfer would have been imposed on the fair market value of the entire Converted Residential Property absent the exemption in this Section 1108.7.

“Nonresidential Property” means any property or portion of a property, other than a Residential Property and other than a property that contains no buildings or other structures.

“Qualifying Certificate” means a certificate issued by the Planning Department showing the square feet of gross floor area that is proposed to qualify as Converted Residential Property within the 5,000,000 square foot limitation in subsection (c) of this Section 1108.7.

“Residential Property” means a property or portion of a property with a structure or structures or portion thereof that may only be used for housing individuals, excluding travelers, vacationers, or other similarly transient individuals, for greater than 30 consecutive days (including permitted incidental uses). It includes, but is not limited to, dwelling units, student housing, group housing, residential hotels, senior housing, nursing homes, homeless shelters, and residential care facilities, regardless of how such uses would be considered under the Planning Code. “Residential Property” includes 100% of the gross floor area of a live/work unit. In properties with mixed residential and non-residential uses, “Residential Property” includes mechanical space and common areas including but not limited to circulation,

lobbies, storage rooms, balconies, roof terraces, laundry rooms, and other resident amenity spaces, and including parking spaces or garages, in the proportion that such areas serve the residential uses to the total square feet of gross floor area served by such areas.

(b) Converted Residential Property.

(1) For purposes of this Section 1108.7, “Converted Residential Property” means a property or portion thereof that has received a First Certificate of Occupancy following conversion from a Nonresidential Property to a Residential Property, including conversions involving the demolition of Nonresidential Property to construct new Residential Property, and that meets all of the following requirements for such conversion:

(A) received a Final Approval before January 1, 2030;

(B) a Qualifying Certificate was requested with respect to the property or portion thereof on or after the effective date of this Section 1108.7, but before January 1, 2030;

(C) within three years of the later of receiving Final Approval or the effective date of this Section 1108.7, but not before the effective date of this Section, received a First Construction Document; and

(D) at the time of the transfer for which the exemption in this Section 1108.7 is claimed, the square feet of gross floor area of the improvements on the property divided by the lot area of that property is at least one.

(2) New square feet of Residential Property gross floor area in excess of the square feet of gross floor area of the original Nonresidential Property shall constitute Converted Residential Property only up to the new square feet of gross floor area that equals 10% of the square feet of gross floor area that was converted from Nonresidential Property to Residential Property.

(3) For demolitions of Nonresidential Property to construct new Residential Property, “Converted Residential Property” includes only the square feet of gross floor area of Residential Property in the new building that exceeds the square feet of gross floor area of Residential Property in the demolished building, up to a maximum square feet of gross floor area of Converted Residential Property equal to the total gross floor area of Non-Residential Property in the demolished building plus 10%.

(c) **Exemption from Tax.** Any deed, instrument, or writing that effects a First Transfer of Converted Residential Property, up to the first 5,000,000 square feet of gross floor area of Converted Residential Property, shall be exempt from the tax imposed under this Article 12-C, except as otherwise provided in this Section 1108.7. For purposes of this subsection (c), the “first 5,000,000 square feet of gross floor area” shall be determined in the order that the Planning Department receives each request for a Qualifying Certificate and shall be aggregated across all Qualifying Certificates issued and outstanding. If a deed, instrument, or writing effects a transfer of property only a portion of which is a First Transfer of Converted Residential Property, or only a portion of which is within the 5,000,000 square foot limitation, the tax shall apply to the proportion of the consideration or value that the square feet of gross floor area transferred that is not a First Transfer of Converted Residential Property or that is not within the 5,000,000 square foot limitation bears to the total square feet of gross floor area transferred, with the rate in Section 1102 determined based solely on that proportional consideration or value. Land associated with gross floor area qualifying for the exemption in this subsection (c) shall also be exempt in the proportion that the square feet of gross floor area transferred that is exempt under this subsection (c) bears to the total square feet of gross floor area transferred.

(d) **Requirements for Exemption.** Every person claiming the exemption under this Section 1108.7 must do all of the following:

(1) Request, at any time after Final Approval and in the form and manner required by the Planning Department, a Qualifying Certificate from the Planning Department. At any time after receiving a Qualifying Certificate, a request to confirm or adjust the square feet of gross floor area that is proposed to qualify as Converted Residential Property may be submitted to the Planning Department in the form and manner required by the Planning Department. Any increase in the square feet of gross floor area requested under this subsection (d)(1) that exceeds the qualifying square feet of gross floor area stated on the Qualifying Certificate or any amendment thereto shall qualify for the exemption in this Section 1108.7 only to the extent that the 5,000,000 square foot limitation in subsection (c) has not been exceeded at the time the Planning Department approves the requested increase.

(2) After receiving the First Certificate of Occupancy and in the form and manner required by the Planning Department, request an Exemption Certificate from the Planning Department for each transfer for which the person intends to claim the exemption in this Section 1108.7. Any increase in the square feet of gross floor area requested under this subsection (d)(2) that exceeds the qualifying square feet of gross floor area stated on the Qualifying Certificate or any amendment thereto shall qualify for the exemption in this Section 1108.7 only to the extent that the 5,000,000 square foot limitation in subsection (c) has not been exceeded at the time the Planning Department issues the Exemption Certificate.

(3) For each transfer for which the exemption in this Section 1108.7 is claimed, submit the Exemption Certificate to the County Recorder at the time such person submits the affidavit described in subsection (c) or (d) of Section 1111.

(4) Failure to timely satisfy the requirements of this subsection (d) renders the transfer ineligible for the exemption in this Section 1108.7.

(e) **Effect of Exemption on Other Taxes.** Any tax exempted under this Section 1108.7 shall be deemed to have been paid for purposes of Section 954(d) of Article 12-A-1 of the Business and Tax Regulations Code.

(f) **Regulations.** The Planning Department and the County Recorder may each issue rules, regulations, and interpretations of this Section 1108.7 consistent with the provisions of this Section and Article 12-C of the Business and Tax Regulations Code as may be necessary or appropriate to carry out and enforce the exemption in this Section.

(g) **Sunset Date.** This Section 1108.7 shall expire by operation of law at the end of the day on December 31, 2054, and shall not apply to any deeds, instruments, or writings delivered on or after January 1, 2055.

SEC. 1108.8. PARTIAL EXEMPTION FOR TRANSFERS OF RESIDENTIAL RENTAL PROPERTIES BUILT AND FINANCED BY CERTAIN LABOR ORGANIZATIONS.

(a) **Definitions.** For purposes of this Section 1108.8:

“Certificate of Final Completion and Occupancy” means a certificate of final completion and occupancy or an amended certificate of final completion and occupancy as those terms are used in Section 109A of the Building Code, as may be amended from time to time.

“First Construction Document” means the first building permit, building permit addendum, or other document that authorizes construction of a Newly-Constructed Building, not including permits or addenda for demolition, grading, shoring, pile driving, or site preparation work.

“Labor Organization” means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

“MOHCD” means the Mayor’s Office of Housing and Community Development, or its successor agency, department, or office.

“MOHCD Area Median Income” means the median income as published annually by MOHCD for the City and County of San Francisco, derived in part from the income limits and area median income determined by the United States Department of Housing and Urban Development, or its successor agency, for the San Francisco County metro fair market rent area, adjusted solely for household size, but not for high housing cost area.

“Newly-Constructed Building” means a building that has never before been used or occupied for any purpose.

“OLSE” means the Office of Labor Standards Enforcement, or its successor agency, department, or office.

“Qualified Investment Manager” means any of the following that manages or invests assets on behalf of one or more Qualified Pension Plans, as defined in this Section 1108.8(a):

(1) An investment adviser registered under the U.S. Investment Advisers Act of 1940, as amended from time to time, or an investment adviser exempt from registration pursuant to Section 203(l) or Section 203(m) of the U.S. Investment Advisers Act of 1940, as amended from time to time;

(2) An investment company registered under the U.S. Investment Company Act of 1940, as amended from time to time; or

(3) An insurance company pooled separate account of a state or District of Columbia regulated life insurance company.

“Qualified Pension Plan” means either subpart (1) or (2), as stated below:

(1) A pension plan that has all of the following elements:

(A) Constitutes a qualified trust under Section 401(a) of the Internal Revenue Code of 1986, as amended from time to time;

(B) Is either:

(i) A multiemployer plan collectively bargained and maintained by more than one employer and a Labor Organization; or

(ii) A plan collectively bargained and maintained by a Labor Organization; and

(C) Its beneficiaries may not decide individually whether to participate or share in the profits and losses of such plan’s investments; or

(2) An annuity plan that meets the requirements for the deduction of the employer’s contribution under Section 402(a)(2) of the Internal Revenue Code of 1986, as amended from time to time, and that has beneficiaries who are represented by a Labor Organization and the assets of which are managed without the direct intervention or control of the plan’s beneficiaries.

“Qualified Residential Rental Property” means a Residential Rental Property, whether or not the property is subject to a condominium map recorded with the County Recorder, that meets all of the requirements in subparts (1) through (4), as stated below:

(1) At the time of the transfer for which an exemption is claimed under this Section 1108.8, no less than 12% of the residential units on the property, which percentage shall be calculated by excluding any density bonus units permitted through Planning Code Section 206.3, California Government Code Section 65915, or any other density bonus program, are, or concurrently with such transfer become, subject to a Recorded Restriction that:

(A) limits the maximum household income for each residential rental unit to no more than 110% of MOHCD Area Median Income; and

(B) limits the maximum monthly rent for each residential rental unit to no more than one-twelfth of 30% of 110% of the MOHCD Area Median Income; and

(C) provides for the regulation, monitoring, and enforcement of the restrictions in this subpart (1) by a governmental agency; and

(D) has a remaining term of no less than 55 years from the date of the transfer.

(2) On or after June 3, 2014, received a Certificate of Final Completion and Occupancy for a Newly-Constructed Building.

(3) All on-site construction of the Newly-Constructed Building, from the date of the First Construction Document through the date of the Certificate of Final Completion and Occupancy for the Newly-Constructed Building, was performed by workers represented by a Labor Organization and paid not less than the Prevailing Rate of Wages as defined in Section 6.1 of the San Francisco Administrative Code, as amended from time to time, for such on-site construction work.

(4) At least one year before and through the date of the transfer for which an exemption is claimed under this Section 1108.8, one or more Qualified Pension Plans, either directly or through a Qualified Investment Manager, collectively held a \$25 million debt or equity investment, directly or indirectly, in the single property being transferred, and each such investor maintained and enforced a Responsible Contractor Policy with respect to that investor's portion of the \$25 million investment.

"Recorded Restriction" means a document, agreement, or instrument, recorded with the County Recorder, that restricts the use of the property against which the document, agreement, or instrument is recorded.

"Residential Rental Property" means a property that may only be used to rent to residential tenants, including an onsite property manager, and excluding travelers, vacationers, or other similarly transient individuals, except that it may include: (1) up to 30% of the square footage of all floors other than the ground floor for non-profit space serving residents and/or the community, such as childcare centers, health clinics, or job training centers; and (2) any amount of square footage of the ground floor for non-residential space.

"Responsible Contractor Policy" means a policy that requires all on-site construction work be performed by workers represented by a Labor Organization.

(b) **Exemption from Increased Tax Rate.** As authorized by Section 1119, the tax rates imposed by subsections (e) and (f) of Section 1102 shall be reduced with respect to any deed, instrument, or writing that effects a transfer of an entire building that constitutes a Qualified Residential Rental Property, or an undivided interest in such entire building that constitutes a Qualified Residential Rental Property. For such transfers, the tax rate shall be \$15 for each \$500 or fractional part thereof for the entire value or consideration, including but not limited to, any portion of such value or consideration that is less than \$10,000,000. If the exemptions in both Sections 1108.6(b) and this Section 1108.8 (b) apply with respect to any deed, instrument, or writing, the lower of the two rates in those two sections shall apply.

(c) **Requirements for Exemption.** Every person claiming the exemption under subsection (b), above, must meet all of the following requirements:

(1) Maintain all records necessary to prove that they are entitled to the exemption in this Section 1108.8;

(2) Obtain from OLSE a certificate confirming that the deed, instrument, or writing effects a transfer of a Qualified Residential Rental Property; and

(3) Submit the certificate under subsection (c)(2), above, to the County Recorder at the time such person submits the affidavit described in subsection (c) or (d) of Section 1111.

Failure to timely satisfy the requirements in this subsection (c) renders the transfer ineligible for the exemption.

(d) **Operative Date.** The exemption in Section 1108.8(b) shall apply to all deeds, instruments, or writings that effect transfers of Qualified Residential Rental Properties that are or have been delivered on or after the effective date of the ordinance adding this Section 1108.8, but on or before the sunset date in subsection (e).

(e) **Sunset Date.**

(1) The exemption in Section 1108.8(b) shall expire by operation of law at the end of the day on December 31, 2033, and shall not apply to any deeds, instruments, or writings that are delivered on or after January 1, 2034.

(2) Notwithstanding subsection (e)(1), above, with respect to a transfer of property that received a Certificate of Final Completion and Occupancy before the effective date of the ordinance adding this Section 1108.8, the exemption in Section 1108.8(b) shall expire by operation of law at the end of the day on June 30, 2029, and shall not apply to any deeds, instruments, or writings that are delivered on or after July 1, 2029.

(f) **Non-Severability.** If any part or application of this Section 1108.8 is found in a final decision by a court of competent jurisdiction to be invalid or unconstitutional, this Section in its entirety shall have no force or effect.

(g) **Undertaking for the General Welfare.** In enacting and implementing this Section 1108.8, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

■ (Added by Ord. [225-24](#), File No. 240728, App. 9/20/2024, Eff. 10/21/2024)

SEC. 1109. TITLE CHANGES NOT AFFECTING OWNERSHIP.

The tax imposed under this Article shall not apply where the deed, instrument, or other writing transferring title to real property between an individual or individuals and a legal entity or between legal entities results solely in a change in the method of holding title and in which the proportional ownership interests in the real property, whether represented by stock, membership interest, partnership interest, cotenancy interest, or otherwise, directly or indirectly, remains exactly the same before and after the transfer.

(As Sec. 1108(d), established by Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Ord. 28-95, App. 2/3/95; Ord. 20-09, File No. 081450, App. 2/5/2009;

SEC. 1110. ADMINISTRATION BY COUNTY RECORDER.

The County Recorder shall administer this ordinance. On or before the fifteenth day of the month the Recorder shall report to the County Auditor the amounts of taxes collected during the preceding month pursuant to this ordinance.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 352-84, App. 8/8/84; Ord. 377-84, App. 8/31/84)

SEC. 1111. RECORDING PAYMENT OF TAX.

(a) The County Recorder shall collect the tax hereby imposed and deposit the same to the General Fund. The County Recorder shall not record any deed, instrument or writing subject to the tax imposed by this Article 12-C unless the tax is paid.

(b) A declaration of the amount of the tax due, signed by the party determining the tax or his or her agent, shall appear on the face of every document subject to tax hereunder which is submitted for recordation. The declaration shall include a statement that the consideration or value on which the tax due was computed was not exclusive of the value of liens or encumbrances remaining on the interest or property conveyed at the time of sale.

(c) With every document subject to tax hereunder which is submitted for recordation, there shall also be submitted a separate affidavit stating all relevant information that is necessary for the determination of the proper transfer tax. A form for such affidavit shall be prepared by the County Recorder. The affidavit form shall include the following notice: “NOTICE: Any material misrepresentation of fact in this affidavit is a misdemeanor under Section 1116 of the Real Property Transfer Tax Ordinance. Any person who makes such a misrepresentation is subject to prosecution for such offense.”

(d) If the deed, instrument or writing by which any lands, tenements, or other realty sold within the City and County of San Francisco is granted, assigned, transferred, or otherwise conveyed is not recorded with the County Recorder’s Office, the person who makes, signs, or issues such document or for whose benefit such document was made, signed, or issued, shall submit to the County Recorder an affidavit stating all relevant information that is necessary for the determination of the proper transfer tax, on the form described in Section 1111(c). Such affidavit must be filed within 30 days from the date the document effecting the transfer is delivered. Such affidavit must be filed regardless of whether any transfer tax is due or paid. Filing an affidavit that the County Recorder determines to be incomplete in any material aspect may be deemed to be a failure to file this affidavit for purposes of the statute of limitations in Section 1115.

(e) In accepting a document for recordation, the County Recorder may rely upon the declaration of the amount of tax due and upon the affidavit of relevant information accompanying the document if the County Recorder has no reason to believe that the full amount of the tax due has not been paid.

(f) Every document subject to tax hereunder which is submitted for recordation shall show on the face of the document, or in a separate document, the location of the lands, tenements, or other realty described in the document.

(Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Ord. [201-13](#), File No. 130276, App. 10/3/2013, Eff. 11/2/2013; Ord. [111-15](#), File No. 150495, App. 7/2/2015, Eff. 8/1/2015; Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1111.1. RECORDS; INVESTIGATION; SUBPOENAS.

(a) Every person liable for the tax imposed by this Article 12-C shall keep and preserve records as may be necessary to determine the amount of tax for which the person may be liable, or whether the person is exempt from the tax. Upon request of the County Recorder, a person liable for the tax imposed by this Article 12-C shall produce such records to the County Recorder. Additionally, the County Recorder may order any person or persons, whether liable for the tax imposed by this Article 12-C or not, to furnish affidavits and produce all books, papers, documents, or any other records that the County Recorder believes may have relevance to enforcing compliance with this Article 12-C.

(b) The County Recorder may order the attendance before the County Recorder of any person or persons, whether liable for the tax imposed by this Article 12-C or not, whom the County Recorder believes may have information relevant to enforcing compliance with this Article 12-C.

(c) If the taxpayer does not maintain records that are adequate to determine liability under this Article 12-C, or following a request by the County Recorder fails to produce such records in a timely fashion, the County Recorder may determine the person’s liability based upon any information in the County Recorder’s possession, or that may come into the County Recorder’s possession. Such determination shall be prima facie evidence of the person’s liability in any subsequent administrative or judicial proceeding.

(d) The County Recorder may issue and serve subpoenas to carry out these provisions, and may adopt and implement necessary and appropriate audit procedures.

(Added by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

■ (Former Sec. 1111.1 added by Ord. 377-84, App. 8/31/84; repealed by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1113. CLAIMS FOR REFUNDS.

(a) Except as otherwise provided in subsection (d) of this Section 1113 or as provided in Section 1113.1, the Controller shall refund or cause to be refunded the amount of any tax, interest, or penalty imposed under this Article 12-C that has been overpaid or paid more than once, or has been erroneously or illegally collected or received by the City, provided the person that paid such amount files a claim in writing with the Controller within the later of one year of payment of such amount or the date the tax was due. The claim must state: (1) the specific amount claimed to have been overpaid or paid more than once, or erroneously or illegally collected or received by the City; (2) the date of transfer; and (3) the grounds upon which the claim is founded, with specificity sufficient to enable the responsible City officials to understand and evaluate the claim.

(b) Claims for refund shall be made according to California Government Code, Title 1, Division 3.6, Part 3. The Controller shall furnish a form to be used for these claims. The Controller shall enter the claim in the register, and shall forthwith forward it to the City Attorney. The City Attorney is designated to take such actions on claims as authorized by California Government Code, Title 1, Division 3.6, Part 3, Chapter 2, except that the City Attorney's authority with regard to rejecting or allowing claims shall be as provided in this Section 1113. The City Attorney may reject the claim, and shall notify the claimant of such rejection. Except as provided in subsection (c), allowance or compromise and settlement of claims under this Section 1113 in excess of \$25,000 shall require the written approval of the City Attorney and approval of the Board of Supervisors by resolution. The City Attorney may allow or compromise and settle such claims if the amount is \$25,000 or less. No claim may be paid until the Controller certifies that monies are available from the proper funds or appropriations to pay the claim as allowed or as compromised and settled. If the City approves the claim, the City may refund the excess amount collected or paid, or may credit such amount toward any amount due and payable to the City from the person from whom it was collected or by whom it was paid, and the balance may be refunded to such person, or the person's administrator or executor. For purposes of this Section 1113, a claim shall be deemed to accrue on the later of the date the tax was due or the date the tax was paid.

(c) Notwithstanding the \$25,000 limitation on the City Attorney's authority in subsection (b) of this Section 1113, the City Attorney, with the approval of the County Recorder but without the approval of the Board of Supervisors, may allow or compromise and settle claims under this Section 1113, and suits for refund following the denial of claims under this Section 1113, for any amount up to the amount of transfer tax, penalties, and interest paid that exceeds the amount of transfer tax, penalties, and interest that would have been due on a transaction if the amount of transfer tax, penalties, and interest due had been calculated using the value of the real property on the date of the transaction as finally determined by the Assessment Appeals Board of the City and County of San Francisco plus statutory interest under Section 1113.2.

(d) The City Attorney, in the City Attorney's discretion and upon good cause shown, prior to the expiration of the one-year limitations period, may waive the requirement set forth in subsection (a) of this Section 1113 that a taxpayer file a written claim for a refund in any case in which the County Recorder and City Attorney determine on the basis of the evidence that:

- (1) an amount of tax, interest, or penalty has been overpaid or paid more than once, or has been erroneously or illegally collected or received by the City; and
- (2) all other conditions precedent to the payment of a refund to the taxpayer have been satisfied.

(e) If a refund claim is allowed under this Section 1113 or a refund request is allowed under Section 1113.1, the Controller will not pay the refund unless the taxpayer first records a document that reflects payment of tax in an amount reduced by the amount of the refund.

(Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Ord. 20-09, File No. 081450, App. 2/5/2009 ; Ord. [111-15](#), File No. 150495, App. 7/2/2015, Eff. 8/1/2015; Ord. [154-15](#), File No. 150730, App. 8/6/2015, Eff. 9/5/2015; Ord. [111-20](#), File No. 200399, App. 7/17/2020, Eff. 8/17/2020)

SEC. 1113.1. REFUNDS PERMISSIBLE WITHOUT A CLAIM.

The County Recorder may authorize the Controller to refund transfer tax payments, without the need for a refund claim, if the County Recorder determines:

- (a) the tax was paid more than once;
- (b) the amount paid exceeds the amount due as a result of an arithmetic or clerical error; or
- (c) the tax was paid on a type of transaction that is exempt from the tax.

The County Recorder may authorize such a refund no later than one year after payment of the tax. The statute of limitations for filing a claim for refund under Section 1113(a) shall not be tolled and shall continue to run while a person's request for refund under this Section 1113.1 is pending.

(Added by Ord. 20-09, File No. 081450, App. 2/5/2009; amended by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1113.2. REFUNDS; INTEREST.

(a) Any amounts refunded prior to entry of a final judgment in a judicial proceeding shall bear interest at the rate for prejudgment interest on refunds of local taxes or fees provided by section 3287(c) of the California Civil Code, as amended from time to time, and shall be computed from the date of payment to the date of refund.

(b) If the Controller offsets overpayments for a particular transfer against another liability or liabilities owed to the City, or against penalties or interest on the other liability or liabilities owed to the City, the taxpayer will be credited with interest on the amount so applied at the rate of interest set forth above, computed from the date of payment.

(c) If a taxpayer elects to apply all or part of a refund, inclusive of any interest accrued up to the date of the taxpayer's election, against a future San Francisco tax liability, the taxpayer will not be credited with interest on the amount so applied from the date of the taxpayer's election.

■ (Added by Ord. [154-15](#), File No. 150730, App. 8/6/2015, Eff. 9/5/2015)

SEC. 1113.3. EXHAUSTION OF ADMINISTRATIVE REMEDIES; PRESENTATION OF CLAIM FOR REFUND AS PREREQUISITE TO SUIT; PAYMENT OF DISPUTED AMOUNT AND PETITION FOR REFUND; LIMITATIONS.

(a) Persons claiming they are aggrieved under the Business and Tax Regulations Code must prior to seeking judicial relief:

- (1) pay the amount of the disputed tax, penalty, and interest; and
- (2) present a claim for refund to the Controller and allow action to be taken on such claim, pursuant to Section 1113.

(b) The person who paid the tax, his or her guardian or conservator, the executor of his or her will, or the administrator of his or her estate may bring an action in Superior Court against the City and County of San Francisco to recover taxes, interest, or penalties that the City has refused to refund on a claim for refund pursuant to Section 1113. No other person may bring such an action; but if another person should do so, judgment shall not be rendered for the plaintiff. Any suit for refund of taxes, interest, or penalties shall be commenced within the time provided by California Government Code section 945.6, as amended from time to time. Persons claiming they are aggrieved under the Business and Tax Regulations Code may not file any type of judicial action other than a refund action. Notwithstanding any other section of this Code, no claim or defense that, for any reason, a tax is not due or cannot be applied under this Code may be raised in any judicial proceeding except in an action for refund of the disputed tax.

■ (Added by Ord. [154-15](#), File No. 150730, App. 8/6/2015, Eff. 9/5/2015)

SEC. 1114. ADMINISTRATION AND INTERPRETATION.

(a) In the administration of this ordinance the recorder shall interpret its provisions consistently with those Documentary Stamp Tax Regulations adopted by the Internal Revenue Service of the United States Treasury Department which relate to the Tax on Conveyances and are identified as Sections 47.4361-1, 47.4361-2 and 47.4362-1 of Part 47 of Title 26 of the Code of Federal Regulations, as the same existed on November 8, 1967, except that for the purposes of this ordinance, the determination of what constitutes "realty" shall be determined by the definition or scope of that term under state law.

(b) Notwithstanding subsection (a), "realty sold" includes any acquisition or transfer of ownership interests in a legal entity that would be a change of ownership of real property under California Revenue and Taxation Code Section 64. In such cases, there shall be deemed to have been an instrument executed whereby there was conveyed, for fair market value, all real property that experienced a change of ownership under California Revenue and Taxation Code Section 64.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Proposition N, 4, 11/4/2008; [Proposition W](#), 11/8/2016)

SEC. 1115. DEFICIENCY DETERMINATIONS; JEOPARDY DETERMINATIONS.

(a) **Deficiency Determinations.** Whenever the County Recorder has reason to believe that a person has failed to pay or has underpaid the tax imposed by this Article 12-C, the County Recorder may compute and determine any tax, penalty, or interest deficiency upon the basis of any information within the County Recorder's possession or that may come into the County Recorder's possession. The County Recorder may make one or more deficiency determinations for the same deed, instrument or writing by which any lands, tenements, or other realty sold within the City and County of San Francisco is granted, assigned, transferred, or otherwise conveyed.

(b) **Deficiency Determinations; Notice.** Upon making a determination pursuant to this Section 1115, the County Recorder shall record the notice of deficiency determination, and shall give to the person or persons liable for the tax, and to the owner or owners of the real property described in the notice, as said owners are shown on the records of the County Assessor, written notice of the County Recorder's determination. Except in the case of fraud, intent to evade the tax imposed by this Article 12-C, or the failure to either record the deed, instrument or writing effecting a transfer subject to the tax or file the affidavit required under Section 1111(d), in which case there is no statute of limitations, and unless the person liable for the tax has agreed in writing to extend the period for service of a notice of deficiency determination prior to such period expiring, every notice of a deficiency determination shall be served, in the manner provided by Section 1115.3, within three years after the later of:

- (1) The date the tax became delinquent;
- (2) The date the person liable for the tax recorded the deed, instrument or writing effecting a transfer subject to the tax with the County Recorder's Office, if such document was recorded; or
- (3) The date the person liable for the tax furnished to the County Recorder the affidavit required under Section 1111(d), if the deed, instrument or writing effecting a transfer subject to the tax was not recorded with the County Recorder's Office.

(c) **Deficiency Determinations; Content.** The County Recorder's notice of deficiency determination shall include the following information:

- (1) The amount of delinquent tax;
- (2) The interest that has accrued and shall continue to accrue on the delinquent tax;
- (3) The delinquency penalty then due;
- (4) The additional penalty that shall accrue if the tax is not paid by the date the deficiency determination is due and payable;
- (5) A description of the lands, property, or other realty sold that was transferred without full payment of tax; and
- (6) A notice that if the tax, penalties, and interest are not paid within 30 days after service of the notice of deficiency determination upon the person liable for the tax, the County Recorder may commence collection actions for the tax, including, but not limited to, the lien proceedings under Section 1115.1.

(d) **Deficiency Determinations; Due and Payable.** The County Recorder's deficiency determination shall be due and payable 30 days after service of the notice of deficiency determination upon the person liable for the tax.

(e) **Jeopardy Determinations.**

(1) **Duty of County Recorder.** If the County Recorder believes that the collection of any tax imposed by this Article 12-C will be jeopardized, in whole or in part, by delay, the County Recorder shall serve notice upon the person determined to be liable therefor of his or her determination of jeopardy and of the tax required to be paid to the City, and demanding immediate payment thereof, together with any interest and penalty determined to be due. The County Recorder may consider all facts and circumstances relevant to determining whether the collection of any tax will be jeopardized by delay, including but not limited to indications that the person liable for the tax intends or is taking action to discontinue business activities in the City, dissipate or otherwise remove assets from the City, or sell, exchange, assign, or otherwise dispose of personal or business income or property. The County Recorder also may consider whether the person liable for the tax is insolvent or likely to become insolvent after the taxes at issue are assessed or collected; and whether the person liable for the tax is or has been uncooperative or unresponsive in connection with any investigation, examination, audit, deficiency determination, assessment, or collection action or procedure undertaken by the County Recorder or Tax Collector.

(2) **When Due and Payable.** A jeopardy determination of tax, interest, or penalty is immediately due and payable upon the service of the notice of jeopardy determination on the person determined to be liable therefor. Prior to service of such notice, the County Recorder or Tax Collector may, notwithstanding the provisions of Section 1115.4, record a lien in the amount due as set forth in the notice of jeopardy determination. Immediately upon service of such notice, the Tax Collector may, notwithstanding the provisions of Section 1115.4, commence lien proceedings under Section 1115.1, seek summary judgment pursuant to Section 1115.5, and/or may commence a collection action in any court having jurisdiction over the matter.

(3) **Service of Notice.** Service of notice of a jeopardy determination shall be provided in the manner set forth in Section 1115.3.

(4) **Effect of Non-Payment.** If the amount specified in the jeopardy determination is not paid within 15 days after service of notice thereof upon the person against whom the determination is made, the additional 10% penalty provided in 1115.2(a)(1) shall attach to the tax or the amount of the tax required to be collected, regardless of the number of days that have passed since the date of the original delinquency.

(f) **Effect of County Recorder's Determination.** The County Recorder's issuance of a notice of deficiency determination or a notice of jeopardy determination with respect to any document or transaction, or the County Recorder's failure to issue such a notice, may not be treated as precedent for the treatment of any future document or transaction. The County Recorder's issuance of a deficiency determination or a jeopardy determination to a person for a document or transaction shall not bar the County Recorder from making further determinations regarding the liability of the person for that document or transaction.

(Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Ord. 20-09, File No. 081450, App. 2/5/2009; Ord. [201-13](#), File No. 130276, App. 10/3/2013, Eff. 11/2/2013; Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017; Ord. [250-18](#), File No. 180002, App. 11/2/2018, Eff. 12/3/2018)

SEC. 1115.1. LIEN PROCEEDINGS.

(a) **Initiating Lien Proceedings.** If the full amount of the delinquent tax, penalties, and interest is not paid within 30 days after service of the notice of deficiency determination, the County Recorder, within one year of the deficiency determination becoming due and payable, may report the delinquency to the Board of Supervisors ("the Board") and request the Board to initiate proceedings to impose a lien for the total unpaid balance against the real property that was transferred by the document delivered without full payment of tax. Said report shall, for each delinquent account, contain the names of the persons liable for the tax, the total amount due, including delinquent taxes, penalties, and interest, a description of the lands, tenements, or other realty sold that was transferred by the document delivered without full payment of tax, and the date on which the County Recorder served its notice of deficiency determination. Upon receipt of such report the Board shall fix a time and place for hearing the report and any protests or objections thereto and shall cause notice of the hearing to be mailed not less than 10 days prior to the date of hearing to each person liable for the tax and to the owner or owners of the real property described in the recorded notice of deficiency determination.

(b) **Hearing.** At the time so fixed, the Board shall meet to hear the report and any protests or objections thereto. The Board may make such revisions, corrections, or modifications of the report as it may deem just; and in the event that the Board is satisfied with the correctness of the report (as submitted or as revised, corrected, or modified), it shall be confirmed. The decision of the Board on the report and on all protests or objections thereto shall be final and conclusive; provided, however, any delinquent account may be removed

from the report by payment in full at any time prior to confirmation of the report. The Clerk of the Board shall cause the confirmed report to be verified in a form sufficient to meet recording requirements.

(c) **Special Assessment Lien.** Upon confirmation of the report by the Board, the unpaid balance reported therein, including tax, penalties, and interest, shall constitute a special assessment against the real property that was transferred by the document delivered without full payment of tax; provided, however, that the special assessment, and the lien created thereby, shall attach only to interests in the property that were held, on the date the notice of deficiency determination was recorded, by persons liable for the tax. Each such assessment shall be subordinate to all existing special assessment liens previously imposed upon such parcels and paramount to all other liens except those for State, County, and municipal taxes with which it shall be in parity. The lien shall continue until the assessment and all interest and penalties due and payable thereon are paid. All laws applicable to the levy, collection, and enforcement of municipal taxes shall be applicable to said special assessment. The Clerk of the Board shall give notice of the confirmation of the report to each person liable for the tax and to the owner or owners of the real property described in the recorded notice of deficiency determination and shall cause the confirmed and verified report to be recorded in the County Recorder's office and the special assessment lien on each parcel of property described in the report shall thereupon secure an additional charge for administrative expenses of \$50 or 10% of the unpaid balance, whichever is higher. An action to set aside the special assessment and the lien created thereby shall be commenced within one year from and after the date that notice of the confirmation of the report was given to the persons liable for the tax and to the property owners.

(d) **Filing with Controller and Tax Collector.** The Clerk of the Board shall file a certified copy of each confirmed report with the Controller and Tax Collector within 10 days after confirmation of the report, whereupon it shall be the duty of said officers to add the amount of each special assessment to the next regular bill for taxes levied for municipal purposes against the respective parcels of property described in the confirmed report.

(e) **Payment of Special Assessment.** On payment to the Tax Collector of the special assessment, including delinquent taxes, accrued penalties, interest, and the administrative expense charge authorized by Section 1115.1(c) above, the Tax Collector shall cause a Release of Lien to be recorded with the County Recorder and shall pay the statutory recording fee from the administrative expense charge. Except for the fee paid to record the Release of Lien, all sums collected by the Tax Collector pursuant to this Article 12-C shall be deposited to the General Fund.

(Ord. 377-84, App. 8/31/84; amended by Ord. 20-09, File No. 081450, App. 2/5/2009; Ord. [201-13](#), File No. 130276, App. 10/3/2013, Eff. 11/2/2013; Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1115.2. PENALTIES AND INTEREST.

(a) Penalties.

(1) **Delinquency Penalties.** If any tax is not paid prior to becoming delinquent, a delinquency penalty of 25% of the amount of tax due shall accrue. In the event only a portion of the tax is unpaid prior to becoming delinquent, the penalty shall accrue only as to the portion remaining unpaid. An additional penalty of 10% shall accrue if the tax remains unpaid on the ninetieth day following the date of the original delinquency.

(2) **Penalties for Fraud or Intent to Evade Tax.** When the County Recorder determines that the failure of any person to timely pay any tax due under this Article 12-C was attributable to fraud or an intent to evade this Article 12-C, the County Recorder shall impose a penalty in the amount of 50% of the amount of the unpaid tax. This penalty shall be in addition to the penalty imposed under Section 1115.2(a)(1) and any other fines, penalties, or other charges imposed by law.

(b) **Interest.** Interest shall accrue at the rate of 1% a month, or fraction thereof, on the amount of delinquent tax, exclusive of penalties and interest, from the date the tax becomes delinquent to the date of payment.

(c) **Penalties and Interest Part of Tax.** Interest and penalties accrued shall become part of the tax.

(Added by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

(Former Ord. 377-84, App. 8/31/84; amended by Ord. 17-98, App. 1/16/98; Ord. 20-09, File No. 081450, App. 2/5/2009; repealed by Ord. [201-13](#), File No. 130276, App. 10/3/2013, Eff. 11/2/2013)

SEC. 1115.3. MANNER OF GIVING NOTICE.

Any notice required to be given hereunder by the County Recorder or the Board of Supervisors to any person shall be sufficiently given or served if it is personally served upon such person or if it is deposited, postage prepaid, in a post office letter box addressed to the person at the address for such person given on an affidavit described in Sections 1111(c) or (d), a deed, instrument or writing subject to the tax, a refund claim form, or written protests or objections to a report of delinquency filed for or on behalf of the person or, if no such address is available, to the person at the official address maintained by the County Assessor for mailing of tax bills levied against the real property that was transferred without full payment of tax or, if no such address is available, to the person at the address of said real property. In the case of service by mail, the service is complete at the time of deposit with the United States Postal Service.

(Added by Ord. 377-84, App. 8/31/84; amended by Ord. 20-09, File No. 081450, App. 2/5/2009; Ord. [201-13](#), File No. 130276, App. 10/3/2013, Eff. 11/2/2013; Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1115.4. TAX AS DEBT.

(a) The amount of any tax, penalty, or interest imposed by this Article 12-C shall be deemed a debt owed to the City and County of San Francisco. Any person owing the tax shall be liable in an action brought in the name of the City and County of San Francisco for the recovery of such debt. In such action a reasonable attorney's fee shall be awarded the plaintiff. The provisions of this Section 1115.4 shall not be deemed a limitation upon the right of the City and County of San Francisco to bring any other action, whether criminal, legal, or equitable, based upon the failure to pay the tax, penalty, or interest imposed by this Article 12-C or the failure to comply with any of the provisions hereof.

(b) (1) If a deficiency determination made against any person remains unpaid, and the delinquent taxes, penalties, interest, and fees have been referred to the Tax Collector's Bureau of Delinquent Revenue under Section 10.38 of the Administrative Code, the Tax Collector may bring an action in the courts of this State, or any other state, or of the District of Columbia, or of the United States and its territories or possessions, or any other forum where permitted by law to recover in the name of the City any amount of the unpaid taxes, together with penalties, interest, and costs, including reasonable attorneys' fees.

(2) In any action filed pursuant to this Section 1115.4(b), the complaint shall attach a certificate executed by the Tax Collector or his or her representative that contains the following information:

(A) the name of the person liable for the tax;

(B) a description of the lands, property, or other realty sold that was transferred without full payment of tax;

(C) the amount of the tax, penalty, and interest remaining unpaid as of the last day of the month prior to the month in which the complaint is filed; and

(D) the fact that the City has complied with all provisions of this Article 12-C in the computation and the levy of the tax, penalty, or interest.

(3) In prosecuting such actions, the Tax Collector shall be entitled to all of the provisional remedies provided by law. Any such action shall be commenced within 3 years from the date the deficiency determination issued under Section 1115 became due and payable.

(c) If a deficiency determination made against any person remains unpaid, and the delinquent taxes, penalties, interest, and fees have been referred to the Tax Collector's Bureau of Delinquent Revenue under Section 10.38 of the Administrative Code, the Tax Collector may record a tax lien with the County Recorder, thereby creating a tax lien on all of the assessee's property and rights to property, including realty, personalty, and intangibles. The Tax Collector may record or file such tax lien in the office of the Recorder of any California county, with the California Secretary of State, and with any other California public entity that is otherwise authorized by law to record liens. The Tax Collector may record or file such tax liens in any other office of any other jurisdiction as permitted by law. The tax lien shall identify the Tax Collector as the lienor, and the amount of the lien. Simultaneously with the recording, a copy of the tax lien shall be mailed to or personally served upon the person determined to be liable for the tax at said person's last known address based upon the information contained in the County Assessor records. The tax lien after recordation has the force, effect, and priority of a judgment lien and continues for 10 years from the date of recording, unless sooner released or otherwise discharged.

■ (Added by Ord. 377-84, App. 8/31/84; amended by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1115.5. SUMMARY JUDGMENT.

(a) **Notice; Certificate.** If a deficiency determination made against any person remains unpaid, and the delinquent taxes, penalties, interest, and fees have been referred to the Tax Collector's Bureau of Delinquent Revenue under Section 10.38 of the Administrative Code, the Tax Collector may file, no sooner than 20 days after the mailing of the notice required in Section 1115.5(a)(1), in the office of the Clerk of the Court, without fee, a certificate specifying as follows:

(1) That a notice of intent to file the certificate has been sent, by certified mail, to the person determined to be liable for the tax at the person's last known address, not less than 20 days prior to the date of the certificate;

(2) That the notice required in subsection (a)(1) set forth the following information:

(A) The name and address of the person determined to be liable for the tax;

(B) The description of the lands, property, or other realty sold that was transferred without full payment of tax;

(C) That judgment will be sought in the amount of the tax, penalty, interest, and fees remaining unpaid at the time of the filing of the certificate, and costs as permitted by law;

(D) That, upon issuance and recordation of the judgment, additional interest will continue to accrue at the rate prescribed by the Enforcement of Judgments Law in Title 9 of Part 2 of the California Code of Civil Procedure, and that any bond premium posted or other costs to enforce the judgment shall be an added charge; and

(E) That a recording fee in the amount set forth in Section 27361.3 of the California Government Code will be required to be paid for the purpose of the recordation of any release of the judgment lien;

(3) The name of the person determined to be liable for the tax;

(4) The amount for which judgment is to be entered;

(5) That the City has complied with all provisions of Article 12-C of the Business and Tax Regulations Code in the computation and the levy of the tax, penalty, interest, and fees; and

(6) That a request is therein made for issuance and entry of judgment against the person determined to be liable for the tax.

(b) **Filing of Certificate; Entry of Judgment.** The Clerk of the Court, immediately upon the filing of the certificate, shall enter a judgment for the City and County against the person determined to be liable for the tax in the amount of the tax, penalty, interest, and fees set forth in the certificate. The Clerk of the Court may file the judgment in a loose-leaf book entitled "City and County Summary Tax Judgments."

(c) **Recording of Judgment; Lien.** An abstract or copy of the judgment shall be recorded, without fee, in the County Recorder's Office, and may be recorded in any other office in which such filing is permitted by law. The summary judgment shall be enforceable pursuant to the Enforcement of Judgments Law, located in Title 9 of Part 2 of the California Code of Civil Procedure.

(d) **Additional Penalty.** In addition to any penalty or fee imposed under this Article 12-C of the Business and Tax Regulations Code, a penalty equal to the costs incurred to enforce the judgment entered pursuant to this Section 1115.5, including reasonable attorneys' fees and costs, and the City's cost of salary and benefits for City staff to enforce the judgment, shall be imposed.

(e) **Extension of Lien.** Within 10 years from the date of the recording or the date of the last extension of the lien in the manner provided for in this Section 1115.5, the lien may be extended by recording in the County Recorder's Office an abstract or copy of the judgment. From the time of the recording, the lien extends to the property for 10 years unless sooner released or otherwise discharged.

(f) **Execution Upon the Judgment.** Execution shall issue upon the judgment upon request of the Tax Collector in the same manner as execution may issue upon other judgments, and sales shall be held under such execution as prescribed by law.

(g) **Satisfaction of Judgment; Removal of Lien.**

(1) The judgment is satisfied and the lien removed when, but not before, the certificate of release or discharge from the judgment lien is filed with the Clerk of Court and recorded in the County Recorder's Office. In addition to the judgment amount, and any additional penalty, interest, fee, cost or other amount authorized by the Business and Tax Regulations Code, the Tax Collector shall collect the recording fee in the amount required by Section 27361.3 of the California Government Code, and shall transmit the amount of the recording fee to the County Recorder together with the documents for release or discharge.

(2) The judgment is also satisfied and the lien removed when, but not before, the tax is legally canceled and a release or discharge from the judgment lien is recorded in the County Recorder's Office. A recording under this Section 1115.5(g)(2) shall be made without fee.

■ (Added by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1115.6. COLLECTION OF TAX FROM THIRD PARTY.

If a deficiency determination made against any person remains unpaid, and the delinquent taxes, penalties, interest, and fees have been referred to the Tax Collector's Bureau of Delinquent Revenue under Section 10.38 of the Administrative Code, the Tax Collector may, not later than three years after the payment became delinquent or the notice of deficiency determination became due and payable, whichever is later, give notice thereof by mail or by personal service to any persons in the State of California having in their possession or under their control any credits or other personal property belonging to the delinquent person, or owing any debts to the delinquent person. After receiving such notice, the persons so notified shall, within five days of the receipt of the notice, advise the Tax Collector by sworn writing of all such credits, personal property, or debts. Further, the persons so notified shall neither transfer nor make any other disposition of the credits, other personal property, or debts in their possession or under their control at the time they receive the notice until the Tax Collector consents to a transfer or disposition or until 30 days elapse after the person has advised the Tax Collector in a sworn writing of all such credits, personal property, or debts. Unless otherwise required by law, if persons so notified transfer such assets in violation of the provisions of this Section 1115.6, they shall become indebted to the City for the value of the property transferred, or the amount owed to the City by the delinquent person, whichever is less.

■ (Added by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1116. MISDEMEANORS.

(a) Any person or persons shall be guilty of a misdemeanor who:

(1) Makes any oral misrepresentation to any employee of the County Recorder's office of:

(A) The consideration for, the value of, or the liens upon the lands, tenements, or other realty sold that is transferred by any deed, instrument or writing that is subject to the tax imposed by this Article 12-C; or

(B) Any material fact which supports a claim that any deed, instrument or writing by which any such lands, tenements, or other realty sold is not subject to the tax imposed by this Article 12-C; or

(2) Makes any written misrepresentation of a material fact in any affidavit, declaration, or other writing that is required or may be required by this Article 12-C; or

(3) Furnishes to the County Recorder's office any false record or documentary proof which misrepresents:

(A) The consideration for, the value of, or the liens upon the lands, tenements, or other realty sold that is transferred by any deed, instrument or writing that is subject to the tax imposed by this Article 12-C; or

(B) Any material fact which supports a claim that any deed, instrument or writing by which any such lands, tenements, or other realty sold is not subject to the tax imposed by this Article 12-C.

(b) No person or persons shall be liable, either civilly or criminally, for any unintentional error made in designating the location of the land, tenements, or other realty described in a document subject to the tax imposed by this Article 12-C.

■ (Ord. 315-67, App. 12/12/67; amended by Ord. 377-84, App. 8/31/84; Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1117. REMEDIES CUMULATIVE.

The remedies, procedures, penalties, interest, collection costs, and other costs and charges, including reasonable attorneys' fees, provided in this Article 12-C are cumulative, and may be pursued alternatively, concurrently, or consecutively as the County Recorder and/or the Tax Collector determine.

■ (Added by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1118. CONFIDENTIALITY.

(a) Unless otherwise required by law, the information in a person's affidavit filed under Sections 1111(c) or (d) is confidential, as is any information the County Recorder learns about a person from the person or in response to the County Recorder's request for information made under Section 1111.1. Information regarding the County Recorder's investigation of a particular person or transaction, including the fact that the County Recorder has sent a request for information to a particular person or is investigating a particular person or transaction, is also confidential. Except as permitted by this Section 1118 or as otherwise required by law, neither the County Recorder nor his or her staff, nor any other of the City's current or former employees or agents may disclose confidential information to any person.

(b) At the discretion of the County Recorder or Tax Collector, otherwise confidential information may be disclosed in any judicial proceeding or administrative proceeding pertaining to tax administration, determination, assessment, collection, or enforcement, of any civil or criminal liability arising under this Article 12-C if the information concerns a person who is a party to the proceeding, or the proceeding arose out of, or in connection with determining that person's civil or criminal liability, or the collection of that person's liability with respect to any tax imposed thereunder.

(c) At the discretion of the County Recorder or Tax Collector, disclosure of otherwise confidential information may be made to the extent such disclosures are reasonably necessary to obtaining information bearing a direct relationship to the determination, assessment, collection, or enforcement of any civil or criminal liability arising under this Article 12-C.

(d) At the discretion of the County Recorder or Tax Collector, the County Recorder or Tax Collector may disclose otherwise confidential information to employees or agents of the County Recorder or Tax Collector or other City employees who are engaged in matters preparatory to any judicial or administrative proceeding pertaining to the administration or enforcement of any civil or criminal liability arising out of this Article 12-C.

(e) If the County Recorder or Tax Collector determines that a liability owing from a person may be collected from another person, the County Recorder or Tax Collector may disclose to such other person information relevant to the determination and collection of tax due or owing from the person owing the liability.

(f) The taxpayer, the taxpayer's successors, receivers, trustees, executors, administrators, assignees, and guarantors, and their duly authorized legal representatives if directly interested, may be given information regarding the items included in the measure and amount of any unpaid tax or amounts of tax required to be collected, interest, and penalties.

(g) Notwithstanding any other provision of the Business and Tax Regulations Code or of any City ordinance, the County Recorder and Tax Collector are authorized to enter into agreements with other public taxing agencies providing for the exchange of information for official purposes of said agencies, and to implement any such agreement through the exchange of information.

(h) Notwithstanding, any other provision of the Business and Tax Regulations Code or of any City ordinance, the County Recorder and Tax Collector shall provide any and all information to the Assessor and Controller that is needed to fulfill the Assessor's responsibilities under Section 6.101 of the Charter or the Controller's responsibilities under Section 3.105 of the Charter. With regard to all such information provided by the County Recorder or Tax Collector, the Assessor and Controller shall be subject to the confidentiality provisions of subsection (a) of this Section 1118.

(i) The County Recorder or Tax Collector may disclose to any City employee or agent for official purposes any information described in Section 1118(a) in aggregate or other form that does not disclose the identity of particular taxpayers.

(j) Nothing in this Section 1118 shall impose any liability upon the Tax Collector or the County Recorder, or any employee or agent thereof, for any disclosures of confidential information made in the performance of his or her duties.

■ (Added by Ord. [176-17](#), File No. 170703, App. 7/27/2017, Eff. 8/26/2017)

SEC. 1119. AMENDMENT OF ARTICLE.

The Board of Supervisors may amend or repeal this Article 12-C by ordinance without a vote of the people except as limited by the California Constitution.

ARTICLE 12-D:

UNIFORM LOCAL SALES AND USE TAX

- Sec. 1201. Title.
- Sec. 1202. Purpose of Ordinance.
- Sec. 1203. Operative Date – Contract with State Board of Equalization.
- Sec. 1204. Imposition and Rate of Sales Tax – Place of Business – Application of Sections of State Revenue and Taxation Code; Exceptions – Permits – Exemptions.
- Sec. 1204.5. Exclusions from Calculation of Gross Receipts.
- Sec. 1205. Imposition and Rate of Use Tax – Application of Sections of State Revenue and Taxation Code; Exemptions.
- Sec. 1205.5. Exemptions from Use Tax.
- Sec. 1206. Amendments.
- Sec. 1206.5. Credit.
- Sec. 1207. When Ordinance May Be Made Inoperative.
- Sec. 1208. Enjoining Collection, Not Permitted.
- Sec. 1208.1. Operation of Sections 1204.5, 1205.5 and 1206.6.
- Sec. 1208.5. Ordinance Made Inoperative.
- Sec. 1209. Violations – Penalties.
- Sec. 1210. Functions Performed by Board of Equalization.
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SEC. 1201. TITLE.

This Article shall be known as the "Uniform Local Sales and Use Tax Ordinance of the City and County of San Francisco."

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1202. PURPOSE OF ORDINANCE.

The Board of Supervisors of the City and County of San Francisco hereby declares that this ordinance is adopted to achieve the following, among other purposes, and directs that the provisions thereof be interpreted in order to accomplish those purposes:

(a) To adopt a sales and use tax ordinance which complies with the requirements and limitations contained in Part 1.5 of Division 2 of the Revenue and Taxation Code of the State of California;

(b) To adopt a sales and use tax ordinance which incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.5 of Division 2 of the Revenue and Taxation Code;

(c) To adopt a sales and use tax ordinance which imposes a percent tax and provides a measure therefor that can be administered and collected by the State of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes;

(d) To adopt a sales and use tax ordinance which can be administered in a manner that will, to the degree possible consistent with provisions of Part 1.5 of Division 2 of the said Revenue and Taxation Code, minimize the cost of collecting County sales and use taxes and at the same time minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1203. OPERATIVE DATE – CONTRACT WITH STATE BOARD OF EQUALIZATION.

This ordinance shall become operative on July 1, 1958, and prior thereto this City and County of San Francisco shall contract with the State Board Equalization to perform all functions incident to the administration and operation of this sales and use tax ordinance.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1204. IMPOSITION AND RATE OF SALES TAX – PLACE OF BUSINESS – APPLICATION OF SECTIONS OF STATE REVENUE AND TAXATION CODE; EXCEPTIONS – PERMITS – EXEMPTIONS.

(a) (1) For the privilege of selling tangible personal property at retail a tax is hereby imposed upon all retailers in the City and County at the rate of one percent of the gross receipts of the retailer from the sale of all tangible personal property sold at retail in the City and County of San Francisco on and after July 1, 1958, to and including June 30, 1972, and at the rate of 1 thereafter.

(2) For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the State Sales and Use Tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the Board of Equalization.

(b) (1) Except as hereinafter provided, and except insofar as they are inconsistent with the provisions of Part 1.5 of Division 2 of the Revenue and Taxation Code of the State of California, all of the provisions of Part 1 of Division 2 of the said Code, as amended and in force and effect on July 1, 1958, applicable to sales taxes are hereby adopted and made a part of this Section as though fully set forth herein.

(2) Wherever, and to the extent that, in Part 1 of Division 2 of the Revenue and Taxation Code the State of California is named or referred to as the taxing agency, the City and County of San Francisco shall be substituted therefor. Nothing in this Subdivision shall be deemed to require the substitution of the name of the City and County of San Francisco for the word "State" when that word is used as a part of the title of the State Controller, State Treasurer, the State Board of Control, the State Board of Equalization, or the name of the State Treasury, or of the Constitution of the State of California; nor shall the name of the City and County be substituted for that of the State in any Section when the result of that substitution would require action to be taken by or against the City and County or any agency thereof, rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance; and neither shall the substitution be deemed to have been made in those Sections, including, but not necessarily limited to, Sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to provide an exemption from this tax with respect to certain gross receipts which would not otherwise be exempt from this tax while those gross receipts remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; nor to impose this tax with respect to certain gross receipts which would not be subject to tax by the State under the said provisions of that Code; and, in addition, the name of the City and County shall not be substituted for that of the State in Sections 6701, 6702, except in the last sentence thereof, 6711, 6715, 6737, 6797 and 6828 of the Revenue and Taxation Code as adopted.

(3) If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional seller's permit shall not be required by reason of this Section.

(4) There shall be excluded from the gross receipts by which the tax is measured:

(i) The amount of any sales or use tax imposed by the State of California upon a retailer or consumer.

(ii) Eighty percent of the gross receipts from the sale of property to operators of common carriers and waterborne vessels to be used or consumed in the operation of such common carriers or waterborne vessels principally outside of this City and County.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1204.5. EXCLUSIONS FROM CALCULATION OF GROSS RECEIPTS.

There shall be excluded from the gross receipts by which the tax is measured:

(a) The amount of any sales or use tax imposed by the State of California upon a retailer or consumer;

(b) Eighty percent of the gross receipts from the sale of tangible personal property to operators of waterborne vessels to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the carriage of persons or property in such vessels for commercial purposes;

(c) Eighty percent of the gross receipts from the sale of tangible personal property to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1205. IMPOSITION AND RATE OF USE TAX – APPLICATION OF SECTIONS OF STATE REVENUE AND TAXATION CODE; EXEMPTIONS.

(a) An excise tax is hereby imposed on the storage, use or other consumption in the City and County of San Francisco of tangible personal property purchased from any retailer on or after July 1, 1958, for storage, use or other consumption in the City and County of San Francisco at the rate of one percent of the sales price of the property to and including June 30, 1972, and at the rate of 1 thereafter. The sales price shall include delivery charges when such charges are subject to State Sales or Use Tax regardless of the place to which

delivery is made.

(b) (1) Except as hereinafter provided, and except insofar as they are inconsistent with the provisions of Part 1.5 of Division 2 of the Revenue and Taxation Code of the State of California, all of the provisions of Part 1 of Division 2 of the said Code, as amended and in force and effect on July 1, 1958, applicable to sales taxes are hereby adopted and made a part of this Section as though fully set forth herein.

(2) Wherever, and to the extent that, in Part 1 of Division 2 of the Revenue and Taxation Code the State of California is named or referred to as the taxing agency, the City and County of San Francisco shall be substituted therefor. Nothing in this Subdivision shall be deemed to require the substitution of the name of the City and County of San Francisco for the word "State" when that word is used as a part of the title of the State Controller, State Treasurer, the State Board of Control, the State Board of Equalization, or the name of the State Treasury, or of the Constitution of the State of California; nor shall the name of the City and County be substituted for that of the State in any Section when the result of that substitution would require action to be taken by or against the City and County or any agency thereof, rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance; and neither shall the substitution be deemed to have been made in those Sections, including, but not necessarily limited to, Sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to provide an exemption from this tax with respect to certain storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such storage, use or other consumption remains subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or to impose this tax with respect to certain storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provisions of that Code; and, in addition, the name of the City and County shall not be substituted for that of the State in Sections 6701, 6702, except in the last sentence thereof, 6711, 6715, 6737, 6797 and 6828 of the Revenue and Taxation Code as adopted, and the name of the City and County shall not be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 nor in the definition of that phrase in Section 6203.

(3) There shall be exempt from the tax due under this Section:

(i) The amount of any sales or use tax imposed by the State of California upon a retailer or consumer;

(ii) The storage, use or other consumption of tangible personal property, the gross receipts from the sale of which has been subject to sales tax under a sales and use tax ordinance enacted in accordance with Part 1.5 of Division 2 of the Revenue and Taxation Code by the city and county, county or city in this State.

(iii) Provided, however, that the storage or use of tangible personal property in the transportation or transmission of persons, property, or communications or in the generation, transmission or distribution of electricity or in the manufacture, transmission or distribution of gas in intrastate, interstate or foreign commerce by public utilities which are regulated by the Public Utilities Commission of the State of California shall be exempt from 80 percent of the tax due under this Section.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1205.5. EXEMPTIONS FROM USE TAX.

There shall be exempt from the tax due under this Section:

(a) The amount of any sales or use tax imposed by the State of California upon a retailer or consumer;

(b) The storage, use, or other consumption of tangible personal property, the gross receipts from the sale of which have been subject to sales tax under a sales and use tax ordinance enacted in accordance with Part 1.5 of Division 2 of the Revenue and Taxation Code by any city and county, county, or city in this State.

(c) Provided, however, that the storage, use, or other consumption of tangible personal property purchased by operators of waterborne vessels and used or consumed by such operators directly and exclusively in the carriage of persons or property in such vessels for commercial purposes is exempted from 80 percent of the tax;

(d) And provided that in addition to the exemptions provided in Section 6366 and 6366.1 of the Revenue and Taxation Code, the storage, use, or other consumption of tangible personal property purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government is exempt from 80 percent of the tax.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1206. AMENDMENTS.

All amendments of the Revenue and Taxation Code enacted subsequent to the effective date of this ordinance which relate to the sales and use tax and which are not inconsistent with Part 1.5 of Division 2 of the Revenue and Taxation Code shall automatically become a part of this ordinance.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1206.5. CREDIT.

Any person subject to a sales or use tax or required to collect a use tax under this ordinance shall be entitled to credit against the payment of taxes due under this ordinance the amount of sales and use tax due any City in this County, provided that the City sales and use tax is levied under an ordinance including provisions substantially conforming to the provisions of subdivisions (1) to (10), inclusive, of Subsection (i) of Section 7202 of the Revenue and Taxation Code, and other applicable provisions of Part 1.5 of Division 2 of that Code.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1207. WHEN ORDINANCE MAY BE MADE INOPERATIVE.

The provisions of this ordinance may, by a subsequent ordinance, be made inoperative not less than 60 days preceding the first day of a calendar quarter.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1208. ENJOINING COLLECTION, NOT PERMITTED.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State, or against any officer of the State, or against this City and County or against any officer of this City and County, to prevent or enjoin the collection under this ordinance or Part 1.5 of Division 2 of the Revenue and Taxation Code of the State of California, of any tax or any amount of tax required to be collected.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1208.1. OPERATION OF SECTIONS 1204.5, 1205.5 AND 1206.6.

(a) Sections 1204.5, 1205.5 and 1206.6 of this ordinance shall become operative on January 1st of the year following the year in which the State Board of Equalization adopts an assessment ratio for State-assessed property which is identical to the ratio which is required for local assessments by Section 401 of the Revenue and Taxation Code, at which time Sections 1204(b)(4), 1205(b)(3), and 1206 shall become inoperative.

(b) In the event that Sections 1204.5, 1205.5 and 1206.5 of this ordinance become operative and the State Board of Equalization subsequently adopts an assessment ratio for State-assessed property which is higher than the ratio which is required for local assessments by Section 401 of the Revenue and Taxation Code, Sections 1204(b)(4), 1205(b)(3), and 1206 shall become operative on the first day of the month next following the month in which such higher ratio is adopted, at which time Sections 1204.5, 1205.5 and 1206.5 of this ordinance shall be inoperative until the first day of the month following the month in which the Board again adopts an assessment ratio for State-assessed property which is identical to the ratio required for local assessments by Section 401 of the Revenue and Taxation Code, at which time Sections 1204.5, 1205.5 and 1206.5 shall become operative and Sections 1204(b)(4), 1205(b)(3) and 1206 shall become inoperative.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1208.5. ORDINANCE MADE INOPERATIVE.

This ordinance may be made inoperative, not less than 60 days, but not earlier than the first of the calendar quarter following the City and County of San Francisco's lack of compliance with Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1209. VIOLATIONS – PENALTIES.

Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than \$500 or by imprisonment for a period of not more than six months in the County Jail, or by both such fine and imprisonment.

■ (Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

SEC. 1210. FUNCTIONS PERFORMED BY BOARD OF EQUALIZATION.

The State Board of Equalization shall perform all functions incident to the administration and operation of the Uniform Local Sales and Use Tax Ordinance of the City and County of San Francisco.

(Ord. 363-58, App. 6/23/58; amended by Ord. 352-84, App. 8/8/84)

ARTICLE 13:

CONNECTIONS TO THE POLICE DEPARTMENT TERMINAL ALARM PANEL

Sec. 1301.	Definitions.
Sec. 1302.	Permits.
Sec. 1303.	Applications for Permits.
Sec. 1304.	Liability for Costs.
Sec. 1305.	Ownership in City.
Sec. 1306.	Alterations in Alarm Panel.
Sec. 1307.	Disconnection of Installations.
Sec. 1308.	Permits Nonexclusive.
Sec. 1309.	Assignment of Permits.
Sec. 1310.	Abandonment of Alarm Panel.
Sec. 1311.	Indemnity.
Sec. 1312.	Faithful Performance Bond.
Sec. 1313.	Extent of Permit.
Sec. 1314.	Nonliability of City for Damages.
Sec. 1315.	Use of City's Facilities.
Sec. 1316.	Fees.
Sec. 1317.	Acceptance of Permit.
Sec. 1318.	Termination; Surrender.
Sec. 1319.	Governmental Exemptions.

SEC. 1301. DEFINITIONS.

For the purposes of this Article, the following terms shall have the following meanings:

- (a) "Authorized Agency." A person, firm, partnership or corporation charged with the security of the public's funds or other things of value or engaged in the business of installing and maintaining alarm signal systems for the protection of such funds or other things of value.
- (b) "Chief." The Chief of the Police Department, City and County of San Francisco.
- (c) "Department." The Department of Electricity, City and County of San Francisco.
- (d) "Manager." The General Manager, Department of Electricity, City and County of San Francisco.
- (e) "Subscriber." a person, firm, partnership or corporation utilizing the services of an authorized agency.
- (f) "City." The City and County of San Francisco.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1302. PERMITS.

The Manager is hereby authorized and empowered to grant to an authorized agency a permit to connect to the Police Department Terminal Alarm Panel and to maintain in electrical connection therewith an auxiliary alarm system or such other device as maybe installed or maintained by said authorized agency in buildings located within the City and County of San Francisco for the protection of said authorized agency or its subscribers, subject to the restrictions and requirements specified in this Article and the prior written approval of the Chief of the proposed connection.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1303. APPLICATIONS FOR PERMITS.

A separate application in writing shall be filed for each and every connection desired and no alarm system subject to permit shall be installed until such application has been approved and a permit granted as herein provided. Such application shall state the name and address of the authorized agency, the name and address of the subscriber, if any, for whom the alarm service is to be provided, the nature of the business conducted by said subscriber, the location of the proposed installation and such other essential information regarding the proposed installation as may be required. Applications shall be filed with the Chief, who shall conduct such investigation as he may deem proper as to the justification for the alarm connection in the public interest and may deny said application when, in his opinion,

good cause exists therefor. Applications approved by the Chief shall be so endorsed by him and forwarded to the Manager for further action.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1304. LIABILITY FOR COSTS.

The Manager shall determine whether the proposed connection and associated system is compatible with the electrical requirements of the Police Department Terminal Alarm Panel and shall designate the manner of connection and the technical standards which are applicable thereto. He shall in accordance therewith furnish the authorized agency an estimate of the cost of making said connection or extension of connection. Upon written order of the authorized agency the Department shall proceed to make said connection or extension of connection at the sole expense of the authorized agency. Should the authorized agency desire the abandonment or termination of subscriber service a request therefor shall be made in writing to the Department indicating the date of termination, which notice shall be given at least 10 days prior to said termination date. The Department after prior notification to the Chief shall make such disconnection or termination as requested by the authorized agency at the sole expense of said authorized agency.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1305. OWNERSHIP IN CITY.

As a condition precedent to the granting of a permit and as a covenant thereof, all wires and other appurtenances installed by the Department at the sole expense of the authorized agency for the purpose of establishing and maintaining connection with the Police Department Terminal Alarm Panel and as part of each and every extension of service made under a permit issued hereunder shall become and thereafter remain the property of the City. The authorized agency shall not at any time have any right or claim upon or interest in said equipment further than the right to maintain in electrical connection therewith as may be approved by the Manager pursuant to any permit issued pursuant to this Article.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1306. ALTERATIONS IN ALARM PANEL.

If at any time the City shall for any reason abandon, change, modify, relocate or in any way alter the operation, manner or characteristics of the Police Department Terminal Alarm Panel and if the authorized agency shall desire to continue the maintenance of alarm connections under permit, then such addition, change or modification necessary to conform to the standards adopted by the Department shall be made at the sole expense of the authorized agency. If the authorized agency shall not desire to continue the service of said connection to the Police Department Terminal Alarm Panel, then the City shall make such disposition of the associated wires and appurtenances as it shall deem fit.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1307. DISCONNECTION OF INSTALLATIONS.

Every alarm system installed and connected to the Police Department Terminal Alarm Panel shall at all times conform to the standards and requirements set forth by the Department. If at any time any installation connected to the Police Department Terminal Alarm Panel under authority of a permit shall, in the judgment of the Manager be in a condition involving imminent danger to, or in any way interfere with the safe and reliable operation of the Police Department Terminal Alarm Panel or any portion thereof, the Manager shall thereupon immediately have such installation disconnected from said Alarm Panel and it shall not be again connected until it shall have been determined by Manager to be in a safe and satisfactory condition. In every instance of a disconnection the Manager shall give prompt notification thereof to the Chief and to the authorized agency responsible for the maintenance of the alarm service.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1308. PERMITS NONEXCLUSIVE.

No permit issued under this Article shall grant an exclusive right or franchise nor shall it in any way limit or abridge the rights and powers of the Board of Supervisors of the City to grant franchises or issue such permits as shall seem to be advisable to said Board.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1309. ASSIGNMENT OF PERMITS.

No permit issued under the provisions of this Article shall be transferred or assigned without prior written approval of the Manager, and the concurrence of the Chief.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1310. ABANDONMENT OF ALARM PANEL.

In the event of the abandonment by the City of the Police Department Terminal Alarm Panel service, any and all permits issued under authority of this Article shall automatically terminate, provided, however, that City may not abandon said service except upon 30 days' prior written notice of said abandonment to any and all permittees hereunder.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1311. INDEMNITY.

The authorized agency shall indemnify, save harmless and defend the City and all of its officers, agents and employees, against any and all liabilities for injuries to or death of any person, or any injury to any property arising out of those acts in connection with any permit issued pursuant to this Article on the part of authorized agency, its officers, agents or employees, or any contractor or subcontractor retained by, or on behalf of, said authorized agency, or officers, agents or employees of any of the same. The authorized agency shall further indemnify, save harmless and defend the City and all of its officers, agents and employees, against any and all liability arising by reason of any claims or demands of contractors or subcontractors retained by, or on behalf of, the authorized agency, or by reason of any liens or other claims which may be filed by, or on behalf of, any of the same, or by, or on behalf of, any other person, regarding any permit issued pursuant to this Article.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1312. FAITHFUL PERFORMANCE BOND.

The authorized agency shall, within 30 days after notification of the granting of a permit under this Article, file with City's Controller, and at all times thereafter maintain in full force and effect for the entire term of the permit, at its expense, a faithful performance bond executed by a surety company approved by said Controller and in form satisfactory to the City Attorney of the City and County of San Francisco, in the amount of \$5,000, renewable annually and conditioned upon the faithful performance by the authorized agency of all of the terms, conditions and covenants contained in said permit, and that in the event the authorized agency shall fail to comply with any one or more of the provisions of said permit, then there shall be recoverable jointly and severally from the principal and surety of such bond, any damages or losses suffered by the City as a result thereof. Said bond, without limiting the applicability of the foregoing provisions, shall guarantee payment of the cost of any and all connections, and extensions and connections, referred to in Section 1304 and Section 1307 of this Article. Said bond shall provide that 30 days' prior written notice of cancellation, material change or intention not to renew said bond be given to the City at Room 109, City Hall. Neither the provisions of any bond accepted by the City pursuant hereto, nor any damages recovered by the City, shall be construed to excuse faithful performance by the authorized agency of the terms, conditions and covenants of any permit issued pursuant to this Article, or limit the liability of the authorized agency, or preclude exercise of any other right or remedy given to the City by law, whether exercised concurrently or subsequently.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1313. EXTENT OF PERMIT.

The services provided under any permit issued pursuant to this Article shall not extend to or benefit any person or corporation or other entity other than those expressly named in said permit and no other party shall have any right or interest in or privilege except as expressly provided in said permit.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1314. NONLIABILITY OF CITY FOR DAMAGES.

Any permit issued pursuant to this Article shall provide that:

(1) The authorized agency expressly waives any and all claims for compensation for any and all loss or damage sustained by reason of any failure, defect, deficiency or impairment of the Police Department Terminal Alarm Panel, or any part thereof, or of any other system connected thereto, including any and all installations of the authorized agency made pursuant to any permit issued hereunder or arising from any act or omission on the part of the City or its officers, agents or employees or arising from any other cause, not limited to the foregoing, in connection with the activities of the authorized agency under said permit;

(2) The authorized agency expressly releases and discharges the City and its officers, agents and employees from any and all demands, claims, actions and causes of action arising from any of the causes aforesaid.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1315. USE OF CITY'S FACILITIES.

The granting of a permit hereunder shall not give any authorized agency the right or privilege to use, nor shall it be permitted to use, the conduits, poles or other facilities belonging to the City; neither shall it grant the use of conduit or pole facilities furnished the City by any person, firm or corporation by reason of franchise requirements, or otherwise, regardless of whether such facilities are at the time used or

unused by the City.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1316. FEES.

The authorized agency shall pay to the Department, in accordance with the provisions of Part II, Chapter III, Section 1202 of a the San Francisco Municipal Code, such fee or fees for the connection, maintenance and/or termination of each terminal alarm as shall be prescribed by annual ordinance, pursuant to Ordinance No. 276-60.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1317. ACCEPTANCE OF PERMIT.

The authorized agency shall file a written acceptance of each permit with the Manager. The permit shall go into effect only when such acceptance has been filed and when the faithful performance bond required by this Article has been filed and approved.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1318. TERMINATION; SURRENDER.

A permit issued under authority of this ordinance shall continue in full force and effect unless and until revoked by the City or surrendered by the authorized agency upon the giving of 30 days' prior written notice.

■ (Added by Ord. 223-63, App. 8/29/63)

SEC. 1319. GOVERNMENTAL EXEMPTIONS.

The provisions of Sections 1312 and 1316, inclusive, of this Article shall not apply to connections to the Police Department Terminal Alarm Panel made by any department, board or officer of the City and County of San Francisco in the discharge of its or his official duty or to State and Federal government departments, bureaus or agencies.

(Added by Ord. 223-63, App. 8/29/63)

ARTICLE 14:

TRANSPORTATION AUTHORITY

- | | |
|------------|---|
| Sec. 1401. | Title; Tax Rate; Use of Proceeds. |
| Sec. 1402. | Definitions. |
| Sec. 1403. | Purpose. |
| Sec. 1404. | Administration by Authority. |
| Sec. 1405. | Contract With State. |
| Sec. 1406. | Transactions Tax and Rate of 0.5%. |
| Sec. 1407. | Place of Sale. |
| Sec. 1408. | Use Tax and Rate of 0.5%. |
| Sec. 1409. | Adoption of Provisions of State Law. |
| Sec. 1410. | Limitations on Adoption of Provisions of State Law and Collection of Use Taxes. |
| Sec. 1411. | Permit Not Required. |
| Sec. 1412. | Exemptions, Exclusions, and Credits. |
| Sec. 1413. | Authorization and Limitation on Issuance of Bonds. |
| Sec. 1414. | Use of Proceeds. |
| Sec. 1415. | Appropriations Limit. |
| Sec. 1416. | Amendments. |
| Sec. 1417. | Penalties. |
| Sec. 1418. | Severability. |
| Sec. 1419. | Enjoining Collection Forbidden. |
| Sec. 1420. | Termination Dates. |

■

SEC. 1401. TITLE; TAX RATE; USE OF PROCEEDS.

(a) The tax imposed by this Article 14 shall be known as the “San Francisco County Transportation Authority Tax,” and may be referred to herein as the “Tax.”

(b) The Tax is a local retail transactions and use tax of 0.5%, as provided in Sections 1406 and 1408 of this Article 14.

(c) The proceeds from the Tax shall be spent solely for the purposes set forth in Section 1414 of this Article 14.

(Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

Editor's note

For the New Transportation Expenditure Plan adopted by Proposition K on November 4, 2003, see Administrative Code Appendix 67.

SEC. 1402. DEFINITIONS.

For the purposes of this Article 14, “Authority” means the San Francisco County Transportation Authority, and “District” means the City and County of San Francisco.

■ (Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1403. PURPOSE.

This Article 14 is intended to achieve the following, among other purposes, and directs that the provisions of this Article be interpreted to accomplish these purposes:

(a) To incorporate provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.

(b) To impose a transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code and Division 12.5 (commencing with section 131000) of the California Public Utilities Code and provide a measure therefor that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Tax.

(c) To authorize administration of a transactions and use tax in a manner that will, to the highest degree possible consistent with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, minimize the cost of collecting the Tax and at the same time minimize the burden of recordkeeping upon persons subject to taxation under the provisions of this Article 14.

■ (Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1404. ADMINISTRATION BY AUTHORITY.

Upon voter approval of the 2022 Transportation Expenditure Plan and the amendments to this Article 14 passed by the voters at the November 8, 2022 election, the Authority shall continue in effect as constituted immediately prior to that voter approval except as otherwise provided by law. The Authority shall have all of the powers set forth in Division 12.5 (commencing with Section 131000) of the California Public Utilities Code, all of the powers set forth in the 2022 Transportation Expenditure Plan, and all powers incidental or necessary to imposing and collecting the Tax and administering the Tax proceeds and the 2022 Transportation Expenditure Plan, and causing and overseeing the delivery of the transportation improvements therein contained.

■ (Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1405. CONTRACT WITH STATE.

Prior to April 1, 2023, the Authority shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of the Tax, in which case the operative date of the 2022 Transportation Expenditure Plan and the amendments to this Article 14 passed by the voters at the November 8, 2022 election shall be April 1, 2023; provided that, if the Authority has not contracted with the California Department of Tax and Fee Administration prior to April 1, 2023, it shall nevertheless so contract and in such a case the operative date of the 2022 Transportation Expenditure Plan and the amendments to this Article 14 passed by the voters at the November 8, 2022 election shall be the first day of the first calendar quarter following the execution of such a contract.

■ (Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1406. TRANSACTIONS TAX AND RATE OF 0.5%.

For the privilege of selling tangible personal property at retail, the Tax is hereby imposed upon all retailers in this District at the rate of 0.5% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this District on and after on and after¹ April 1, 1990.

(Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

CODIFICATION NOTE

- 1. So in [Prop. L](#), 11/8/2022.

SEC. 1407. PLACE OF SALE.

For the purposes of this Article 14, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer's agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

- (Added by Ord. 267-89, App. 7/27/89; amended by [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1408. USE TAX AND RATE OF 0.5%.

The Tax is hereby imposed on the storage, use, or other consumption in this District of tangible personal property purchased from any retailer on and after April 1, 1990 for storage, use, or other consumption in this District at the rate of 0.5% of the sales price of the property. The sales price shall include delivery when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

- (Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1409. ADOPTION OF PROVISIONS OF STATE LAW.

Except as otherwise provided in this Article 14 and except insofar as they are inconsistent with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code are hereby adopted and made a part of this Article 14 as though fully set forth herein.

- (Added by Ord. 267-89, App. 7/27/89; amended by [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1410. LIMITATIONS ON ADOPTION OF PROVISIONS OF STATE LAW AND COLLECTION OF USE TAXES.

(a) In adopting the provisions of Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code, wherever the State of California is named or referred to as the taxing agency, the name of the Authority shall be substituted therefor. The substitution, however, shall not be made:

(1) When the word "State" is used as part of the title of the State Controller, the State Treasurer, the State Treasury, or the Constitution of the State of California;

(2) When the result of that substitution would require action to be taken by or against the Authority or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Article 14;

(3) In those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

(A) Provide an exemption from this Tax with respect to certain sales, storage, use, or other consumption of tangible personal property which would not otherwise be exempt from this Tax while such sales, storage, use, or other consumption remains subject to tax by the State under the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code; or

(B) Impose this Tax with respect to certain sales, storage, use, or other consumption of tangible personal property which would not be subject to tax by the State under the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code;

(4) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797, or 6828 of the California Revenue and Taxation Code.

(b) The word "District" shall be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the definition of that phrase in Section 6203..¹ "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this State or for

delivery in the State by the retailer and all persons related to the retailer that exceed \$500,000. For purposes of this subsection (b), a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

(Added by Ord. 267-89, App. 7/27/89; amended by [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

CODIFICATION NOTE

- 1. So in [Prop. L](#), 11/8/2022.

SEC. 1411. PERMIT NOT REQUIRED.

If a seller's permit has been issued to a retailer under California Revenue and Taxation Code Section 6067, an additional transactor's permit shall not be required by this Article 14.

- (Added by Ord. 267-89, App. 7/27/89; amended by [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1412. EXEMPTIONS, EXCLUSIONS, AND CREDITS.

(a) There shall be excluded from the measure of the transactions Tax and the use Tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

(b) There are exempted from the computation of the amount of transactions Tax gross receipts when they are from:

(1) Sales of tangible personal property other than fuel or petroleum products to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(2) Sales of property to be used outside the District which is shipped to a point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or the retailer's agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this subsection (b)(2), delivery to a point outside the District shall be satisfied:

(A) with respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the California Vehicle Code, aircraft licensed in compliance with Section 21411 of the California Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the California Vehicle Code by registration to an out-of-District address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, the buyer's principal place of residence.

(B) with respect to commercial vehicles, by registration to a place of business out-of-District, and a declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(3) the sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to April 1, 1990.

(4) a lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to April 1, 1990.

(5) for the purposes of subsections (3) and (4) of this subsection (b), the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract upon notice, whether or not such right is exercised.

(c) There are exempted from the use Tax imposed by this Article 14, the storage, use, or other consumption in this District of tangible personal property:

(1) the gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(2) other than fuel or petroleum products, purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the California Revenue and Taxation Code.

(3) if the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to April 1, 1990.

(4) if the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to April 1, 1990.

(5) for the purposes of subsections (3) and (4) of this subsection (c), storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a

contract or lease for any period of time during which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(6) Except as provided in subsection (7) of this subsection (c), a retailer engaged in business in the District shall not be required to collect use Tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the District or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.

(7) “A retailer engaged in business in the District” shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the California Vehicle Code, aircraft licensed in compliance with Section 21411 of the California Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the California Vehicle Code. That retailer shall be required to collect use Tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.

(d) Any person subject to use Tax under this Article 14 may credit against that Tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for, a transactions tax pursuant to Part 1.6 (commencing with Section 7251) and Part 1.7 (commencing with Section 7280) of Division 2 of the California Revenue and Taxation Code with respect to the sale to the person of the property, the storage, use, or other consumption of which is subject to the use Tax.

■ (Added by Ord. 267-89, App. 7/27/89; amended by [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1413. AUTHORIZATION AND LIMITATION ON ISSUANCE OF BONDS.

The Authority is hereby authorized to issue from time to time limited tax bonds pursuant to California Public Utilities Code Sections 131109 *et seq.* in an aggregate principal amount not to exceed \$1,910,000,000.

■ (Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1414. USE OF PROCEEDS.

(a) The proceeds of the Taxes imposed by this Article 14 prior to the operative date of the amendments to this Article 14 passed by the voters at the November 8, 2022 election shall be used solely for the projects and purposes set forth in the New Transportation Expenditure Plan approved by the voters as part of Proposition K at the November 4, 2003 election and for the administration thereof.

(b) The proceeds of the Taxes imposed by this Article 14 on or after the operative date of the amendments to this Article 14 passed by the voters at the November 8, 2022 election shall be used solely for the following purposes:

(1) The projects and purposes set forth in the 2022 Transportation Expenditure Plan referenced in subsection (c) of this Section 1414, and any updates or revisions to such Plan expenditures or other expenditures allowed or permitted by Division 12.5 (commencing with Section 131000) of the California Public Utilities Code as those provisions existed on November 8, 2022, and Articles XIII A and XIII C of the California Constitution;

(2) To pay interest and principal on the bonds authorized and issued under Section 1413 of this Article 14; and

(3) To pay the cost of administration of the Tax.

(c) The 2022 Transportation Expenditure Plan is in Section 3 of the ordinance containing amendments to this Article 14 passed by the voters at the November 8, 2022 election, and, as part of that ordinance, shall be placed in the Appendix to the Administrative Code containing voter-approved measures.

■ (Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1415. APPROPRIATIONS LIMIT.

(a) Except as provided in subsection (b) of this Section 1415, for purposes of California Constitution Article XIII B, the appropriations limit for the Authority for fiscal year 2003-04 and each year thereafter shall be \$485,175,000 unless that amount should be amended pursuant to applicable law.

(b) Pursuant to California Constitution Article XIII B and applicable laws, for four years from November 8, 2022, the appropriations limit for the Authority shall be increased by the aggregate sum collected by the levy of the Tax imposed under Article 14 of the Business and Tax Regulations Code.

■ (Added by Ord. 267-89, App. 7/27/89; amended by Proposition K, 11/4/2003; [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1416. AMENDMENTS.

All amendments to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code made subsequent to November 7, 1989 that relate to sales and use taxes and that are not inconsistent with Part 1.6 (commencing with Section 7251) (commencing with Section 7280)¹ of Division 2 of the California Revenue and Taxation Code and all amendments to Part 1.6 and Part 1.7 of Division 2 of the California Revenue and Taxation Code, shall automatically become a part of this Article 14 ; provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this Article 14 .

CODIFICATION NOTE

- 1. So in [Prop. L](#), 11/8/2022.

SEC. 1417. PENALTIES.

Any person violating any of the provisions of this Article 14 shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than \$500 or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

- (Added by Ord. 267-89, App. 7/27/89; amended by [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1418. SEVERABILITY.

If any provision of this Article 14 or the application thereof to any person or circumstance is held invalid, the remainder of this Article 14 and the application of such provision to other persons or circumstances shall not be affected thereby.

- (Added by Ord. 267-89, App. 7/27/89; amended by [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1419. ENJOINING COLLECTION FORBIDDEN.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against the State or the Authority, or against any officer of the State or the Authority, to prevent or enjoin the collection under this Article 14, or Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, of any Tax or any amount of Tax required to be collected.

- (Added by Proposition K, 11/4/2003; amended by [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

SEC. 1420. TERMINATION DATES.

(a) The New Transportation Expenditure Plan approved by the voters as part of Proposition K at the November 4, 2003 election and the authority to levy the Tax imposed by this Article 14 prior to the operative date of the amendments to this Article 14 passed by the voters at the November 8, 2022 election shall terminate immediately prior to the operative date of the amendments to this Article 14 passed by the voters at the November 8, 2022 election.

(b) The 2022 Transportation Expenditure Plan, referenced in subsection (c) of Section 1414, and the authority to levy the Tax imposed by the amendments to this Article 14 passed by the voters at the November 8, 2022 election shall expire 30 years from the operative date of the amendments to this Article 14 passed by the voters at the November 8, 2022 election, unless earlier terminated as provided in California Public Utilities Code Section 131280, as that section existed on November 8, 2022.

- (Added by [Proposition L](#), 11/8/2022, Eff. 11/8/2022, Oper. 4/1/2023)

ARTICLE 15:

BUSINESS IMPROVEMENT DISTRICTS PROCEDURE CODE

- Sec. 1510. Purpose.
- Sec. 1511. Augmentation and Modification of State Law Requirements Governing Property and Business Improvement Districts.
- Sec. 1512. Severability.
- Sec. 1513. City Planning Referral.
- Sec. 1514. Assessment Limitation.
- Sec. 1515. Alternative or Additional Procedure for Establishing a Property and Business Improvement District – Requiring Weighted Two-Thirds Vote.

■

SEC. 1510. PURPOSE.

(a) State law provides procedures to form property and business improvement districts and levy assessments. This Article provides authority for the City to augment and modify those state law procedures by authorizing the Board of Supervisors to do any of the following:

- (1) Reduce the percentage of petitions required from owners in order to initiate formation;
- (2) Have the district encompass residential property, and to assess residential property;
- (3) Extend the term of the district to a maximum of 15 years, or such longer term as is authorized by state law;
- (4) Extend the term of the district to a maximum of 40 years, if all or a portion of the assessments will be pledged or applied to pay any bond, financing lease (including certificates of participation therein), or other similar obligations of the City;
- (5) Recover through assessments the costs incurred in formation of the district;
- (6) Disestablish a district upon a supermajority vote of the Board of Supervisors; or,
- (7) Require a weighted two-thirds (2/3) vote of business owners to be assessed, based on ballots cast, as an alternative or additional procedure for establishing a business improvement district and levying assessments on business owners.

In addition, this Article augments and modifies state law by: requiring the Clerk of the Board of Supervisors to notify business owners in English, Cantonese and Spanish when a petition for district formation is received; and setting minimum levels of representation by business owners on the governing body of the owners' association that administers, implements or provides the activities and improvements specified in the management district plan.

(b) Under this Article, the Board of Supervisors may establish property and business improvement districts and may finance activities and improvements through assessments apportioned among parcels of real property and/or businesses within such districts. It is the intent of this Article to provide a vehicle for financing activities and improvements that supplement and complement existing services and facilities. The Board of Supervisors may not establish any district or levy any assessment under this Article to replace or supplant existing City services. Nothing in this Article shall be construed as prohibiting the establishment of districts or levying of assessments to finance local capital improvements that are otherwise authorized under the City Charter, any other City ordinance, or state law.

(Added as Sec. 1511 by Ord. 157-95, App. 5/12/95; renumbered and amended by Ord. 32-04; File No. 031609, App. 3/5/2004; amended by Ord. [239-12](#), File No. 120963, App. 12/7/2012, Eff. 1/6/2013)

■ (Former Sec. 1510 added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

SEC. 1511. AUGMENTATION AND MODIFICATION OF STATE LAW REQUIREMENTS GOVERNING PROPERTY AND BUSINESS IMPROVEMENT DISTRICTS.

The Board of Supervisors may elect to use the procedures set forth in California Streets and Highways Code Sections 36600 *et seq.* or may elect to use those procedures as modified herein by this Article, for the formation of property and business improvement districts and the levy of assessments that will fund activities and improvements that confer benefits on businesses, and/or on residential, commercial, or residential and commercial properties.

(a) Notwithstanding Streets and Highways Code Section 36621(a) or any other provision of state law to the contrary, the Board of Supervisors may initiate proceedings to establish a property and business improvement district upon receipt of a petition signed by property owners, business owners, or a combination of property owners and business owners in the proposed district who will pay at least 30 percent of the assessments proposed to be levied.

(1) The amount of assessments attributable to properties and businesses owned by the same owner that is in excess of 25 percent of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by the property owners or business owners who will pay the requisite 30 percent or more of the total amount of assessments proposed to be levied.

(2) Notwithstanding Streets and Highways Code Section 36623(b) or any other provision of state law to the contrary, where the Board of Supervisors initiates proceedings pursuant to this subsection (a) to levy assessments on businesses, the Board shall conduct the protest proceeding by ballot rather than by oral or written protests.

(b) Notwithstanding Streets and Highways Code Section 36622(h) or any other provision of state law to the contrary, the Board of Supervisors may form a district and levy assessments:

- (1) For a maximum term of up to 15 years, or such longer term as is authorized by state law; or,
- (2) For a maximum term of up to 40 years, if all or a portion of the assessments will be pledged or applied to pay any bond, financing lease (including any certificates of participation therein), or other similar obligations of the City. Such assessments may be pledged or applied to pay such obligations commencing when the assessments are levied, or such later date as the Board of Supervisors shall determine.

(c) Notwithstanding Streets and Highways Code Section 36632(c) or any other provision of state law to the contrary, the Board of Supervisors may:

- (1) establish a district pursuant to this Article that encompasses properties zoned for residential use;
 - (2) levy assessments upon such properties; and
 - (3) fund improvements and activities that benefit such properties.
- (d) Notwithstanding any provision of state law to the contrary, the Board of Supervisors may authorize a district formed pursuant to this Article to recover through assessments the costs incurred in forming the district, including but not limited to:

- (1) The costs of preparation of the management district plan and engineer's report required by state law;
- (2) The costs of circulating and submitting the petition to the Board of Supervisors seeking establishment of the district;
- (3) The costs of printing, advertising and the giving of published, posted or mailed notices;
- (4) The costs of engineering, consulting, legal or other professional services provided in proceedings under this Article or Streets and Highways Code Sections 36600 *et seq.*; and
- (5) Costs of any ballot proceedings required by this Article 15 or other law for approval of a new or increased assessment.

In order to recover these costs, the management district plan required pursuant to Streets and Highways Code Section 36622 shall specify the formation costs eligible for recovery through assessments, the schedule for recovery of those costs, and the basis for determining the amount of the additional assessment for recovery of such costs, including the maximum amount of the additional assessment, expressed either as a dollar amount, or as a percentage of the underlying assessment.

(e) Notwithstanding Streets and Highways Code Section 36670 or any other provision of state law to the contrary, the Board of Supervisors may, by a supermajority vote of eight or more members, notice a hearing and initiate proceedings to disestablish for any reason a district formed after April 4, 2004. Where the Board of Supervisors seeks to disestablish a district in circumstances not authorized under Streets and Highways Code Section 36670, both the resolution of intention to disestablish the district and any final resolution to disestablish the district shall require a supermajority vote of no fewer than eight members.

(f) The Board of Supervisors, however, may not disestablish a district under Section 1511(e) or Streets and Highways Code Section 36670 or any other provision of law, where there are any outstanding bond, financing lease (including any certificates of participation therein), or other similar obligations of the City, payable from or secured by assessments levied within the district.

(g) Notwithstanding Streets and Highways Code Section 36640 or any other provision of state law to the contrary:

(1) The Board of Supervisors may, in the resolution to establish the district, determine and declare that any bond, financing lease (including any certificates of participation therein), or other similar obligations of the City, shall be issued to finance the estimated costs of some or all of the proposed improvements or activities described in such resolution, pursuant to the City Charter, City ordinances or state law, as the Board may determine; and

(2) The amount (including interest) of any City bond, financing lease (including any certificates of participation therein) or other similar obligations, may not exceed the estimated total of (A) revenues to be raised from the assessments over the term of the district, plus (B) such other monies, if any, to be available for such purpose, in each case determined as of the date such obligations are issued or incurred.

(h) The management district plan submitted for each proposed district to be funded under this Article shall ensure adequate representation on the governing body of the owners' association, of business owners located within the district who do not own, or have an ownership interest in, commercial property located within the district. Not less than 20 percent of voting members of the owners' association shall be such business owners. Where warranted by the circumstances in a proposed district, the Board of Supervisors may require that the management district plan provide a greater level of business owner representation. This subsection (h) shall not limit the authority of the Board of Supervisors to require the incorporation of any other item or matter into the management district plan under Streets and Highways Code Section 36622(l) or other applicable law.

(i) No fewer than 30 days after the Clerk of the Board receives a complete petition seeking formation of a district pursuant to this Article, the Clerk shall mail notice to all businesses located within the proposed district holding a current registration certificate issued by the Tax Collector. The notice shall be in English, Spanish and Cantonese, and shall inform the recipients:

- (1) That a petition for formation of a property and business improvement district has been received;
- (2) That if the district is formed, assessments will be levied against property and/or businesses in the district;
- (3) That formation of the district is subject to the approval of the Board of Supervisors following public hearings and a ballot proceeding by owners of the property, businesses, or both, subject to the assessment; and,
- (4) How recipients may obtain further information about the petition and proposed district.

(Added by Ord. 32-04; File No. 031609, App. 3/5/2004; amended by Ord. 268-06, File No. 061320, App. 10/31/2006; Ord. [239-12](#), File No. 120963, App. 12/7/2012, Eff. 1/6/2013)

■ (Former Sec. 1511 added by Ord. 157-95, App. 5/12/95; renumbered as Sec. 1510 and amended by Ord. 32-04)

SEC. 1512. SEVERABILITY.

If any provision of this Article or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect any other provision or such other application of such provision which can be given effect without such provision or application, and to this end the provisions of this Article are declared to be severable.

■ (Added by Ord. 157-95, App. 5/12/95)

SEC. 1513. CITY PLANNING REFERRAL.

(a) If a resolution of intent adopted pursuant to this Article proposes to finance acquisition, extension, widening, removal, relocation, vacation, abandonment, sale or change in the use of any public way, transportation route, ground, open space, building, or structure which requires referral to the Planning Department under Section 4.105 of the Charter, or any successor provision, the resolution of intent shall be referred to the department for a report regarding conformity with the Master Plan.

(b) If a resolution of intent is referred to the Department of City Planning pursuant to this Section, the department shall make its report to the Board at or before the public hearing on the resolution of intent.

(Added as Sec. 1534 by Ord. 157-95, App. 5/12/95; renumbered and amended by Ord. 32-04; File No. 031609, App. 3/5/2004)

■ (Former Sec. 1513 added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04)

SEC. 1514. ASSESSMENT LIMITATION.

No amount proposed to be assessed upon any lot for the construction of any improvement or the acquisition of any property for public use shall exceed one-half of the assessed value of the lot. The total amount of all assessments levied on lots within the district for the construction or any improvement or the acquisition of any property for public use shall not exceed one-half the assessed value of all lots assessed or proposed to be assessed. Assessment amounts shall satisfy any further limitations imposed by Section 1.20 of the Administrative Code and Part 5 of Division 4 of the California Streets and Highways Code or any preemptive successor statute.

(Added as Sec. 1535 by Ord. 157-95, App. 5/12/95; renumbered and amended by Ord. 32-04; File No. 031609, App. 3/5/2004)

■ (Former Sec. 1514 added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04)

SEC. 1515. ALTERNATIVE OR ADDITIONAL PROCEDURE FOR ESTABLISHING A PROPERTY AND BUSINESS IMPROVEMENT DISTRICT – REQUIRING WEIGHTED TWO-THIRDS VOTE.

(a) If so provided in the Resolution of Intention and the Resolution to Establish, as an alternative or additional procedure for establishing a business and property improvement district and levying assessments on business owners, the Board of Supervisors may require a weighted two-thirds (2/3) vote of the business owners proposed to be assessed, based on ballots cast. The votes shall be weighted according to each business owner's estimated assessments in relation to the total estimated assessments proposed to be levied on all business owners in the proposed district. The vote shall not be effective unless business owners representing at least 50 percent of the total estimated assessments proposed to be levied on all business owners in the district cast ballots.

(b) The Board of Supervisors hereby finds and determines that the business owners proposed to be assessed, with votes allocated as provided in subsection (a), constitute the "electorate" for purposes of Article XIII C § 2(d) of the California Constitution as and to the extent that provision applies to the levy of assessments on businesses pursuant to this Article.

(Added by Ord. [239-12](#), File No. 120963, App. 12/7/2012, Eff. 1/6/2013)

(Former Sec. 1515 added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

SEC. 1516.

(Added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

SEC. 1520.

(Added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

SECS. 1530. - 1533.

(Added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

SEC. 1534.

(Added by Ord. 157-95, App. 5/12/95; renumbered as Sec. 1513 and amended by Ord. 32-04; File No. 031609, App. 3/5/2004)

SEC. 1535.

(Added by Ord. 157-95, App. 5/12/95; renumbered as Sec. 1514 and amended by Ord. 32-04; File No. 031609, App. 3/5/2004)

SECS. 1540. - 1546.

(Added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

SECS. 1550. - 1552.

(Added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

SECS. 1560. - 1561.

SECS. 1570. - 1573.

(Added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

SECS. 1580. - 1588.

(Added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

SECS. 1590. - 1591.

(Added by Ord. 157-95, App. 5/12/95; repealed by Ord. 32-04; File No. 031609, App. 3/5/2004)

ARTICLE 15A:

PUBLIC REALM LANDSCAPING, IMPROVEMENT AND MAINTENANCE ASSESSMENT DISTRICTS ("GREEN BENEFIT DISTRICTS")

- Sec. 15A.1. Purpose.
- Sec. 15A.2. Augmentation and Modification of State Law Requirements Governing Property and Business Improvement Districts.
- Sec. 15A.3. Severability.
- Sec. 15A.4. City Planning Referral.
- Sec. 15A.5. Assessment Limitation.

Editor's Note:

The sections of this Article are numbered out of sequence with the rest of this Code. Section 15 of this Code is codified in Article 1 above. The preceding Article 15 comprises sections numbered through 1515. The following Article 17 comprises sections beginning with 1700.

SEC. 15A.1. PURPOSE.

(a) State law provides procedures to form property and business improvement districts and levy assessments (California Streets and Highways Code Sections 36600 *et seq.*). This Article 15A provides authority for the City to augment and modify those state law procedures to provide services, improvements and activities, focused on landscaping, improvements and maintenance in Public Realm areas, by authorizing the Board of Supervisors to do any of the following in conjunction:

- (1) Reduce the percentage of petitions required from property owners in order to initiate formation;
- (2) Have the district encompass residential property, and to assess residential property, including parcels zoned solely for residential use;
- (3) Extend the term of the district to a maximum of 15 years, or such longer term as is authorized by state law;
- (4) Extend the term of the district to a maximum of 40 years, if all or a portion of the assessments will be pledged or applied to pay any bond, financing lease (including certificates of participation therein), or other similar obligations of the City;
- (5) Recover through assessments the costs incurred in formation of the district; and,
- (6) Disestablish a district upon a supermajority vote of the Board of Supervisors.

In addition, this Article augments and modifies state law by: requiring the Clerk of the Board of Supervisors to notify business owners in English, Cantonese and Spanish when a petition for district formation is received; and providing for representation by stakeholders who do not own property in the district (e.g., residents, business owners, neighborhood organizations) on the governing body of an owners' nonprofit association that administers, implements or provides the services, improvements and activities specified in the management district plan.

(b) Under this Article 15A, the Board of Supervisors may establish property and business improvement districts that focus on landscaping, improvements and maintenance in Public Realm areas, which may be financed through assessments apportioned among parcels of real property within such districts. It is the intent of this Article to provide a vehicle for financing services, activities and improvements that supplement and complement existing services and facilities. The Board of Supervisors may not establish any district or levy any assessment under this Article to replace or supplant existing City services. Nothing in this Article shall be construed as prohibiting the establishment of districts or levying of assessments to finance local capital improvements that are otherwise authorized under the City Charter, any other City ordinance, or state law.

SEC. 15A.2. AUGMENTATION AND MODIFICATION OF STATE LAW REQUIREMENTS GOVERNING PROPERTY AND BUSINESS IMPROVEMENT DISTRICTS.

The Board of Supervisors may elect to use the procedures set forth in California Streets and Highways Code Sections 36600 *et seq.* as augmented and modified by this Article 15A for the formation of property and business improvement districts and the levy of assessments on real property to fund services, improvements and activities that confer benefits on property, including parcels zoned solely for residential use, by focusing on landscaping, improvements and maintenance of Public Realm areas.

(a) Definitions.

(1) "Public Realm areas." As used in this Article 15A, Public Realm areas are outdoor spaces open to the public that include but are not limited to parks, plazas, parklets, sidewalks, unimproved areas, landscaped areas and gardens. Public Realm areas may be owned by public and/or private entities or persons.

(2) "Ecological system." As used in this Article 15A, "ecological system" means a system of living organisms and the physical environment those organisms inhabit. An ecological system includes elements such as soil, geology, wildlife, vegetation, and watersheds.

(3) "Recreational Improvements." As used in this Article 15A, "recreational improvements" means improvements that will encourage recreational use, either by improving current conditions (e.g., repairing a grass soccer field) or installation of new facilities (e.g., playground equipment).

(b) Petitions. Notwithstanding California Streets and Highways Code Section 36621(a) or any other provision of state law to the contrary, the Board of Supervisors may initiate proceedings to establish a property and business improvement district upon receipt of a petition signed by property owners in the proposed district who will pay at least 30 percent of the assessments proposed to be levied.

The amount of assessments attributable to properties owned by the same owner that is in excess of 25 percent of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by the property owners who will pay the requisite 30 percent or more of the total amount of assessments proposed to be levied.

(c) Term. Notwithstanding California Streets and Highways Code Section 36622(h) or any other provision of state law to the contrary, the Board of Supervisors may form a district and levy assessments:

(1) For a maximum term of up to 15 years, or such longer term as is authorized by state law; or,

(2) For a maximum term of up to 40 years, if all or a portion of the assessments will be pledged or applied to pay any bond, financing lease (including any certificates of participation therein), or other similar obligations of the City. Such assessments may be pledged or applied to pay such obligations commencing when the assessments are levied, or such later date as the Board of Supervisors shall determine.

(d) Property Zoned Solely Residential. Notwithstanding California Streets and Highways Code Section 36632(c) or any other provision of state law to the contrary, the Board of Supervisors may:

(1) Establish a district pursuant to this Article 15A that encompasses properties zoned solely for residential use;

(2) Levy assessments upon such properties; and

(3) Authorize utilization of the assessments to fund services, improvements and activities that benefit such properties.

(e) Under this Article 15A the Board of Supervisors may authorize:

(1) Assessment district services, improvements and activities consistent with California Streets and Highways Code Sections 36600 *et seq.* that are focused on landscaping, improvements and maintenance of Public Realm areas, notwithstanding any other provisions in Sections 36606, 36610, or 36613 or any other provision of state law to the contrary. Such services, improvements and activities may include, but are not limited to, involvement with ecological systems, water and energy systems, pedestrian and bicycle amenities, and recreational improvements.

(2) Use of assessment funds to purchase real property, in whole or in part, within or contiguous to the District, where that property will be a Public Realm area and the district will provide landscaping, improvements and/or maintenance of the area.

(f) Formation Cost Recovery. Notwithstanding any provision of state law to the contrary, the Board of Supervisors may authorize a district formed pursuant to this Article 15A to recover through assessments the costs incurred in forming the district, whether costs are generated by the City or by others, including but not limited to:

(1) The costs of preparation of the management district plan and engineer's report required by state law;

(2) The costs of circulating and submitting the petition to the Board of Supervisors seeking establishment of the district;

(3) The costs of printing, advertising and the giving of published, posted or mailed notices;

(4) The costs of engineering, consulting, legal or other professional services provided in proceedings under this Article 15A or California Streets and Highways Code Sections 36600 *et seq.*; and

(5) The costs of any ballot proceedings required by this Article 15A or other law for approval of a new or increased assessment.

To recover these costs, the management district plan required pursuant to California Streets and Highways Code Section 36622 shall specify the formation costs eligible for recovery through assessments, the schedule for recovery of those costs, and the basis for determining the amount of the additional assessment for recovery of such costs, including the maximum amount of the additional assessment, expressed either as a dollar amount, or as a percentage of the underlying assessment.

(g) **Disestablishment by Board of Supervisors Supermajority.** Notwithstanding California Streets and Highways Code Section 36670 or any other provision of state law to the contrary, the Board of Supervisors may, by a supermajority vote of eight or more of its 11 members, notice a hearing and initiate proceedings to disestablish a district for any reason. Where the Board of Supervisors seeks to disestablish a district in circumstances not authorized under California Streets and Highways Code Section 36670, both the resolution of intention to disestablish the district and any final resolution to disestablish the district shall require a supermajority vote of no fewer than eight of its 11 members.

(h) **Disestablishment Limitation.** Notwithstanding Section 15A.2(g) of this Article, California Streets and Highways Code Section 36670, or any other provision of law, the Board of Supervisors may not disestablish a district where there are any outstanding bond, financing lease (including any certificates of participation therein), or other similar obligations of the City, payable from or secured by assessments levied within the district.

(i) **Public Financing.** Notwithstanding California Streets and Highways Code Section 36640 or any other provision of state law to the contrary:

(1) The Board of Supervisors may, in the resolution to establish the district, determine and declare that any bond, financing lease (including any certificates of participation therein), or other similar obligations of the City, shall be issued to finance the estimated costs of some or all of the proposed improvements or activities described in such resolution, pursuant to the City Charter, City ordinances or state law, as the Board may determine; and

(2) The amount (including interest) of any City bond, financing lease (including any certificates of participation therein) or other similar obligations, may not exceed the estimated total of (A) revenues to be raised from the assessments over the term of the district, plus (B) such other monies, if any, to be available for such purpose, in each case determined as of the date such obligations are issued or incurred.

(j) **Management of District.**

(1) **Management by Owners' Nonprofit Corporation.** If so provided by the management district plan, the Board of Supervisors may contract with an existing or new owners' nonprofit corporation (California Streets and Highways Code Section 36614.5) to administer or implement services, improvements and activities specified in the management district plan ("Management Contract"). If so, the management district plan shall ensure that on the governing body of the owners' nonprofit corporation:

(i) a majority (over 50%) are district assessees; and,

(ii) there is adequate representation of district stakeholders who do not own or have an ownership interest in property located in the district, including residents, businesses, and neighborhood organizations. Where warranted by the circumstances in a proposed district, the Board of Supervisors in its discretion may require that the management district plan provide particular levels of such business owner or other district stakeholder representation.

(2) **Management by the City.** Alternatively, if so provided by the management district plan, the Board of Supervisors may authorize the City to administer or implement services, improvements and activities specified in the management district plan by utilizing existing City departments, including but not limited to the Department of Public Works and the Recreation and Park Department, and/or by contracting out.

(3) **Change of Management During Term of District.** If so provided by the management district plan, management may change during the term of the district from an owners' nonprofit association to the City, or from the City to an owners' nonprofit association. Procedures for such a change shall be specified in the management district plan, and may be further detailed in any Management Contract.

(4) This subsection (j) shall not limit the authority of the Board of Supervisors to require the incorporation of any other item or matter into the management district plan under California Streets and Highways Code Section 36622(l) or other applicable law.

(k) **Notice to Businesses in Three Languages.** No fewer than 30 days after the Clerk of the Board receives a complete petition seeking formation of a district pursuant to this Article 15A, the Clerk shall mail notice to all businesses located within the proposed district holding a current registration certificate issued by the Tax Collector. The notice shall be in English, Spanish and Cantonese, and shall inform the recipients:

(1) That a petition for formation of a property and business improvement district has been received;

(2) That if the district is formed, assessments will be levied against property in the district;

(3) That formation of the district is subject to the approval of the Board of Supervisors following public hearings and a ballot proceeding by owners of the property subject to the assessment; and,

(4) How recipients may obtain further information about the petition and proposed district.

SEC. 15A.3. SEVERABILITY.

If any provision of this Article 15A or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect any other provision or such other application of such provision which can be given effect without such provision or application, and to this end the provisions of this Article are declared to be severable.

■ (Added by Ord. [14-14](#), File No. 130462, App. 2/14/2014, Eff. 3/16/2014)

SEC. 15A.4. CITY PLANNING REFERRAL.

(a) If a resolution of intent adopted pursuant to this Article 15A proposes to finance acquisition, extension, widening, removal, relocation, vacation, abandonment, sale or change in the use of any public way, transportation route, ground, open space, building, or structure which requires referral to the Planning Department under Section 4.105 of the Charter, or any successor provision, the resolution of intent shall be referred to the Planning Department for a report regarding conformity with the General Plan.

(b) If a resolution of intent is referred to the Planning Department pursuant to this Section, the department shall make its report to the Board at or before the public hearing on the resolution of formation to establish the District.

■ (Added by Ord. [14-14](#), File No. 130462, App. 2/14/2014, Eff. 3/16/2014)

SEC. 15A.5. ASSESSMENT LIMITATION.

No amount proposed to be assessed upon any lot for the construction of any improvement or the acquisition of any property for public use shall exceed one-half of the assessed value of the lot. The total amount of all assessments levied on lots within the district for the construction or any improvement or the acquisition of any property for public use shall not exceed one-half the assessed value of all lots assessed or proposed to be assessed. Assessment amounts shall satisfy any further limitations imposed by Section 1.20 of the Administrative Code and Part 5 of Division 4 of the California Streets and Highways Code (Sections 2900 *et seq.*) or any preemptive successor statute.

(Added by Ord. [14-14](#), File No. 130462, App. 2/14/2014, Eff. 3/16/2014)

ARTICLE 16:

[REPEALED]

Editor's Note:

Article 16, Living Wage for Educators Parcel Tax, was repealed by the approval of Proposition J at the election of November 3, 2020, effective July 1, 2021. Article 37, the Fair Wages for Educators Parcel Tax Ordinance, was adopted by the same Proposition.

Ordinance 305-93, approved September 24, 1993, added former Article 16, comprising Sections 1601-1616, to this Code. The ordinance established the "San Francisco County Transactions and Use Tax," to become operative in the event that Senate Constitutional Amendment No. 1 ("SCA 1") failed to be approved at the November 2, 1993, state special election. In that election, the voters passed Proposition 172 ("SCA 1"), the Local Public Safety Protection and Improvement Act of 1993. Accordingly, Ordinance 305-93 did not become operative.

SEC. 1601. [REPEALED.]

■ (Added by [Proposition G](#), 6/5/2018, Oper. 7/1/2018; repealed by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 1602. [REPEALED.]

■ (Added by [Proposition G](#), 6/5/2018, Oper. 7/1/2018; repealed by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 1603. [REPEALED.]

■ (Added by [Proposition G](#), 6/5/2018, Oper. 7/1/2018; repealed by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 1604. [REPEALED.]

■ (Added by [Proposition G](#), 6/5/2018, Oper. 7/1/2018; repealed by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 1605. [REPEALED.]

■ (Added by [Proposition G](#), 6/5/2018, Oper. 7/1/2018; repealed by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 1606. [REPEALED.]

■ (Added by [Proposition G](#), 6/5/2018, Oper. 7/1/2018; repealed by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 1607. [REPEALED.]

■ (Added by [Proposition G](#), 6/5/2018, Oper. 7/1/2018; repealed by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 1608. [REPEALED.]

■ (Added by [Proposition G](#), 6/5/2018, Oper. 7/1/2018; repealed by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 1609. [REPEALED.]

(Added by [Proposition G](#), 6/5/2018, Oper. 7/1/2018; repealed by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

ARTICLE 17:

[REPEALED]

SEC. 1700. [REPEALED.]

■ (Added by Ord. 339-94, App. 10/7/94; repealed by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 1701. [REPEALED.]

■ (Added by Ord. 339-94, App. 10/7/94; repealed by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 1702. [REPEALED.]

■ (Added by Ord. 339-94, App. 10/7/94; repealed by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 1703. [REPEALED.]

■ (Added by Ord. 339-94, App. 10/7/94; repealed by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 1704. [REPEALED.]

(Added by Ord. 339-94, App. 10/7/94; repealed by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 1705. [REPEALED.]

■ (Added by Ord. 339-94, App. 10/7/94; repealed by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 1706. [REPEALED.]

■ (Added by Ord. 339-94, App. 10/7/94; repealed by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

SEC. 1707. [REPEALED.]

(Added by Ord. 339-94, App. 10/7/94; repealed by Ord. [207-20](#), File No. 200759, App. 10/9/2020, Eff. 11/9/2020)

ARTICLE 18:

[RESERVED]

ARTICLE 19:

VEHICLE RENTER TAX (REPEALED) *

Notes

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***Editor's Note:**

It should be noted that Ord. No. 92-95, File No. 127-95-1, imposed as of July 1, 1995, was repealed and no further taxes shall be imposed.

ARTICLE 20:

FINANCIAL INFORMATION PRIVACY ORDINANCE

Sec. 2000.

Sec. 2001.

Sec. 2002.

Sec. 2003.

Sec. 2004.

Sec. 2005.

Sec. 2006.

Sec. 2007.

Sec. 2008.

Sec. 2009.

Sec. 2010.

■

SEC. 2000.

This Article shall be known and may be cited as the "San Francisco Financial Information Privacy Ordinance." This Article shall become operative on July 1, 2004.

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002; amended by Ord. 268-03, File No. 031793, App. 11/26/2003)

SEC. 2001.

(a) The intent of this Ordinance is to require financial institutions engaging in business in the City and County of San Francisco to provide their customers residing in the City and County of San Francisco with notice and meaningful choice about how consumers' personal information is shared or sold by their financial institutions.

(b) The intent of this Ordinance is to: (1) afford consumers greater privacy protection than that provided in Public Law 106-102, the federal Gramm, Leach, and Bliley Act, and (2) supplement the federal Fair Credit Reporting Act, 15 U.S.C. Secs. 1681 et seq. by affording greater protection to consumers than is provided under the Fair Credit Reporting Act. The provisions of this Article shall be interpreted to be consistent with these purposes.

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002)

SEC. 2002.

For the purposes of this Article:

(a) "Confidential consumer information" means personally identifiable financial information (1) provided by a consumer to a financial institution, (2) resulting from any transaction with the consumer or any service performed for the consumer, or (3) otherwise obtained by the financial institution. Confidential consumer information does not include publicly available information that is lawfully made available to the general public from (1) federal, state, or local government records, (2) widely distributed media, or (3) disclosures to the general public that are required to be made by federal, state, or local law. Confidential consumer information shall include any list, description, or other grouping of consumers, and publicly available information pertaining to them that is derived using any nonpublic personal information other than publicly available information, but shall not include any list, description, or other grouping of consumers, and publicly available information pertaining to them that is derived without using any confidential consumer information.

(b) "Personally identifiable financial information" means information (1) that consumer provides to a financial institution to obtain a product or service from the financial institution, (2) about a consumer resulting from any transaction involving a product or service between the financial institution and a consumer, or (3) that the financial institution otherwise obtains about a consumer in connection with providing a product or service to that consumer. Any personally identifiable information is financial if it was obtained by a financial institution in connection with providing a financial product or service to a consumer, including the fact that a consumer is a customer of a financial institution or has obtained a financial product or service from a financial institution. Personally identifiable financial information includes all of the following:

(1) Information a consumer provides to a financial institution on an application to obtain a loan, credit card, or other financial product or service.

(2) Account balance information, payment history, overdraft history and credit or debit card purchase information.

(3) The fact that an individual is or has been a customer of a financial institution or has obtained a financial product or service from a financial institution.

(4) Any information about a financial institution's consumer if it is disclosed in a manner that indicates that the individual is or has been the financial institution's consumer.

(5) Any information that a consumer provides to a financial institution or that a financial institution or its agent otherwise obtains in connection with collecting on a loan or servicing a loan.

(6) Any information collected through an Internet cookie or any information collecting device from a Web server.

(7) Information from a consumer report.

(8) A consumer's Social Security number.

(c) "Financial institution" generally means any institution engaging in financial activities as described in Section 1843(k) of Title 12 of the United States Code and doing business in the City and County of San Francisco. An institution that is significantly engaged in financial activities is a financial institution. The term "financial institution" does not include the Federal Agricultural Mortgage Corporation or any entity chartered and operating under the Farm Credit Act of 1971 (12 U.S.C. Sec. 2001 et seq.), provided that the entity does not sell or transfer confidential consumer information to a nonaffiliated third party. The term "financial institution" does not include institutions chartered by Congress specifically to engage in a proposed or actual securitization, secondary market sale, including sales of servicing rights, or similar transactions related to a transaction of the consumer, as long as those institutions do not sell or transfer confidential consumer information to a nonaffiliated third party. The term "financial institution" does not include any person licensed as a dealer under Article I (commencing with Section 11700) of Chapter 4 of Division 5 of the Vehicle Code that enters into contracts for the installment sale or lease of motor vehicles pursuant to the requirements of Chapter 2b (commencing with Section 2981) or 2d (commencing with Section 2985.7) of Title 14 of Part 4 of Division 3 of the Civil Code and assigns substantially all of those contracts to

financial institutions within 30 days. The term "financial institution" does not include any provider of professional services, or any wholly owned affiliate thereof, that is prohibited by rules of professional ethics or applicable law from voluntarily disclosing confidential client information without the consent of the client.

(d) "Affiliate" means any person or entity that, directly or indirectly, controls, is controlled by, or is under common control with another person or entity. A franchisor, including any affiliate thereof, shall be deemed an affiliate of the franchisee for purposes of this Article.

(e) "Nonaffiliated third party" means any entity that is not an affiliate of, or relate by common ownership or affiliated by corporate control with, the financial institution.

(f) "Consumer" means a natural person residing in the City and County of San Francisco who obtains or has obtained a financial product or service from a financial institution that is to be used primarily for personal, family, or household purposes, or that individual's legal representative. For purposes of this Article, an individual is not a consumer of a financial institution solely because he or she is (1) a participant or beneficiary of an employee benefit plan that a financial institution administers or sponsors, or for which the financial institution acts as a trustee, insurer, or fiduciary, (2) covered under a group or blanket insurance policy or group annuity contract issued by the financial institution, or (3) a beneficiary in a workers' compensation plan provided that (A) the financial institution provides all required notices and rights required by this Article to the plan sponsor, group or blanket insurance policyholder, or group annuity contractholder and (B) the financial institution does not disclose confidential consumer information about the individual except as authorized in Section 2006. A consumer does not include an individual who obtains products or services for business, commercial, or agricultural purposes.

(g) "Control" means the direct or indirect possession of the power to direct or cause the direction of the management and policies of another entity. Control includes any of the following: (1) ownership or power to vote 25 percent or more of the outstanding shares of any class of voting security of a company, acting through one or more persons, (2) power in any manner over the election of a majority of the directors, or of individuals exercising similar functions, or (3) the power to exercise a directing influence over the management of policies of a company.

(h) "Necessary to effect, administer, or enforce" means the following:

(1) The disclosure is required, or is a usual, appropriate, or acceptable method to carry out the transaction or the product or service business of which the transaction is a part, and record or service or maintain the consumer's account in the ordinary course of providing the financial service or financial product, or to administer or service benefits or claims relating to the transaction or the product or service business of which it is a part, and includes the following:

(A) Providing the consumer or the consumer's agent or broker with a confirmation, statement, or other record of the transaction, or information on the status or value of the financial service or financial product.

(B) The accrual or recognition of incentives or bonuses associated with the transaction that are provided by the financial institution or another party involved in providing the financial service or product.

(2) The disclosure is required or is a lawful method to enforce the rights of the financial institution or of other persons engaged in carrying out the financial transaction or providing the product or service.

(3) The disclosure is required, or is a usual, appropriate, or acceptable method for insurance underwriting at the consumer's request, for reinsurance purposes, or for any of the following purposes as they relate to a consumer's insurance:

(A) Account administration.

(B) Reporting, investigating, or preventing fraud or material misrepresentation.

(C) Processing premium payments.

(D) Processing insurance claims.

(E) Administering insurance benefits, including utilization review activities.

(F) For internal research purposes.

(G) As otherwise required or specifically permitted by federal or state law.

(4) The disclosure is required, or is a usual, appropriate, or acceptable method in connection with the following:

(A) The authorization, settlement, billing, processing, clearing, transferring, reconciling, or collection of amounts charged, debited, or otherwise paid using a debit, credit or other payment card, check, or account number, or by other payment means.

(B) The transfer of receivables, accounts, or interests therein.

(C) The audit of debit, credit, or other payment information.

(i) "Financial product or service" means any product or service that a financial holding company could offer by engaging in an activity that is financial in nature or incidental to financial activity under Subsection (k) of Section 1843 of Title 12 of the United States Code (the United States Bank Holding Company Act of 1956). Financial service includes a financial institution's evaluation or brokerage of information that the financial institution collects in connection with a request or an application from a consumer for a financial product or service.

(j) "Clearly and conspicuously" means displayed in a manner that is readily noticeable, readable, and understandable to consumers.

Factors to be considered in determining whether a notice or disclosure is clear and conspicuous include prominence, proximity, absence of distracting elements, and clarity and understanding of the text disclosure.

(k) "Widely distributed media" means publicly available information from a telephone book, a television or radio program, a newspaper or a Web site that is available to the general public on an unrestricted basis.

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002)

SEC. 2003.

This Article shall apply to financial institutions, as defined in Section 2002(c), that have customers who are residents of the City and County of San Francisco. For purposes of this Article, a person shall be considered a resident of the City and County of San Francisco if the person's last known mailing address, as shown in the records of the financial institution, is located in the City and County of San Francisco.

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002)

SEC. 2004.

(a) A financial institution shall not disclose to or share a consumer's confidential consumer information with any nonaffiliated third party unless (i) the financial institution has provided written or electronic notice to the consumer to whom the confidential consumer information relates and (ii) the financial institution has obtained a written or electronic consent acknowledgment from the consumer that authorizes the financial institution to disclose or share the confidential consumer information. A financial institution shall not deny a consumer a financial product or a financial service because the consumer has not provided the consent required by this Article to authorize the financial institution to disclose or share his or her confidential consumer information with any nonaffiliated third party; provided, that nothing in this section shall prohibit the disclosure of confidential consumer information as provided in Section 2006.

(b) A financial institution shall not disclose to or share a consumer's confidential consumer information with any affiliate unless (i) the financial institution has provided written or electronic notice to the consumer to whom the confidential consumer information relates and (ii) the financial institution has obtained a written or electronic consent acknowledgment from the consumer that authorizes the financial institution to disclose or share the confidential consumer information. A financial institution shall not deny a consumer a financial product or a financial service because the consumer has not provided the consent required by this Article to authorize the financial institution to disclose or share his or her confidential consumer information with any affiliate; provided, that nothing in this section shall prohibit the disclosure of confidential consumer information as provided in Section 2006.

(c) The notices required by this Section shall be issued to the consumer as frequently as is required by the federal Gramm, Leach and Bliley Act, 15 U.S.C. Sec. 6803(a). Unless revoked by the consumer, consent received from a consumer, as described in the notice, shall be deemed valid until such time as another notice is required to be issued to the consumer.

(d) Nothing in this Article shall prohibit a financial institution from marketing its own products and services or the products and services of others to the financial institution's own customers, provided no confidential consumer information is disclosed except as permitted by Section 2006.

(e) Except as otherwise provided in this Article, an entity that receives confidential consumer information from a financial institution under this Article shall not disclose this information to any other entity, unless the disclosure would be lawful if made directly to the other entity by the financial institution.

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002)

SEC. 2005.

(a) Nothing in this Article shall require a financial institution to provide a written or electronic notice to a consumer pursuant to Section 2004(a) if the financial institution does not disclose confidential consumer information to any nonaffiliated third-party, except as provided in Section 2006.

(b) Nothing in this Article shall require a financial institution to provide a written or electronic notice to a consumer pursuant to Section 2004(b) if the financial institution does not disclose confidential consumer information to any affiliate, except as provided in Section 2006.

(c) A financial institution shall provide written or electronic notices and consent acknowledgments to consumers as separate documents that are easily identifiable and distinguishable from other documents that otherwise may be provided to a consumer. A notice provided to a member of a household pursuant to Section 2004 shall be considered notice to all members of that household unless that household contains another individual who also has a separate account with the financial institution. Such notices may be sent to the consumer with other notices required under the federal Gramm, Leach and Bliley Act, 15 U.S.C. Secs. 6801 et seq.

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002)

SEC. 2006.

(a) This Article shall not apply to information that is not personally identifiable to a particular person.

(b) Sections 2004 and 2005 shall not prohibit the release of confidential consumer information under the following circumstances:

(1) The confidential consumer information is necessary to effect, administer, or enforce a transaction requested or authorized by the consumer, or in connection with servicing or processing a financial product or service requested or authorized by the consumer, or in connection with maintaining or servicing the consumer's account with the financial institution, or with another entity as part of a private label credit card program, or other extension of credit on behalf of such entity, or in connection with a proposed or actual securitization or secondary market sale, including sales of servicing rights, related to a transaction of the consumer.

(2) The confidential consumer information is released with the consent of or at the direction of the consumer.

(3) The confidential consumer information is:

(A) Released to protect the confidentiality or security of the financial institution's records pertaining to the consumer, the service or product, or the transaction therein.

(B) Released to protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims, or other liability.

(C) Released for required institutional risk control, or for resolving customer disputes or inquiries.

(D) Released to persons holding a legal or beneficial interest relating to the consumer.

(E) Released to persons acting in a fiduciary or representative capacity on behalf of the consumer.

(4) The confidential consumer information is released to provide information to insurance rate advisory organizations, guaranty funds or agencies, applicable rating agencies of the financial institution, persons assessing the institution's compliance with industry standards, and the institution's attorneys, accountants, and auditors.

(5) The confidential consumer information is released to the extent specifically required or specifically permitted under other provisions of law and in accordance with the Right to Financial Privacy Act of 1978 (12 U.S.C. Sec. 3401 et seq.), to law enforcement agencies, including a federal functional regulator, the Secretary of the Treasury with respect to subchapter II of Chapter 53 of Title 31, and Chapter 2 of Title I of Public Law 91-508 (12 U.S.C. Secs. 1951 – 1959), the California Department of Insurance, or the Federal Trade Commission, and self-regulatory organizations.

(6) The confidential consumer information is released (A) to a consumer reporting agency in accordance with the Fair Credit Reporting Act (15 U.S.C. Sec. 1681 et seq.); or (B) from a consumer report reported by a consumer reporting agency.

(7) The confidential consumer information is released in connection with a proposed or actual sale, merger, transfer, or exchange of all or a portion of a business or operating unit if the disclosure of confidential consumer information concerns solely consumers of the business or unit.

(8) The confidential consumer information is released to comply with federal, state, or local laws, rules, and other applicable legal requirements; to comply with a properly authorized civil, criminal, or regulatory investigation or subpoena or summons by federal, state, or local authorities; or to respond to judicial process or government regulatory authorities having jurisdiction over the financial institution for examination, compliance, or other purposes as authorized by law.

(9) When a financial institution is reporting a known or suspected instance of elder or dependent adult financial abuse or is cooperating with a local adult protective services agency investigation of known or suspected elder or dependent adult financial abuse pursuant to Article 3 (commencing with Section 15630) of Chapter 11 of Part 3 of Division 9 of the Welfare and Institutions Code.

(10) The confidential consumer information is released to an affiliate or a nonaffiliated third party in order for the affiliate or nonaffiliated third party to perform services for or functions on behalf of, the financial institution in connection with the financial institution's products and services, such as mailing services, data processing or analysis, or customer surveys, provided that all of the following requirements are met:

(A) The services to be performed by the affiliate or nonaffiliated third party would be lawful if performed by the financial institution.

(B) If the confidential consumer information is disclosed to an affiliate, the affiliate does not use or disclose the confidential consumer information other than to carry out the purpose for which the financial institution disclosed the information.

(C) If the confidential consumer information is disclosed to a nonaffiliated third party, there is a written contract between the nonaffiliated third party and the financial institution that prohibits the nonaffiliated third party from disclosing or using the confidential consumer information other than to carry out the purpose for which the financial institution disclosed the information, as set forth in the written contract.

(D) The confidential consumer information provided to the affiliate or nonaffiliated third party is limited to that which is reasonably necessary for the affiliate or nonaffiliated third party to perform services for on behalf of the financial institution.

(11) The confidential consumer information is released to identify or locate missing and abducted children, witnesses, criminals and fugitives, parties to lawsuits, parents delinquent in child support payments, organ and bone marrow donors, pension fund beneficiaries, and missing heirs.

(c) Nothing in this Article is intended to change existing law relating to access by law enforcement agencies to information held by

financial institutions.

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002)

SEC. 2007.

(a) The restrictions on disclosure and use of confidential consumer information, and the requirement for notification, disclosure, and opportunity for the consumer to either direct that the confidential consumer information not be disclosed or provided prior written consent, as provided in this Article, do not apply to any person or entity that meets paragraph (1) or (2) except when confidential consumer information is or will be shared with an affiliate or nonaffiliated third party.

(1) The person or entity is licensed in one or both of the following categories and is acting within the scope of the respective license:

(A) As an insurance producer licensed pursuant to Chapter 5 (commencing with Section 1621), Chapter 6 (commencing with Section 1760), or Chapter 8 (commencing with Section 1831) of Division 1 of the Insurance Code.

(B) Is duly licensed to sell securities.

(2) The person or entity meets the requirements in paragraph (1) and has a written contractual agreement with another person or entity described in paragraph (1) and the contract clearly and explicitly includes the following:

(A) The rights and obligations between the licensees arising out of the business relationship relating to insurance or securities transactions.

(B) An explicit limitation on the use of confidential consumer information about a consumer to transactions authorized by the contract and permitted pursuant to this Article.

(C) A requirement that transactions specified in the contract fall within the scope of activities permitted by the licenses of the parties.

(b) The restrictions on disclosure and use of confidential consumer information, and the requirement for notification and disclosure provided in this Article, shall not limit the ability of insurance producers and brokers to respond to written or electronic, including telephone, requests from consumers seeking price quotes on insurance products and services.

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002)

SEC. 2008.

(a) Any financial institution that negligently discloses or shares confidential consumer information in violation of this Article shall be liable, irrespective of the amount of damages suffered by the consumer as a result of that violation, for an administrative fine or civil penalty not to exceed two thousand five hundred dollars (\$2,500) per violation.

(b) Any financial institution that knowingly and willfully obtains, discloses, or uses confidential consumer information in violation of this Article shall be liable upon a first violation, for an administrative fine or civil penalty not to exceed two thousand five hundred dollars (\$2,500) per violation, or upon a second violation for an administrative fine or civil penalty not to exceed ten thousand dollars (\$10,000) per violation, or upon a third or subsequent violation for an administrative fine or civil penalty not to exceed twenty-five thousand dollars (\$25,000) per violation.

(c) Any financial institution that knowingly and willfully obtains, discloses, or uses confidential consumer information in violation of this Article for financial gain shall be liable upon a first violation for an administrative fine or civil penalty not to exceed five thousand dollars (\$5,000) per violation, or upon a second violation for an administrative fine or civil penalty not to exceed twenty-five thousand dollars (\$25,000) per violation, or upon a third or subsequent violation for an administrative fine or civil penalty not to exceed two hundred fifty thousand dollars (\$250,000) per violation and shall be subject to disgorgement of any proceeds or other consideration obtained as a result of the violation.

(d) Nothing in this Article shall be construed as authorizing an administrative fine or civil penalty under both paragraphs (2) and (3) for the same violation.

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002)

SEC. 2009.

This Article shall not be construed in a manner that is inconsistent with the federal Fair Credit Reporting Act (15 U.S.C. Secs. 1681 et seq.)

■ (Added by Ord. 237-02, File No. 021339, App. 12/20/2002)

SEC. 2010.

The provisions of this Article shall be severable, and if any phrase, clause, sentence, or provisions is declared to be invalid or is preempted by federal or state law or regulation, the validity of the remainder of this Article shall not be affected thereby.

ARTICLE 21:

EARLY CARE AND EDUCATION COMMERCIAL RENTS TAX ORDINANCE

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SEC. 2101. FINDINGS.

(a) For more than a decade, San Francisco has been a national leader in early care and education (ECE) with the introduction of the Preschool For All program in 2004. This revolutionary program expanded access, defined and measured quality programs, and supported educators to deliver high-quality early education. Ninety-two percent of San Francisco children attend preschool or transitional kindergarten before attending public kindergarten.

(b) Preschool enrollment of three- to five-year-olds in San Francisco rose from 57% in 2005 to 71% in 2013. Citywide school readiness assessments in 2007 and 2009 charted a similar increase, from 72% of four-year-olds in 2007 to 83% in 2009. These accomplishments are due to the targeted and committed investments of the State and the City and the work of First 5 San Francisco and the Office of Early Care and Education.

(c) However, the City cannot claim the same success when it comes to infants and toddlers under the age of four. Despite medical professionals, child development specialists, and scientific researchers uniformly agreeing that the most critical time in brain development is from birth to age three, and that the brain is 90% developed before a child reaches age five, San Francisco has more than 2,400 children on the waitlist for subsidized ECE, and more than 1,600 of these children are under the age of three. When two-thirds of the children on the waitlist, and in these large numbers, are infants and toddlers, the critical and urgent need for targeted investment in infants and toddlers, akin to the level of City support prioritized for our four-year-olds, becomes dramatically evident.

(d) Three out of four families in San Francisco with children under the age of six have both parents working outside the home, making childcare a necessity, not a luxury. But, as of 2017, infant and toddler early education and childcare can cost a staggering \$20,000 a year in San Francisco; in comparison, tuition at UC Berkeley costs \$13,600 a year. The heavy toll that childcare costs can take on families is undeniable. In a 2016 poll conducted by the Robert Wood Johnson Foundation, Harvard's T.H. Chan School of Public Health, and National Public Radio, 71% of the over 1,100 parents polled stated that the cost of childcare is a serious problem for their families.

(e) Without affordable and accessible childcare, one significant consequence is the loss of women from the workforce, a serious problem not just for those women, but for society at large. One stark consequence of losing women in our workforce is the difficulties they face when attempting to return to work in the technology sector after having children. Recent research indicates that such women are 79% less likely to be hired and half as likely to be promoted as other employees, and are offered an average of \$11,000 less in salary upon trying to re-enter the technology workforce later in life.

(f) Further, as female employees leave the workforce, the lack of gender diversity in fields like technology and venture capital continues apace. A study conducted by the Deloitte University Leadership Center for Inclusion and the National Venture Capital Association, of 2,500 employees at 217 venture capital firms nationwide, found that lack of family assistance and childcare may be hindering women's success in venture capital. The same study found that gender diversity in leadership results in greater returns, innovation, and success. Fortune 500 firms that aggressively promote women realize 34% higher profits than those that do not.

(g) Our San Francisco families want and need quality ECE for their children, and society as a whole benefits when we invest in them and their families. Rigorous long-term studies have found a return on investment averaging seven dollars for every dollar spent on quality early learning programs. In addition, children in these studies who have been followed into adulthood have benefitted from increased earnings.

(h) The most effective guarantee of quality ECE is workforce compensation. A 2014 UC Berkeley study showed that educator wages are one of the most important predictors of the quality of education children receive. But today, one third of full-time teaching staff in ECE programs use some form of public assistance to make ends meet. In San Francisco, 92% of our early childcare and education workforce are women; 83% are estimated to be women of color.

(i) Children who come to kindergarten without the skills they need often stay behind and struggle in school. Early childhood care and education programs give children a chance to learn, become excited about school, and be better students over their lifetimes. Investing in ECE helps ensure we have highly-trained and skilled educators, gives our babies and children the best possibility to succeed, while providing essential support for struggling working families.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2102. SHORT TITLE.

This Article 21 shall be known as the “Early Care and Education Commercial Rents Tax Ordinance,” and the tax it imposes shall be known as the “Early Care and Education Commercial Rents Tax.”

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2103. DEFINITIONS.

(a) Unless otherwise defined in this Article 21, the terms used in this Article shall have the meanings given to them in Articles 6 and 12-A-1 of the Business and Tax Regulations Code, as amended from time to time. All references to Sections of the Planning Code are to the text of those Sections as of June 5, 2018.

(b) For purposes of this Article 21, the following definitions shall apply:

“Area Median Income” or “AMI” means Area Median Income for the San Francisco area, derived from the U.S. Department of Housing and Urban Development, adjusted solely for household size, as described in Administrative Code Section 10.100-81(c).

“Base Amount” means the Controller’s calculation of the amount of City appropriations (not including appropriations from the Fund and exclusive of expenditures funded by private funding, development impact fees, or prior period balances, or funded or mandated by state or federal law) for Baseline Programs for the Baseline Year, as adjusted in the manner provided in subsections (g) and (h) of Section 2112.

“Baseline Programs” means all programs serving children of all ages under six that are allocated funding through OECE.

“Baseline Year” means the Fiscal Year July 1, 2017 through June 30, 2018.

“Commercial Space” means any building or structure, or portion of a building or structure, that is not “residential real estate,” as that term is defined in Section 954.1(c) of Article 12-A-1 of the Business and Tax Regulations Code, as amended from time to time. Notwithstanding the preceding sentence, Commercial Space shall not include any building or structure, or portion of a building or structure, that is used for: (a) Industrial Use as defined in Section 102 of the Planning Code; (b) Arts Activities as defined in Section 102 of the Planning Code; or (c) Retail Sales or Service Activities or Retail Sales or Service Establishments, as defined in Section 303.1(c) of the Planning Code, that are not Formula Retail uses as defined in Section 303.1(b) of the Planning Code.

“Eligible Programs” are described in Section 2112(d)(1) of this Article 21.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Fund” means the Babies and Families First Fund described in Section 2111 of this Article 21.

“OECE” means the City’s Office of Early Care and Education, described in Section 2A.310 of the Administrative Code, or its successor.

“State Median Income” or “SMI” means the state median income, adjusted for family size, calculated by the California Department of Finance under California Education Code Section 8263.1.

“Warehouse Space” means Commercial Space that is used for Commercial Storage, for Volatile Materials Storage, for Wholesale Storage, or as a Storage Yard, as each of these capitalized terms is defined in Section 102 of the Planning Code.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019; amended by Ord. [235-18](#), File No. 180753, App. 10/12/2018, Eff. 11/12/2018, Oper. 1/1/2019)

SEC. 2104. IMPOSITION OF TAX.

(a) Except as otherwise provided in this Article 21, for the privilege of engaging in the business of leasing Commercial Space in properties in the City, the City imposes an annual Early Care and Education Commercial Rents Tax on each person engaged in business

in the City that receives gross receipts from the lease of Commercial Space in properties in the City. For purposes of this Article 21, the term “lease” includes any “sublease.”

(b) The Early Care and Education Commercial Rents Tax shall be calculated by applying the following percentages to the person or combined group’s gross receipts from the lease of Commercial Space in properties in the City:

- (1) 1% to the person or combined group’s gross receipts from the lease of Warehouse Space in properties in the City; and
- (2) 3.5% to the person or combined group’s gross receipts from the lease of all other Commercial Space in properties in the City.

(c) The Early Care and Education Commercial Rents Tax shall become operative on January 1, 2019.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2105. EXEMPTIONS AND EXCLUSIONS.

(a) An organization that is exempt from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from taxation under this Article 21, only so long as those exemptions continue to exist under state or federal law.

(b) For purposes of this Article 21, gross receipts from the lease of Commercial Space shall not include receipts from the leasing of Commercial Space to (1) organizations described in subsection (a) of this Section 2105; or (2) federal, state, or local governments.

(c) For purposes of this Article 21, gross receipts from the lease of Commercial Space shall not include receipts from business activities if, and only so long as and to the extent that, the City is prohibited from taxing such receipts under the Constitution or laws of the United States or under the Constitution or laws of the State of California.

(d) For only so long as and to the extent that the City is prohibited from imposing the Early Care and Education Commercial Rents Tax, any person upon whom the City is prohibited under the Constitution or laws of the State of California or the Constitution or laws of the United States from imposing the Early Care and Education Commercial Rents Tax shall be exempt from the Early Care and Education Commercial Rents Tax.

(e) For purposes of this Article 21, gross receipts from the lease of Commercial Space shall not include rent that is subject to the tax imposed under Articles 7 or 9 of the Business and Tax Regulations Code and shall not include rent that would be subject to the tax imposed under Article 7 or Article 9 but for the exemptions from that tax under Section 506 of Article 7 or Section 606 of Article 9.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019; amended by Ord. [317-18](#), File No. 181082, App. 12/21/2018, Eff. 1/21/2019, Retro. 1/1/2019)

SEC. 2106. SMALL BUSINESS EXEMPTION.

Notwithstanding any other provision of this Article 21, a person or combined group exempt from payment of the gross receipts tax under Section 954.1 of Article 12-A-1, as amended from time to time, shall also be exempt from payment of the Early Care and Education Commercial Rents Tax.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2106.1. CREDIT FOR CHILD CARE FACILITIES.

(a) Any person subject to the Early Care and Education Commercial Rents Tax imposed under this Article 21 that leases or provides Commercial Space in a property in the City for a Qualifying Child Care Facility that operates for more than six months in a tax year shall be allowed a credit against the Early Care and Education Commercial Rents Tax for that tax year. If a person entitled to the credit under this Section 2106.1 is required to file an Early Care and Education Commercial Rents Tax return on a combined basis under Section 2107, the credit may be claimed against the Early Care and Education Commercial Rents Tax liability required to be reflected on the combined return for that tax year. In no event shall the credit allowed under this Section 2106.1 reduce a person or combined group’s Early Care and Education Commercial Rents Tax liability for any tax year to less than zero, and no credit shall be allowed as a carryforward to a subsequent tax year.

(b) For purposes of this Section 2106.1, the credit for a tax year shall be based on the total number of Infants, Toddlers, and Preschool-Age Children for which the Qualifying Child Care Facility is licensed by the California Department of Social Services to provide care and shall be in the amount prescribed in the table below.

<i>Number of Infants, Toddlers, and Preschool-Age Children</i>	<i>Amount of Credit</i>
1 to 49	\$7,200
50 to 99	\$16,000
100 or more	\$36,000

(c) The following definitions shall apply for purposes of this Section 2106.1.

(1) “Qualifying Child Care Facility” means a facility that is licensed by the California Department of Social Services, or any successor agency, to provide non-medical care to Infants, Toddlers, Preschool-Age Children, or any combination thereof in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis in a group setting.

(2) “Infants” means children under two years of age.

(3) “Toddlers” means children between the ages of 18 months and 30 months.

(4) “Preschool-Age Children” means children who are enrolled in a child day care center licensed by the California Department of Social Services, or any successor agency, and who are not enrolled in a child care center or part of a child care center where less than 24-hour per day non-medical care and supervision are provided to Infants or School-Age Children.

(5) “School-Age Child” means a child who has entered the first grade or above or who is in a child care program providing care and supervision exclusively to children enrolled in kindergarten and above.

(d) To be eligible for the credit authorized under this Section 2106.1, persons wishing to claim the credit must:

(1) Maintain a reasonable method of documentation that can be reviewed or verified objectively that demonstrates that the person is eligible for the credit provided for in this Section 2106.1, and provide such documentation to the Tax Collector upon request; and

(2) File a timely annual Early Care and Education Commercial Rents Tax return regardless of the amount of liability, if any, shown on the return after claiming the credit provided for in this Section 2106.1.

(e) The Tax Collector shall verify that any credit claimed pursuant to this Section 2106.1 is correct. The Office of Early Care and Education, or any successor agency, shall provide to the Tax Collector upon request such information that the Tax Collector may require to verify that a Qualifying Child Care Facility for which the credit is claimed meets the eligibility requirements of this Section 2106.1, and the Tax Collector may share taxpayer information with the Office of Early Care and Education, or any successor agency, for this purpose. To the extent permitted by law, the Office of Early Care and Education, or any successor agency, shall maintain the confidentiality of any such information that the Tax Collector provides, and shall be subject to Section 6.22-1 of Article 6 of the Business and Tax Regulations Code with respect to such information.

(f) The Tax Collector shall submit an annual report to the Board of Supervisors for each year for which the credit authorized under this Section 2106.1 is available, that sets forth aggregate information on the dollar value of the credits taken each year and the number of persons taking the credit.

(g) The Controller, not later than four years after the effective date of the ordinance in Board of Supervisors File No. 181082 establishing this Section 2106.1, shall perform an assessment and review of the effect of the credit provided by this Section 2106.1. Based on such assessment and review the Controller shall prepare and submit an analysis to the Board of Supervisors. The analysis shall be based on factors that the Controller deems relevant, and may include, but shall not be limited to, data contained in the annual reports to the Board of Supervisors as required by subsection (f) of this Section 2106.1.

(h) The credit provided by this Section 2106.1 shall be allowable in tax years ending after December 31, 2018, and shall expire by operation of law on December 31, ~~2023~~ 2028. No person may use or claim the credit provided for under this Section 2106.1 after the expiration date of this Section.

■ (Added by Ord. [317-18](#), File No. 181082, App. 12/21/2018, Eff. 1/21/2019, Retro. 1/1/2019; amended by Ord. [99-23](#), File No. 230307, App. 6/2/2023, Eff. 7/3/2023)

SEC. 2107. FILING; COMBINED RETURNS.

(a) Persons subject to the Early Care and Education Commercial Rents Tax shall file returns at the same time and in the same manner as returns filed for the gross receipts tax (Article 12-A-1), including the rules for combined returns under Section 956.3, as amended from time to time.

(b) If a person is subject to the Early Care and Education Commercial Rents Tax but is not required to file a gross receipts tax return, such person or combined group’s Early Care and Education Commercial Rents Tax return shall be filed at the same time and in the same manner as if such person or combined group were required to file a gross receipts tax return.

(c) For purposes of this Article 21, a lessor of residential real estate is treated as a separate person with respect to each individual building in which it leases residential real estate units, notwithstanding Section 6.2-15 of Article 6, as amended from time to time, or subsection (a) of this Section 2107. This subsection (c) applies only to leasing residential real estate units within a building, and not to any business activity related to other space, either within the same building or other buildings, which is not residential real estate. The Tax Collector is authorized to determine what constitutes a separate building and the number of units in a building.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2108. TAX COLLECTOR AUTHORIZED TO DETERMINE GROSS RECEIPTS.

The Tax Collector may, in his or her reasonable discretion, independently establish a person or combined group’s gross receipts from the lease of Commercial Space in properties in the City and establish or reallocate gross receipts among related entities so as to fairly reflect the gross receipts from the lease of Commercial Space in properties in the City of all persons and combined groups.

SEC. 2109. CONSTRUCTION AND SCOPE OF THE EARLY CARE AND EDUCATION COMMERCIAL RENTS TAX ORDINANCE.

(a) This Article 21 is intended to authorize application of the Early Care and Education Commercial Rents Tax in the broadest manner consistent with its provisions and with the California Constitution, the United States Constitution, and any other applicable provision of federal or state law.

(b) The Early Care and Education Commercial Rents Tax imposed by this Article 21 is in addition to all other City taxes, including the gross receipts tax imposed by Article 12-A-1 of the Business and Tax Regulations Code, as amended from time to time. Accordingly, by way of example and not limitation, persons subject to both the Early Care and Education Commercial Rents Tax and the gross receipts tax shall pay both taxes. Persons exempt from either the gross receipts tax or the Early Care and Education Commercial Rents Tax, but not both, shall pay the tax from which they are not exempt.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2110. ADMINISTRATION OF THE EARLY CARE AND EDUCATION COMMERCIAL RENTS TAX ORDINANCE.

Except as otherwise provided under this Article 21, the Early Care and Education Commercial Rents Tax Ordinance shall be administered pursuant to Article 6 of the Business and Tax Regulations Code, as amended from time to time.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2111. DEPOSIT OF PROCEEDS.

All monies collected under the Early Care and Education Commercial Rents Tax Ordinance shall be deposited to the credit of the Babies and Families First Fund, established in Administrative Code Section 10.100-36. The Fund shall be maintained separate and apart from all other City funds and shall be subject to appropriation. Any balance remaining in the Fund at the close of any fiscal year shall be deemed to have been provided for a special purpose within the meaning of Charter Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes described in Section 2112(d) of this Article 21.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2112. EXPENDITURE OF PROCEEDS.

Monies in the Babies and Families First Fund shall be used exclusively for the purposes specified in this Section 2112. Subject to the budgetary and fiscal provisions of the Charter, monies in the Fund shall be appropriated on an annual or supplemental basis and used exclusively for the following purposes:

- (a) Up to 2% of the proceeds of the Early Care and Education Commercial Rents Tax, distributed in any proportion to the Tax Collector and other City departments, for administration of the Early Care and Education Commercial Rents Tax;
- (b) Refunds of any overpayments of the Early Care and Education Commercial Rents Tax imposed by this Article 21;
- (c) Fifteen percent of all amounts remaining after application of subsections (a) and (b) to the General Fund, to be expended for any purposes of the City; and
- (d) All remaining amounts to funding, including administrative costs, Eligible Programs.
 - (1) “Eligible Programs” means:
 - (A) Support for quality early care and education for children under the age of six in San Francisco families at 85% or less of State Median Income (SMI);
 - (B) Support for quality early care and education for children under the age of four in San Francisco families earning up to 200% of the Area Median Income (AMI);
 - (C) Investment in comprehensive early care and education services that support the physical, emotional, and cognitive development of children under the age of six; and
 - (D) Increasing compensation (including but not limited to wages, benefits, and training) of care professionals and staff in order to improve the quality and availability of early care and education for children under the age of six.
 - (2) Monies in the Fund shall be allocated between the purposes set forth in subsections (d)(1)(A), (d)(1)(B), (d)(1)(C), and (d)(1)(D), as provided by the Board of Supervisors or OECE.
- (e) Commencing with a report filed with the Board of Supervisors not later than January 1, 2030, and every ten years thereafter, or as directed by the Board of Supervisors, OECE shall file a “needs assessment” containing recommendations for expenditures from the Fund

for the following ten years to support quality early care and education for children under the age of six through the Eligible Programs.

(f) The intent of subsection (d) of this Section 2112 is to provide dedicated revenues to increase funding for quality early care and education for San Francisco children under the age of six. It is not intended to supplant existing funding. Therefore, except as otherwise specified in this Section 2112, revenues in the Fund may only be expended for the purposes specified in Section 2112(d) in years when the Controller certifies that appropriations contained in the adopted budget from other funding sources exceed those in a given year, as measured and adjusted by the Controller pursuant to subsections (g) and (h) of this Section 2112.

(g) **Expenditures After Baseline Year.** No monies in the Fund shall be expended pursuant to subsection (d) of this Section 2112 in any Fiscal Year in which the amount appropriated for Baseline Programs (not including appropriations from the Fund and exclusive of expenditures funded by private funding, development impact fees, or prior period balances, or funded or mandated by state or federal law) is below the Base Amount. All funds unexpended in accordance with the preceding sentence shall be held in the Fund and may be expended in any future Fiscal Year in which other expenditures from the Fund may be made. The Controller shall adjust the Base Amount for each Fiscal Year after the Baseline Year based on calculations consistent from Fiscal Year to Fiscal Year by the percentage increase or decrease in aggregate City discretionary revenues. In determining aggregate City discretionary revenues, the Controller shall include only revenues received by the City that are unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any lawful City purpose. The method used by the Controller to determine discretionary revenues shall be consistent with the method used by the Controller to determine the Library and Children's Fund Baseline calculations, as provided in Charter Section 16.108(h). The change in aggregate discretionary revenues shall be adjusted following the end of the Fiscal Year when final revenues are known.

(h) **Suspension of Growth in Base Amount.** The City may suspend growth in the Base Amount pursuant to subsection (g) of this Section 2112 in Fiscal Year 2018-2019 if the City's projected budget deficit for that year at the time of the Joint Report or Update to the Five Year Financial Plan as prepared jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst under Chapter 3, Section 3.6 of the Administrative Code, exceeds \$200 million. For Fiscal Year 2019-2020 and thereafter, the City may suspend growth in the Base Amount pursuant to subsection (g) of this Section 2112 in any year that the City's projected budget deficit for that year at the time of the Joint Report or Update to the Five Year Financial Plan as prepared jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst under Chapter 3, Section 3.6 of the Administrative Code exceeds \$200 million adjusted annually by changes in aggregate City discretionary revenues as defined in subsection (g) of this Section 2112.

(i) **Annual Reports.** Commencing with a report filed no later than February 15, 2020, covering the Fiscal Year ending on June 30, 2019, the Controller shall file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the Fund during the prior Fiscal Year, the status of all Eligible Programs, and such other information as the Controller, in the Controller's sole discretion, shall deem relevant to the operation of this Article 21.

(j) **Administration of Fund.** The Fund shall be maintained by the Controller's Office, which shall record all receipts and expenditures.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2113. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal this Article 21 by ordinance without a vote of the people except as limited by Articles XIII A and XIII C of the California Constitution.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2114. EFFECT OF STATE AND FEDERAL AUTHORIZATION.

To the extent that the City's authorization to impose or to collect any tax imposed under this Article 21 is expanded or limited as a result of changes in state or federal statutes, regulations, or other laws, or judicial interpretations of those laws, no amendment or modification of this Article shall be required to conform the taxes to those changes, and the taxes are hereby imposed in conformity with those changes, and the Tax Collector shall collect them to the full extent of the City's authorization up to the full amount and rate of the taxes imposed under this Article.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2115. SEVERABILITY.

(a) Except as provided in Section 2115(b), below, if any section, subsection, sentence, clause, phrase, or word of this Article 21, or the application thereof to any person or circumstance, is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Article, including the application of such portions to other persons or circumstances. The People of the City and County of San Francisco hereby declare that, except as provided in Section 2115(b), they would have adopted each section, subsection, sentence, clause, phrase, and word of this Article not declared invalid or unconstitutional without regard to whether any other portion of this Article would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Early Care and Education Commercial Rents Tax in Section 2104 of this Article 21 is held in its entirety to be facially invalid or unconstitutional in a final court determination, the remainder of this Article 21 shall be void and of no force and

effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code, and likewise cause Section 10.100-36 to be removed from the Administrative Code.

■ (Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

SEC. 2116. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 21 shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

(Added by [Proposition C](#), 6/5/2018, Eff. 7/20/2018, Oper. 1/1/2019)

ARTICLE 22:

PARKING STATIONS; REVENUE CONTROL EQUIPMENT

[Parking Revenue Control Equipment]

- Sec. 2201. Definitions.
- Sec. 2202. Exempted Parking Stations.
- Sec. 2203. RCE Requirements for All Parking Stations.
- Sec. 2204. Requirements for Small Attended Parking Stations.
- Sec. 2205. Requirements for Attended Parking Stations.
- Sec. 2206. Requirements for Flat Rate Parking Stations.
- Sec. 2207. Requirements for Monthly-Only Parking Stations.
- Sec. 2208. Requirements for Unattended Parking Stations.
- Sec. 2209. Equipment Requirements for Public Event Parking Stations.
- Sec. 2210. Equipment Requirements for Valet Parking Stations.
- Sec. 2211. Multiple Operations Parking Stations.
- Sec. 2212. New Parking Technology.
- Sec. 2213. Electronic Payment.
- Sec. 2214. Maintenance and Repair of Revenue Control Equipment.
- Sec. 2215. Manual Revenue Control Procedures Required When Revenue Control Equipment is Not Operational.
- Sec. 2216. Inspections of Parking Stations.
- Sec. 2218. Required Business Practices for All Parking Stations.

[Revenue Control Equipment Compliance Fee]

- Sec. 2219. Title and Purpose.
- Sec. 2219.5. Imposition of Revenue Control Equipment Compliance Fee.
- Sec. 2219.6. Collection and Enforcement.
- Sec. 2219.7. Exemptions.
- Sec. 2219.8. Authority to Adopt Rules and Regulations.
- Sec. 2219.9. Fee to be Deposited in the General Fund.
- Sec. 2219.11. Effective/Operative Dates.

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- Sec. 2220. Consumer Protection.
 - Sec. 2221. Severability.
 - Sec. 2225. Enforcement.
 - Sec. 2226. Civil Penalties.
 - Sec. 2229. Consumer Action and Relief.
 - Sec. 2230. Criminal Penalties.
 - Sec. 2231. Cumulative Remedies.
 - Sec. 2232. Limitation of Actions.
 - Sec. 2233. Cooperation with City Agencies.
 - Sec. 2234. City Garages.
 - Sec. 2238. Severability.

SEC. 2201. DEFINITIONS.

(a) Sections 2201 through 2218 of this Article shall be known as the "Parking Revenue Control Equipment Ordinance."

(b) **Existing Defined Terms.** The terms "Operator," "Occupant," "Occupancy," "Parking Station," "Motor Vehicle," and "Rent" shall have the meaning set out in Article 9, Section 601 of this Code.

(c) **Additional Defined Terms.** When used in this Article, the following terms shall mean:

"Affiliate" means a Person who owns or Controls, is owned or Controlled by, or shares common ownership or Control with, another Person.

"Attendant Parking" means the service of parking an Occupant's Motor Vehicle at an Attended Parking Station or in a Parking Station connected with the Attended Parking Station provided by the Attended Parking Station Operator.

"Attended Parking Station" means a Parking Station in which the Operator utilizes an attendant or cashier or other employee to issue Parking Tickets and/or collect Rent and/or otherwise assist Occupants.

"Automatic Vehicle Counter" means a mechanical or electronic device, such as a hose counter, electric eye, arming and/or triggering loop, or other automated counting device that records the passage of a Motor Vehicle.

"Cancelled Transaction" means a Transaction that the Operator cancels prior to payment.

"City Garage" means a Parking Station owned by the City and County of San Francisco or by the Parking Authority of the City and County of San Francisco.

"Collected Tickets" means the number of Parking Tickets returned to the Operator by Occupants for payment of Rent.

"Control" means the power to control the affairs and key decisions of another person, association or corporation, as the term Control is further defined in Article 6, Section 6.6-1(f)(2) of this Code.

"Discount Parking" means parking provided for reduced Rent to members of a class of Occupants, including but not limited to early morning entry Occupants ("early-bird"), scooter or motorcycle Occupants, carpool Occupants, and persons with a merchant validation.

"Discount Parking Ticket" means a Parking Ticket issued for Discount Parking.

"Electronic Payment" means the payment of Rent using a credit card, debit card, prepaid account card, cellular phone, Quick Response (QR) code, or other method of payment that does not utilize cash or bank check and is acceptable to the Enforcing Agency, as more particularly described in Sections 2203(g) and 2213.

"Electronic Payment Record" means the record of a Transaction generated in the course of Electronic Payment of Rent, as described in Section 2213.

"Enforcing Agency" means the Tax Collector for the City and County of San Francisco.

"Flat Rate Parking" means parking provided for a fixed Rent for a prescribed or limited time Occupancy Period at a Parking Station that is not a Public Event Parking Station.

"Inventory" means the number of motor vehicles present in a Parking Station at a given time.

"Issued Tickets" means the total number of Parking Tickets issued to Occupants, including Voided Tickets, and Parking Tickets otherwise used or consumed in the operation of the Parking Facility for a given period.

"Journal Tape" means a printed record of every Transaction, in consecutive order, that is generated by RCE not capable of producing an electronic Log File (e.g., a cash register or fee computer tape).

"Log File" means an electronic read-only record generated by the RCE that is a consecutive record by date and time of every Transaction and the actions of the RCE and ancillary RCE devices.

"Lost Ticket" means a Parking Ticket that has been issued to and misplaced by an Occupant, which has not been returned to the Operator with payment of Rent.

"Monthly Occupant" means an Occupant who pays a flat fee for Occupancy on a monthly basis.

"Monthly Parking" means parking for which Rent is charged to the Occupant as a fixed monthly fee.

"NIST Book 44" means the National Institute of Standards and Technology, Book 44, as adopted by the State of California pursuant to California Code of Regulations Section 4400 *et seq.*

"Occupancy Period" means the time elapsed between the entry and the exit of an Occupant's Motor Vehicle from a Parking Station for which the Operator charges Rent.

"Parking Meter" means a mechanical or electronic device, owned or operated by the City and County of San Francisco, for the purpose of measuring the time a Motor Vehicle is permissibly parked in a parking space. For purposes of this Article, a Parking Meter is not RCE.

"Parking Tax" means the tax and surcharge imposed on Rent charged for Occupancy in a Parking Station imposed by Article 9 of the Business and Tax Regulations Code.

"Parking Ticket" means the record provided by the Operator to the Occupant setting forth the time and date that the Occupant's Motor Vehicle entered the Parking Station that is used by the Operator to determine the Rent charged to the Occupant.

"Pay and Display Parking Station" means an Unattended Parking Station in which Occupants utilize a Pay Station to pay Rent for a specified Occupancy Period and receive a Receipt or Parking Ticket that the Occupant displays conspicuously in his or her Motor Vehicle as proof of payment.

"Pay Station" means a mechanical or electronic device that accepts payment or prepayment of Rent from an Occupant and issues a Parking Ticket, release ticket or Receipt.

"Periodic Report" means a report prepared daily, weekly, monthly, or quarterly by the Operator showing, at a minimum, the total Rent collected for that period, the identification numbers of the Parking Tickets used during that period, and the number of vehicles parked in the Parking Station during that period.

"Person" means any individual, group, company, partnership, association, joint stock company, trust, corporation, society, syndicate, club, business, or governmental entity. "Person" shall not include the City or any of its departments or agencies.

"Public Event Parking Station" means a Parking Station with more than five parking spaces, the Occupants of which are principally attendees of public events, such as a performing arts or sporting events, that occur fewer than 100 days in any calendar year and for which an Occupant prepays a flat-rate Rent for a fixed Occupancy Period.

"RCE" means Revenue Control Equipment.

"RCE Records" means the documents and reports generated by Revenue Control Equipment, including but not limited to Log Files or Journal Tapes. Books of account, accounting records, and other financial records provided by an Operator to the City in the course of an audit to confirm the data in Log Files or Journal Tapes shall also be considered RCE records.

"Receipt" means the record issued by an Operator to an Occupant of the Rent paid by or on behalf of the Occupant.

"Release Ticket" means the ticket issued by an Operator in exchange for payment of Rent that allows the Occupant to exit the Parking Station.

"Revenue Control Equipment" means an automated mechanical or electronic device or devices that meet(s) the requirements of this Article. For purposes of this Article, a Parking Meter is not RCE.

"Service Agent" means a person or other entity engaged in the business of installing, maintaining, or repairing RCE.

"Small Attended Parking Station" means an Attended Parking Station that receives annual gross revenues below the threshold stated in Section 2204(a).

"Substitute Ticket" means a Parking Ticket that an Operator processes as a replacement for a Lost Ticket.

"Transaction" means the calculation and payment of Rent for Occupancy.

"Transient Parking" means parking for which Rent is charged to the Occupant by the hour or the fraction of the hour.

"Unaccounted Ticket" means a ticket that is issued to an Occupant and is not returned to the Operator. A Lost Ticket is an Unaccounted Ticket.

"Unaccounted Ticket Ratio" means the ratio of Unaccounted Tickets to Issued Tickets for a given period, expressed as a percentage of Issued Tickets.

"Unattended Parking Station" means a Parking Station in which the Operator does not use an attendant or cashier or other employee to issue Parking Tickets, collect Rent, and/or otherwise assist Occupants.

"Valet" means a person or a service company subject to the requirements of the Police Code as a Fixed Location Valet Parking Service or a Special Event Valet Parking Service.

"Valet Lot" means a Parking Station, including a garage, lot or other off-street space or facility, used by a Valet for the parking or storage of Motor Vehicles in exchange for which the Valet receives compensation or other consideration.

"Voided Ticket" means a Parking Ticket that is not issued to an Occupant, but that is used in the course of the Operator's testing, repair or maintenance of the RCE.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2202. EXEMPTED PARKING STATIONS.

The requirements of this Article shall not apply to any Parking Station:

- (a) That does not charge Rent at any time;
- (b) That is operated by the City and County of San Francisco and uses Parking Meters;

(c) In which all Rent paid for Occupancy is paid by a resident or a registered guest of a hotel or motel by adding the Rent to the room bill or charge to the resident, or registered guest, as long as the charges for the hotel room and the charges for parking are subject to the Tax on the Transient Occupancy of Hotel Rooms set out in Article 7 of the Business and Tax Regulations Code;

(d) That is located in a residential building or development that provides Monthly Parking as a convenience or additional amenity to its residents. This exemption shall apply only to Rent paid by persons who are residents of the building or development in which the Parking Station is located, and where parking is provided as a convenience or additional amenity to such residents; or

(e) That is operated by a governmental entity other than the City and County of San Francisco or the Parking Authority of the City and County of San Francisco. A Parking Station operated by a person other than a governmental entity is not exempt from the provisions of this Article, even if the Parking Station is located on property owned by a governmental entity.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [5-13](#), File No. 121064, App. 1/24/2013, Eff. 2/23/2013; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2203. RCE REQUIREMENTS FOR ALL PARKING STATIONS.

(a) Unless otherwise specifically exempted in this Article, a Parking Station must utilize functioning RCE that meets the requirements of this Section and all other applicable provisions of this Article whenever the Operator charges Rent for Occupancy.

(b) RCE must record all Transactions either to a Log File or to a Journal Tape, as required by this Article.

(c) An Operator shall utilize RCE that meets the requirements of this Article to track and account for Transactions and to record and account for Rent received and Parking Taxes to be collected and remitted to the Tax Collector.

(d) Neither an Operator nor any of its Affiliates, agents or employees shall have more than a five percent ownership interest or other monetary, equitable, or secured interest in the manufacturer of, vendor of or Service Agent for the RCE used in any Parking Station controlled by said Operator.

(e) In any case in which the Operator has an ownership interest of any kind or any amount in the manufacturer of, vendor of or Service Agent for the RCE used in any Parking Facility under the control of the Operator, the Operator shall not have access to the source code or access to any part of the RCE software, hardware, data storage devices, or other RCE equipment that would allow the Operator to modify or delete RCE Records or other data that is generated or stored in the RCE, including but not limited to Rents charged, monies for Rent collected, Occupancy Periods, and Parking Taxes collected or owed.

(f) All RCE that contains a time clock or recorder must meet or exceed the specifications, tolerances, performance and testing standards for time clocks and time recorders set out in the NIST Book 44, Section 5.55, as it may from time to time be amended. Time clocks, time recorders and other timing devices incorporated or used in RCE must be electronic and must not be capable of recalibration or other adjustment other than setting the current time and date.

(g) Where an Operator is required to accept or voluntarily accepts Electronic Payment, the RCE must: (1) record the time and date of a Motor Vehicle's entry to the Parking Station and the Occupancy Period; (2) assign a unique identification number to the Transaction associated with the method of payment; and (3) record the Rent charged and Parking Tax assessed. Methods of Electronic Payment must be administered by a third party payment processor that is not affiliated with the Operator of the Parking Station. Any Electronic Payment method must create an Electronic Payment Record for every Transaction. A Parking Station that accepts Electronic Payment must post the business telephone and address of the Operator or the Operator's agent responsible for addressing complaints concerning incorrect charges and other issues concerning payment of Rent.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2204. REQUIREMENTS FOR SMALL ATTENDED PARKING STATIONS.

(a) An Operator of a Small Attended Parking Station shall comply with all applicable provisions of this Article, unless an exemption as specified in this Section 2204 is granted in writing by the Enforcing Agency. The Operator of a Small Attended Parking Station may apply to the Enforcing Agency for exemption from the requirements of Sections 2203, 2205, and 2213, provided that the Operator demonstrates to the satisfaction of the Enforcing Agency that the gross annual revenues of the Parking Station from Rent do not exceed \$40,000. An Operator of a Small Attended Parking Station is not required to accept Electronic Payment, but if it does accept Electronic Payment it must comply with the requirements of Section 2213.

(b) If the Enforcing Agency grants the Operator of a Small Attended Parking Station an exemption from the requirements of Sections 2203, 2205, and 2213, the Operator shall:

(1) Provide to each Occupant a Parking Ticket that has preprinted on it a unique sequential identification number. The Parking Ticket shall either have a stub or a split portion that the Operator shall place on the windshield of the Occupant's Motor Vehicle. The Operator shall not use a Parking Ticket more than once.

(2) Write the Occupant's Motor Vehicle's license plate number on the Parking Ticket in ink.

(3) Stamp the Parking Ticket with the time the Occupant's Motor Vehicle entered the Parking Station and the time it exited the Parking Station, using a mechanical or electronic time-stamp or punch clock device.

(4) Upon an Occupant's payment of Rent, provide to the Occupant a hand-written or machine generated Receipt stating the date and

time of the Occupant's Motor Vehicle's entry to and exit from the Parking Station, the Rent charged, the name of the attendant, and the name and address of the Parking Station.

(5) Create a Periodic Report for each day that the Parking Station provides parking in exchange for Rent.

(6) The Operator shall retain all Periodic Reports created pursuant to this Section 2204 and all issued Parking Tickets for not less than five years after their creation.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2205. REQUIREMENTS FOR ATTENDED PARKING STATIONS.

Except as specifically exempted or otherwise required by this Article, an Operator of an Attended Parking Station that charges Rent for Occupancy by the hour or the fraction of an hour shall utilize RCE that meets the requirements of this Section 2205.

(a) Except for Attended Parking Station Transactions that utilize Electronic Payment, the Operator must provide a Parking Ticket issued by the RCE to the Occupant at the time the Occupant's Motor Vehicle enters the Parking Station. The Parking Ticket must state the time and date of entry, and the name and address of the Parking Station. Each Parking Ticket issued by the Operator must contain a preprinted, unique, sequential identification number that is not printed by the RCE. This preprinted ticket, once issued, shall directly correspond and be traceable to a unique identification number for the transaction that is generated by the RCE.

(b) The RCE must record the following information to a Journal Tape or Log File in the sequential order in which the events occur:

- (1) Time and date of a Motor Vehicle's entry to a Parking Station;
- (2) Time and date of a Motor Vehicle's exit from a Parking Station;
- (3) Amount of Rent charged;
- (4) Value of any discounts to Rent provided;
- (5) Amount of Parking Tax collected;

(6) Identity or identification number of the Operator's employee who processed the Transaction or the identification number of the RCE Pay Station that processed the Transaction.

(c) Each Transaction must be identified in the Log File or Journal Tape by a nonresettable, sequential identification number assigned by the RCE.

(d) RCE must be capable of providing a legible Receipt to an Occupant at the time that the Occupant pays Rent. Pay Stations and cashiers must offer the Occupant a Receipt at the time that the Occupant pays Rent. A Receipt must contain the following information:

- (1) Time and date of the entry of the Occupant's Motor Vehicle to the Parking Station;
- (2) Time and date of the exit of the Occupant's Motor Vehicle from the Parking Station;
- (3) Total amount Operator charged Occupant, including Rent and Parking Tax;
- (4) Parking Station address; and
- (5) Business telephone and address of Operator or Operator's agent responsible for addressing consumer complaints.

(e) Data that is entered to or maintained in a Log File or a Journal Tape must be accessible to the Operator only in a read-only format, so that the Operator, the Operator's employees, and Service Agents cannot delete or alter any of the recorded data. The RCE vendor must disable any RCE data functions that would allow an Operator or its agents or its employees to delete or modify data entered into the RCE.

(f) The Operator shall not alter or attempt to alter the data in a Log File or a Journal Tape.

(g) Every day that the Parking Station is open for business, all information and data received or generated by the RCE that is recorded to a Log File for that day must be replicated or backed-up to a data tape, disk or hard drive or digital data storage medium in a readily accessible read-only format, and said information and data must be maintained in San Francisco by the Operator in that format for not less than five years from the date of its creation.

(h) Each day that the Attended Parking Station is open for business, all information and data received or generated by RCE that is recorded to a Journal Tape for that day must be printed out. The Operator must maintain the printed data in San Francisco for not less than five years from the date of its creation.

(i) Where the Operator of an Attended Parking Station utilizes RCE that includes a computer, a network server, or an Internet-based software or database program, all employees and agents of an Operator, including but not limited to cashiers, attendants, bookkeepers, supervisors and managers, and RCE maintenance personnel, must be individually identified by the RCE, and each Transaction and data entry, including all payments received, Voided Tickets or Cancelled Transactions, and Discount Parking Rent charged, must be attributed to such individual in the Log File. The RCE must also record whenever the RCE software program is altered and by whom.

(j) In an Attended Parking Station, for any Transaction that utilizes Electronic Payment, the Operator is exempt from the following requirements of this Article: (1) to issue a Parking Ticket as required by Section 2205(a); and, (2) to retain Parking Tickets as required by

Section 2218(b).

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2206. REQUIREMENTS FOR FLAT RATE PARKING STATIONS.

The Operator of a Parking Station that provides Flat Rate Parking and does not provide Public Event Parking is not required to comply with Sections 2205(b)(2), 2205(d)(2), and 2205(i) of this Article, but shall comply with all other provisions of Section 2205.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2207. REQUIREMENTS FOR MONTHLY-ONLY PARKING STATIONS.

(a) The Operator of a Parking Station that only provides parking to Monthly Occupants and never provides any other type or mode of parking is not required to utilize RCE, but shall maintain records of the names and billing addresses of Occupants and the amount of Rent charged, the value of any discounts provided, and the amount of Parking Tax collected from each Occupant. The Operator shall maintain said records in San Francisco for not less than five years from the date of their creation. An Operator of a Parking Station that only provides parking to Monthly Occupants may accept Electronic Payment that meets the requirements of Section 2213.

(b) The Operator must provide each Monthly Occupant with a decal, hangtag or other means of identifying the Occupant's authorization to park in the Parking Station, and the Operator must require that each Occupant utilize the decal or hangtag provided.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2208. REQUIREMENTS FOR UNATTENDED PARKING STATIONS.

(a) An Operator of an Unattended Parking Station must either (1) use Pay and Display RCE that issues a Parking Ticket to be displayed in the Occupant's Motor Vehicle, or, (2) use RCE that utilizes a method of Electronic Payment acceptable to the Enforcing Agency that records the Occupant's Motor Vehicle's license number, parking space number, or some other means of identifying the Occupant as having paid Rent.

(b) An Unattended Parking Station that uses Electronic Payment must have individually numbered and clearly marked parking spaces. The RCE must be able to record the identification number of the parking space occupied by the Occupant's vehicle to track period of Occupancy and confirm Payment of Rent.

(c) Pay and Display RCE must upon the payment of Rent issue a Parking Ticket or Receipt to the Occupant that states the time and date issued, the amount of Rent prepaid, and the Occupancy Period. The Parking Ticket or Receipt must contain a statement instructing the Occupant to display it on the dashboard of his or her vehicle, and must warn the Occupant that his or her vehicle may be towed for failing to display the Parking Ticket or Receipt as required.

(d) The Operator of an Unattended Parking Facility shall post a sign, which is at least 10 inches by 15 inches in size, and in type at least one inch high and 3/4 inches wide, at every location where the Occupant pays Rent or in at least two places that are otherwise conspicuous and obvious to any Occupant, instructing the Occupant how to pay Rent and warning the Occupant that his or her Motor Vehicle may be towed for failure to display the Parking Ticket as instructed and/or failure to pay Rent.

(e) Pay and Display RCE must upon the payment of Rent issue a Parking Ticket or Receipt to the Occupant that states the time and date issued, the amount of Rent prepaid, and the Occupant Occupancy Period. The Parking Ticket or Receipt must contain a statement instructing the Occupant to display the Parking Ticket or Receipt on the dashboard of his or her Motor Vehicle, and must warn the Occupant that his or her Motor Vehicle may be towed for failing to display the Parking Ticket or Receipt as required.

(f) Where an Operator has met the requirements of this Section 2208, and the Occupant fails to pay Rent or fails to display the Parking Ticket as instructed, the Operator may in its discretion tow the Motor Vehicle in accordance with California Vehicle Code Sections 22658, 22952, 55953 or other applicable law or charge additional Rent. Such additional rent must be clearly stated in the rate posting signage required by Section 2220(b) of this Article.

(g) The Enforcing Agency may issue such rules and regulations as are required to provide for the remote payment of Rent at Unattended Parking Stations through the use of telephones, cellular telephones, smart cards, debit cards or other electronic devices, consistent with the purposes and provisions of this Article.

(h) An Operator of an Unattended Parking Station shall not tow or charge additional Rent to any Motor Vehicle that entered the Unattended Parking Station while the RCE was not fully operational and for a period of eight hours after the RCE is restored to full function.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2209. EQUIPMENT REQUIREMENTS FOR PUBLIC EVENT PARKING STATIONS.

(a) An Operator of a Public Event Parking Station shall at each vehicle entrance to the Parking Station utilize an Automatic Vehicle Counter to record every Motor Vehicle entering the Parking Station for purposes of parking.

(b) Automatic Vehicle Counters shall display the total number of Motor Vehicles that entered the Parking Station utilizing a non-resettable mechanical or electronic counter.

(c) An Operator of a Public Event Parking Station shall provide a Parking Ticket to each Occupant upon entry to the Parking Station, and the Operator shall instruct the Occupant to place the Parking Ticket on the dashboard of the Motor Vehicle or other conspicuous place in the Motor Vehicle. Every Parking Ticket must display a unique, preprinted sequential identification number, the date of the event, and the address of the Parking Station.

(d) Automatic Vehicle Counters used in a Public Event Parking Station must be capable of issuing a Journal Tape or Log File report or other record of the number of Motor Vehicles that entered the Parking Station at the point where the Automatic Vehicle Counter was located. The Automatic Vehicle Counter must state on the report the date of the activities reported and the time period in which it was in operation.

(e) The Operator of a Public Event Parking Station must reconcile the number of Motor Vehicles registered by Automatic Vehicle Counters with the number of Parking Tickets issued to Occupants for every day that the Parking Station provides public event parking. An Operator must document and explain in writing any discrepancies or differences between the total number of Parking Tickets used and the number of Motor Vehicles counted by the Automatic Vehicle Counters.

(f) The Operator of a Public Event Parking Station must retain the documentation of the number of Parking Tickets used and any written explanation of the difference between the number of Parking Tickets used and the number of Motor Vehicles counted by its Automatic Vehicle Counters for not less than five years from the date of the public event.

(g) Notwithstanding the requirements of Section 2213, a Public Event Parking Station may but is not required to accept Electronic Payment. The Operator must issue a Parking Ticket to each Occupant, notwithstanding the method of payment of Rent. If the Operator of a Public Event Parking Station accepts Electronic Payment, it must comply with the requirements of Section 2213.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2210. EQUIPMENT REQUIREMENTS FOR VALET PARKING STATIONS.

(a) An Operator of a Valet Parking Station that charges Rent at a flat rate and does not charge Rent to any Occupant by the hour or the fraction of an hour is not required to comply with Sections 2205(a), 2205(b)(1), 2205(b)(2), 2205(d)(1), 2205(d)(2), 2205(d)(4), and 2205(i), but shall comply with all other provisions of Section 2205. An Operator that provides valet services and charges Rent for Occupancy by the hour or the fraction of an hour is subject to all provisions of Section 2205. The requirements of this Article as to Valets are in addition to and do not alter the requirements set out in Section 853 of this Code, Sections 1216 through 1223 inclusive of Article 17 of the Police Code, or other applicable ordinances. An Operator that provides Attendant Parking is not subject to the exemptions of this Section.

(b) An Operator of a Valet Parking Station must provide a Parking Ticket issued by the RCE to the Occupant at the time the Operator accepts the keys or otherwise assumes control of the Occupant's Motor Vehicle. The Parking Ticket must state the date of entry, the time of entry if Rent is charged by time, and the name and address of the Operator. Each Parking Ticket issued must contain a unique identification number that corresponds and is traceable to a transaction number generated by the RCE.

(c) In a Valet Parking Station, for any Transaction that utilizes Electronic Payment, the Operator is exempt from the following requirements of this Article: (1) to issue a Parking Ticket as required by Section 2210(b); and, (2) to retain Parking Tickets as required by Section 2218(b).

(d) An Operator of a Valet Parking Station must comply with the requirements of Section 2203. Where an Operator of a Valet Parking Station utilizes an off-street facility (lot or garage) to park Motor Vehicles, the owner or operator of said off-street facility is not required to issue a separate Parking Ticket for said Motor Vehicles. An owner or operator of an off-street parking facility that is used only by an Operator of a Valet Parking Station, and is not otherwise used as a Parking Facility open to the public, is not required to comply with the provisions of Section 2203.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2211. MULTIPLE OPERATIONS PARKING STATIONS.

An Operator shall comply with all applicable provisions of this Article at all times. In particular, Operators shall meet the specific requirements of this Article applicable to different Parking Station operation modes, such as Attended Lot Parking Station, Unattended Parking Station, Flat Rate Parking Station, and Public Event Parking Station, during any time that such Parking Station is being operated in such mode.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2212. NEW PARKING TECHNOLOGY.

The Enforcing Agency, by exercise of its rulemaking authority under this Article, may issue rules, determinations and interpretations consistent with the purposes of this Article as may be necessary and appropriate to apply or enforce this Article relating to new or emerging technologies applicable to RCE, including but not limited to Electronic Payment and other forms of RCE that record and process a Transaction without use of a Parking Ticket or that utilize other paperless means of recording and processing a Transaction.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2213. ELECTRONIC PAYMENT.

(a) Unless specifically otherwise provided in Section 2204, an Operator must accept payment of Rent through at least one of the following Electronic Payment methods that comply with the requirements of this Section: credit card, bank debit card, prepaid account card, cellular telephone, QR code, or other means of electronic money transfer that meets the requirements of this Section 2213 and is acceptable to the Enforcing Agency.

(b) Where an Operator utilizes Electronic Payment, the Electronic Payment method must create an Electronic Payment Record for every Transaction that assigns a unique identification number to the Transaction and states the location of the Parking Facility, the amount of Rent charged, and the date(s) and Occupancy Period, which information must be transmitted to the Occupant either through a billing statement or receipt. Any method of Electronic Payment must be administered by a third party payment processor that is not affiliated with the Operator of the Parking Station. An Operator that accepts Electronic Payment must post the business telephone and address of the Operator or the Operator's agent responsible for addressing complaints concerning incorrect charges and other issues concerning payment of Rent.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2214. MAINTENANCE AND REPAIR OF REVENUE CONTROL EQUIPMENT.

An Operator may maintain and repair its RCE itself or use Service Agents. An Operator's utilization or reliance upon Service Agents shall not relieve the Operator of its ultimate responsibility for ensuring that RCE is installed in the Parking Station, is functioning correctly, and that said RCE complies with the requirements of this Article during all times that the Parking Station provides parking in exchange for Rent.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006)

SEC. 2215. MANUAL REVENUE CONTROL PROCEDURES REQUIRED WHEN REVENUE CONTROL EQUIPMENT IS NOT OPERATIONAL.

(a) During any time that RCE is not functioning, the Operator may continue to operate the Parking Station subject to the following conditions:

(1) The Operator and/or the Operator's agent shall not tow any Motor Vehicle that entered the Parking Station during the time that the RCE is unable to issue legible Parking Tickets or legible Receipts and for eight hours after the RCE is restored to full function.

(2) The Operator shall manually record in ink on preprinted sequentially numbered tickets the following information:

(A) Time and date of the entry of the Occupant's Motor Vehicle to the Parking Station;

(B) Time and date of the exit of the Occupant's Motor Vehicle from the Parking Station;

(C) Total amount Operator charged Occupant, including Rent and Parking Tax;

(D) Parking Station address; and

(E) Business telephone and address of Operator or Operator's agent responsible for addressing consumer complaints.

(3) The Operator shall maintain a log written in ink recording the dates and times and reasons that it utilized manual revenue control procedures. The Operator shall maintain said log and all manually issued Parking Tickets for not less than five years after their creation.

(4) The Operator shall issue to every Occupant an individually and sequentially numbered Receipt stating the date, the Occupancy Period, and the amount charged, including Rent and Parking Tax.

(b) The Operator shall use good faith efforts to maintain and repair the RCE so that it operates in conformance with the requirements of this Article. If malfunctioning RCE is not restored to full function within 72 hours of the time that it ceased to operate in conformance with this Article (excluding Sundays and holidays if the Operator uses a service repair company), the Enforcing Agency may determine that the Operator has not made a good faith effort to maintain or repair the RCE and is in willful violation of this Article. A determination that the Operator has not attempted in good faith to maintain RCE or repair malfunctioning RCE may be rebutted by the Operator's presentation of proof, that the Enforcing Agency in its sole and absolute discretion deems to be credible, to establish the Operator's good faith efforts to maintain or repair the RCE.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2216. INSPECTIONS OF PARKING STATIONS.

The Enforcing Agency may conduct periodic inspections of Parking Stations to ensure that Parking Stations have operational RCE that meets the requirements of this Article.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2217. RESERVED.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; repealed by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2218. REQUIRED BUSINESS PRACTICES FOR ALL PARKING STATIONS.

(a) **Auditable Record.** An Operator shall implement and utilize appropriate business practices that, in conjunction with RCE, create an auditable record of the following information for every Transaction:

- (1) Rent charged and paid;
- (2) Rent discount, if given;
- (3) Occupancy Period (or entry and exit times) for Rent charged;
- (4) Parking Tax collected.

(b) **Maintenance of Parking Tickets.** An Operator must keep in San Francisco each issued or cancelled Parking Ticket for not less than five years from the date the Parking Ticket was issued. Parking Tickets must be provided to any City auditor or other auditor authorized by the Enforcing Agency immediately upon request.

(c) **Maintenance of Log Files.** An Operator shall keep in San Francisco each Log File in an accessible read-only electronic storage format, for not less than five years from the date of the earliest Transaction recorded in said Log File. An Operator must also maintain a printout of all Log Files for not less than five years. Upon request, the Operator shall immediately provide to any City auditor or other auditor authorized by the Enforcing Agency, the Log File in an electronic format readable by the City.

(d) **Maintenance of Journal Tapes.** An Operator shall keep in San Francisco each Journal Tape for not less than five years from the date of the earliest Transaction recorded in said Journal Tape. The Journal Tape must be provided to any City auditor or other auditor authorized by the Enforcing Agency immediately upon request.

(e) **Improper Use of Discount Parking.** An Operator that provides Discount Parking or Flat Rate Parking must establish business practices and control measures to prevent its employees and managers from using a discount Parking Ticket to avoid reporting the full amount of Rent collected or to avoid remitting the correct amount of Parking Tax due.

(f) **Reconciliation of Transaction Records.** No less than monthly, for every day that the Parking Station provides parking to the public in exchange for Rent, an Operator shall reconcile the number of Parking Tickets issued and received, and the number of Motor Vehicles that utilized Electronic Payment, with the number of Motor Vehicles that the RCE recorded as having entered the Parking Station, and shall create a Periodic Report setting out that information for every Transaction that occurred during that period.

(g) **Training in Use of RCE.** An Operator shall train its employees and managers in the required uses of RCE, including but not limited to: recording Transactions; maintaining Parking Tickets, Log Files and Journal Tapes; and reconciling the count and identification numbers of Parking Tickets used and Electronic Payment records with the number of Motor Vehicles that parked in the Parking Station, and the amount of Rent received in any given period.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

[REVENUE CONTROL EQUIPMENT COMPLIANCE FEE]

SEC. 2219. TITLE AND PURPOSE.

Sections 2219 through 2219.11 of this Article shall be known as the "Revenue Control Equipment Compliance Fee Ordinance" and the Fee imposed herein shall be known as the "Revenue Control Equipment Compliance Fee" or "Fee." The purpose of this Fee is to recover the City's costs to ensure that all Operators and Parking Stations meet the requirements of this Article.

■ (Added by Ord. 172-10, File No. 100711, App. 7/23/2010; amended by Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2219.5. IMPOSITION OF REVENUE CONTROL EQUIPMENT COMPLIANCE FEE.

The City hereby imposes an annual Revenue Control Equipment Compliance Fee of \$500 on each Parking Station that is subject to the RCE requirements set forth in this Article 22.

■ (Added by Ord. 172-10, File No. 100711, App. 7/23/2010)

SEC. 2219.6. COLLECTION AND ENFORCEMENT.

(a) The Revenue Control Equipment Compliance Fee shall be due to the Tax Collector annually on December 31 and shall be remitted by the Operator.

(b) The Fee is payable, when due, at the office of the Tax Collector, and if not paid within 30 days after the same becomes due, the Tax Collector shall add 10 percent to the amount of the Fee as a penalty for nonpayment. If the Fee is not paid within 60 days after the same becomes due, the Tax Collector shall add 15 percent to the amount of the Fee as a penalty for nonpayment. If the Fee is not paid within 90 days after same becomes due, the Tax Collector shall add 25 percent to the amount of the Fee, as a penalty for nonpayment; provided, however, when an Operator has failed for a period of six months or more to pay the Fee, and has allowed the Fee to become delinquent for this or a longer period, the Tax Collector shall, in such instance, impose a penalty of 25 percent on the total amount of the Fee delinquent. The Tax Collector may refer delinquent accounts to the Bureau of Delinquent Revenue for further collection and enforcement.

(Added by Ord. 172-10, File No. 100711, App. 7/23/2010; amended by Ord. [206-13](#), File No. 130784, App. 10/11/2013, Eff. 11/10/2013; Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2219.7. EXEMPTIONS.

(a) **Exemption.** The Fee shall not apply to any Parking Station that is exempt from the requirements of Article 22, pursuant to Section 2202, or that is registered and eligible, under Section 6.9-3 of the Business and Tax Regulations Code.

(b) **Inspection and Audit.** The Tax Collector may inspect or audit any claim for exemption from the Fee to determine whether or not the Parking Station is exempt from the Fee.

(c) **Notice of Change in Status.** Any Operator who claims an exemption to Fee payment must notify the Tax Collector in writing within 10 days of when that Parking Station no longer qualifies for the exemption, if applicable.

(d) **Penalties for Establishments That Falsely Claim to Qualify for Exemption.** Any Operator that claims an exemption and is found by the Tax Collector not to be entitled to the exemption and to have falsely claimed the exemption without reasonable grounds, Operator shall be subject to a penalty of \$100. The Tax Collector may impose the penalty by written citation. Any Operator that disputes the Tax Collector's determination under this Section may appeal to the Tax Collector in writing according to the provisions of Article 6, Section 6.19-8.

(Added by Ord. 172-10, File No. 100711, App. 7/23/2010; amended by Ord. [209-12](#), File No. 120631, App. 9/28/2012, Eff. 10/28/2012; Ord. [152-15](#), File No. 150625, App. 8/6/2015, Eff. 9/5/2015)

SEC. 2219.8. AUTHORITY TO ADOPT RULES AND REGULATIONS.

(a) The Tax Collector may issue and amend rules, regulations, standards, guidelines, or conditions to implement and enforce this Section 2219 et seq.

(b) Failure or refusal to comply with any rules and regulations promulgated under this Section shall be a violation of and subject to the penalties of this Section.

(Added by Ord. 172-10, File No. 100711, App. 7/23/2010)

SEC. 2219.9. FEE TO BE DEPOSITED IN THE GENERAL FUND.

(a) The Fee shall be deposited in the General Fund.

(b) **Use of Funds.** The proceeds of the Fee shall be used solely for costs incurred by, or on behalf of, the City and County of San Francisco, to administer and enforce Article 22.

(Added by Ord. 172-10, File No. 100711, App. 7/23/2010)

SEC. 2219.10. [REPEALED.]

(Added by Ord. 172-10, File No. 100711, App. 7/23/2010; repealed by Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2219.11. EFFECTIVE/OPERATIVE DATES.

This Section shall become effective upon passage, except that the Fee imposed by this Section shall become operative and be imposed on October 1, 2010, and shall not apply before that date.

■ (Added by Ord. 172-10, File No. 100711, App. 7/23/2010)

SEC. 2220. CONSUMER PROTECTION.

(a) **Public Complaints.** The Enforcing Agency shall receive complaints from members of the public as to an Operator's failure to comply with the provisions of this Article. Where the Enforcing Agency determines that an Operator may have violated the terms of this Article, in addition to any other action that the Enforcing Agency may take pursuant to this ordinance, the Enforcing Agency will notify the District Attorney so that it may pursue its own investigation and take appropriate action. Whenever a written or oral complaint is made to the Enforcing Agency that there has been a violation of this Article, the Enforcing Agency shall refer the complaint to the District Attorney's Office and may also investigate the complaint or allegation itself or refer the matter to the City Attorney.

(b) **Rates Posted.** The Operator shall post the rates for Rent in effect at the time the Occupant enters the Parking Station at the entrance to the Parking Station, and at every place where the Occupant pays Rent, including cashiers booths and Pay Stations. An Operator shall not charge an Occupant more than the Rent posted for the Occupant's actual Occupancy Period. Rent rates shall be posted no further than 8 feet from every entrance of the Parking Station, in a manner and in a typeface that can be easily read from a distance of

4 feet.

(c) **Notice to Occupants of Receipt Requirement.** In addition to the signage requirements of California Vehicle Code Section 22658 and other applicable sections of that Code, the Operator shall post a clear and conspicuous sign at every vehicle entrance to the Parking Station and at every location where Occupants pay Rent that informs Parkers of the Operator's obligation to provide a Receipt when requested and providing phone numbers to contact the Parking Facility's manager and the Enforcing Agency.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2221. SEVERABILITY.

Severability. If any section, subsection, sentence, clause, phrase, or word of this Article is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Article. The Board of Supervisors hereby declares that it would have enacted this Article and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article would be subsequently declared invalid or unconstitutional.

■ (Added by Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2222. RESERVED.

SEC. 2223. RESERVED.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; repealed by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2224. RESERVED.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; repealed by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2225. ENFORCEMENT.

(a) The Enforcing Agency, the District Attorney, the Police Department and the City Controller or authorized representatives of those agencies shall have the authority to inspect Parking Stations, RCE, RCE Records, and books of account to ensure that an Operator is in compliance with this Article, that all required RCE is functioning as required by this Article, and that Rent and Parking Taxes are accurately reported and collected.

(b) In enforcing the provisions of this Article, the Enforcing Agency may use all authority granted to it by law, including but not limited to its authority to audit and inspect, investigate, attach liens, revoke licenses, revoke certificates of registration, revoke certificates of authority, issue administrative citations, and seize and sell property under the Business and Tax Regulations Code.

(c) The Enforcing Agency is authorized to promulgate regulations and issue rules, interpretations, and determinations consistent with the purposes of this Article as may be necessary and appropriate to implement or enforce the provisions of this Article.

(d) An Operator is strictly liable for the acts of its employees, managers, and agents that violate any provision of this Article.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2226. CIVIL PENALTIES.

(a) **Civil Penalties and Enforcement.** Violation of this Article shall be subject to a civil penalty of up to \$25,000 per violation. In addition to the enforcement authority and powers granted to the Tax Collector in the Business and Tax Regulations Code, the City and County of San Francisco may initiate a civil action against any person to compel compliance or to enjoin violations of this Article.

(b) **Recovery of Attorney's Fees.** If the City and County of San Francisco initiates a civil action against any person to compel compliance or to enjoin violations of this Article, at the time the action is filed, the City may elect to seek recovery of attorney's fees and costs incurred in that enforcement action. Where the City makes this election, the prevailing party shall be entitled to recover attorney's fees. In no event shall the award of attorney's fees to a prevailing party exceed the amount of reasonable attorney's fees incurred by the City in the action.

(Ord. 292-10, File No. 101100, App. 11/18/2010; amended by Ord. [257-14](#), File No. 141053, App. 12/19/2014, Eff. 1/18/2015)

SEC. 2227. RESERVED.

SEC. 2228. RESERVED.

SEC. 2229. CONSUMER ACTION AND RELIEF.

An Occupant may bring an action against an Operator and/or an Operator's employee or agent who fails to provide a Receipt upon request or who charges the Occupant Rent based on an inaccurate statement of duration of Occupancy and may recover from the Operator any or all of the following: (1) an order enjoining the violation; (2) civil damages; (3) punitive damages, if the court determines that the violation was willful; and (4) any other relief that the court deems proper. The court shall award court costs and attorneys' fees to a prevailing private plaintiff in litigation filed under this Section.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2230. CRIMINAL PENALTIES.

(a) It shall be a misdemeanor to violate the requirements of Sections 2218 or 2220 of this Article, or of Section 604(a) of this Code.

(b) Nothing in this Article shall preclude the District Attorney from prosecuting violations of the provisions of this Article as a felony under applicable state law.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2231. CUMULATIVE REMEDIES.

Unless otherwise expressly provided, the remedies, penalties and procedures provided under this Article are cumulative and are not intended to be exclusive of any other available remedies, penalties and procedures.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006)

SEC. 2232. LIMITATION OF ACTIONS.

Unless otherwise provided by state law, any criminal, civil, or administrative action brought under this Article shall be commenced not more than 4 years from the date of the Transaction, except for fraud in which case Section 6.11-2 of the Business and Tax Regulations Code shall apply.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2233. COOPERATION WITH CITY AGENCIES.

An Operator and its owners, managers, and employees must cooperate with the Enforcing Agency or any other City agency having an interest in the operation of the Parking Station, including but not limited to City auditors, the District Attorney's Office, and any other City officials, employees or agents assigned by ordinance, regulation or authorized by the Enforcing Agency to administer or implement this Article, by providing immediate access to all RCE, RCE Records, Parking Tickets, books and records of accounts, and other documentation regarding an Operator's receipt of Rent, remittance of Parking Taxes, and compliance with this Article and the Business and Tax Regulations Code.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; amended by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2234. CITY GARAGES.

Nothing in this Article shall limit the authority of the City and County of San Francisco or the Parking Authority of the City and County of San Francisco to administer and manage Parking Stations under their respective jurisdiction or control or to establish revenue control requirements for those Parking Stations that are more restrictive than the provisions of this Article.

SEC. 2235. RESERVED.

SEC. 2236. RESERVED.

SEC. 2237. RESERVED.

■ (Added by Ord. 234-06, File No. 060892, App. 9/14/2006; repealed by Ord. 292-10, File No. 101100, App. 11/18/2010)

SEC. 2238. SEVERABILITY.

If any part of this Article or the application thereof to any person or circumstances is held invalid, then the remainder of this Article, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect.

(Added by Ord. 234-06, File No. 060892, App. 9/14/2006)

ARTICLE 23:

VEHICLE REGISTRATION FEE EXPENDITURE PLAN

Sec. 2301.	Title.
Sec. 2302.	Definitions.
Sec. 2303.	Purpose.
Sec. 2304.	Effective Date.
Sec. 2305.	Increase of \$10 in the Annual Motor Vehicle Registration Fee.
Sec. 2306.	Responsibilities and Powers of the Authority.
Sec. 2307.	Contract with Department of Motor Vehicles.
Sec. 2308.	Use of Proceeds.
Sec. 2309.	Severability.

SEC. 2301. TITLE.

This ordinance shall be known as the "Vehicle Registration Fee Ordinance."

■ (Added by Prop. AA, App. 11/2/2010)

SEC. 2302. DEFINITIONS.

For the purpose of this Vehicle Registration Fee Ordinance, the following words shall have the meanings set forth below.

(a) "Authority." The San Francisco County Transportation Authority.

(b) "Board." The Authority Board of Commissioners.

(c) "Expenditure Plan." The "SB83 Additional Vehicle Registration Fee Expenditure Plan," approved by the Board on June 29, 2010, to set the transportation projects and programs funded over the next 30 years with the revenues of the fee increase, as well as other allowable costs on which the Authority may spend the proceeds of the \$10 vehicle registration fee increase authorized by Section 2305. The Expenditure Plan specifies eligibility and other conditions and criteria under which the proceeds of the fee increase are available, and provides for the adoption of future Expenditure Plan updates.

■ (Added by Prop. AA, App. 11/2/2010)

SEC. 2303. PURPOSE.

The City and County of San Francisco has very significant unfunded transportation needs and this \$10 vehicle registration fee increase would provide a stable source of funding to meet some of those needs. The fee is expected to generate approximately \$5 million annually that the Authority would use to fund projects and programs under the Expenditure Plan that mitigate congestion and pollution caused by motor vehicles in San Francisco. These projects and programs could include repairing local streets and roads, improving Muni's reliability, pedestrian safety improvements, smart traffic signal technology to prioritize transit and manage traffic incidents, and programs that encourage people to use more sustainable forms of transportation, e.g. transit, bicycle, carpool or on foot. All of the projects and programs must have a relationship or benefit to the persons paying the fee. The Expenditure Plan contains guiding principles intended to, among other objectives, focus on funding smaller, high-impact projects that will quickly provide tangible benefits; provide a fair geographic distribution that takes into account the various needs of San Francisco's neighborhoods; and ensure accountability and transparency in programming and delivery.

■ (Added by Prop. AA, App. 11/2/2010)

SEC. 2304. EFFECTIVE DATE.

The Vehicle Registration Fee Ordinance shall be effective at the close of the polls in the City and County of San Francisco on the day of the election scheduled for November 2, 2010.

(Added by Prop. AA, App. 11/2/2010)

SEC. 2305. INCREASE OF \$10 IN THE ANNUAL MOTOR VEHICLE REGISTRATION FEE.

Beginning six months after the Effective Date, the motor vehicle registration fee for all motor vehicles registered in the City and County of San Francisco is increased by \$10 each year, for each original vehicle registration and each vehicle registration renewal.

■ (Added by Prop. AA, App. 11/2/2010)

SEC. 2306. RESPONSIBILITIES AND POWERS OF THE AUTHORITY.

The Authority shall have all of the powers set forth in California Government Code Section 65089.20, all of the powers set forth in the Expenditure Plan, and all powers incidental or necessary to imposing and collecting the fee increase authorized under Section 2305, administering the fee proceeds, the Expenditure Plan, and the projects and programs under that Expenditure Plan, and delivering the transportation improvements in the Expenditure Plan.

■ (Added by Prop. AA, App. 11/2/2010)

SEC. 2307. CONTRACT WITH DEPARTMENT OF MOTOR VEHICLES.

Consistent with California Vehicle Code Section 9250.4, the Authority shall request and contract with the California Department of Motor Vehicles for the Department of Motor Vehicles to collect and distribute to the Authority the fee imposed under Section 2305, upon the original registration or renewal of registration of all motor vehicles registered in the City and County of San Francisco.

■ (Added by Prop. AA, App. 11/2/2010)

SEC. 2308. USE OF PROCEEDS.

(a) The Authority shall use the proceeds of the fees under Section 2305 solely for the projects, programs and purposes set forth in the Expenditure Plan. Pursuant to California Government Code section 65089.20 and as specified in the Expenditure Plan, the Authority shall use not more than five percent of the fee proceeds for administrative costs associated with the programs and projects, including amending the Expenditure Plan.

■ (Added by Prop. AA, App. 11/2/2010)

SEC. 2309. SEVERABILITY.

If any of the provisions of this ordinance or the application of those provisions to persons or circumstances shall be held invalid, the remainder of those sections or the application of those provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

(Added by Prop. AA, App. 11/2/2010)

ARTICLE 28: HOMELESSNESS GROSS RECEIPTS TAX ORDINANCE

Sec. 2801.	Short Title.
Sec. 2802.	Findings and Purposes.
Sec. 2803.	Definitions.
Sec. 2804.	Imposition of Tax.
Sec. 2805.	Exemptions and Exclusions.
Sec. 2805.1.	Credit for Waiving Right to Refund.
Sec. 2805.2.	Credit for Gifts to the Our City, Our Home Fund.
Sec. 2806.	Combined Returns.
Sec. 2807.	Tax Collector Authorized to Determine Gross Receipts.
Sec. 2808.	Construction and Scope of the Homelessness Gross Receipts Tax Ordinance.
Sec. 2809.	Administration of the Homelessness Gross Receipts Tax Ordinance.
Sec. 2810.	Deposit of Proceeds; Expenditure of Proceeds.
Sec. 2811.	Amendment of Ordinance.
Sec. 2812.	Effect of State and Federal Authorization.
Sec. 2813.	Severability.
Sec. 2814.	Savings Clause.

SEC. 2801. SHORT TITLE.

This Article 28 shall be known as the “Homelessness Gross Receipts Tax Ordinance,” and the tax it imposes shall be known as the “Homelessness Gross Receipts Tax.”

■ (Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2802. FINDINGS AND PURPOSES.

(a) San Francisco is experiencing a housing crisis of historic proportions that has led to a major humanitarian and public health crisis in large-scale homelessness for which the City has insufficient resources to address.

(b) The Homelessness Gross Receipts Tax will fund the “Our City, Our Home Fund.” Consistent with the analysis of the Department of Homelessness and Supportive Housing (“HSH”) it is the intentions of the voters in adopting Article 28 to house at least 4,000 homeless people and expand shelter beds by 1,000 within five years, fund legal assistance and rent subsidies to keep San Franciscans housed, and fund intensive mental health and substance abuse services to move the City’s most severely impaired individuals off the streets.

(c) In December, 2017 Donald Trump signed the “Tax Cuts and Jobs Act” into law which reduced the federal corporate tax rate from 35% to 21%, a 14% reduction. By comparison, this measure would be an average of less than a half of a percent tax for the gross receipts of San Francisco businesses over \$50 million.

(d) The San Francisco 2017 Homeless Count & Survey found that over 7,000 people in the City experience homelessness at any one time. According to HSH, as of April, 2018, the City has approximately 2,500 temporary shelter beds for the homeless population and there have been over 1,000 people on the waitlist for shelter each night. The intent of the voters in adopting Article 28 is to eliminate the waiting period for shelter.

(e) For years San Franciscans have witnessed individuals with severe mental illnesses wandering City streets. One purpose of this Article 28 is to fund intensive mental health care and substance abuse treatment facilities linked to housing placement to ensure severely mentally ill and drug addicted people are able to exit homelessness. The intent of the voters in adopting Article 28 is to provide care sufficient to move all those San Franciscans with severe behavioral health issues out of homelessness.

(f) Multiple studies have shown significant cost savings when cities invest in permanently affordable housing, thus reducing needs usage of hospitals, jails, and inpatient treatment facilities. The intent of voters in adopting Article 28 is to reduce overall costs for the City.

(g) According to HSH, one in twenty-five public school students in San Francisco is homeless. This has a devastating effect on their educational outcomes and development. This Article 28 is intended to reduce family homelessness by more than 85%.

(h) Approximately half of homeless people became homeless when they were less than 25 years old, according to the San Francisco 2017 Homeless Count & Survey. The intentions of voters in Article 28 is to ensure young homeless people are able to move into stable housing and avoid becoming chronically homeless adults.

(i) This crisis of homelessness affects both homeless people and their housed neighbors. San Franciscans should not have to step over homeless people or walk out their doors and see tents on sidewalks, and homeless people should not be forced to live in these conditions. The intent of voters in adopting Article 28 is to significantly decrease the visible presence of homeless people and tent encampments on City streets by eliminating chronic homelessness.

(j) HSH recently released a strategic framework describing its five-year goals for reducing street homelessness and ending family homelessness and has instituted a new system to coordinate services. According to HSH, the City needs increased revenue both to achieve these important goals and to address the problem more completely.

(k) The Housing First model creates a foundation of stability for formerly homeless individuals by providing permanent supportive housing as a springboard for resolving and treating issues that may have precipitated a person’s first encounter with homelessness, or which may have come as a result of being forced to survive on the street. The intent of voters in adopting Article 28 is to provide the resources to implement a Housing First model.

(l) It is the intention of the voters in adopting Article 28 to ensure that (1) homelessness funding for existing and future programs continues at the current base year levels without utilizing monies or resources from the Our City, Our Home Fund, and (2) tax proceeds from the Homelessness Gross Receipts Tax be used to fund the programs set forth in Section 2810.

■ (Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2803. DEFINITIONS.

Unless otherwise defined in this Article 28, the terms used in this Article shall have the meanings given to them in Articles 6 and 12-A-1 of the Business and Tax Regulations Code, as amended from time to time.

(Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2804. IMPOSITION OF TAX.

(a) Except as otherwise provided in this Article 28, for the privilege of engaging in business in the City, the City imposes an annual Homelessness Gross Receipts Tax on each person engaged in business in the City that receives or is a member of a combined group that receives, more than \$50,000,000 in total taxable gross receipts.

(b) If, after applying any rules or elections used to assign receipts to a business activity in Section 953.9 of Article 12-A-1, a person or combined group derives gross receipts from business activities described in only one of Sections 953.1 through 953.7 of Article 12-A-1, inclusive, the Homelessness Gross Receipts Tax shall be calculated by applying to the person or combined group's taxable gross receipts in excess of \$50,000,000 the following percentage that corresponds to the person or combined group's business activities, as described in Sections 953.1 through 953.7 of Article 12-A-1, inclusive:

Business Activity Set	Tax Rate
Section 953.1	.175%
Section 953.2	.500%
Section 953.3	.425%
Section 953.4	.690%
Section 953.5	.475%
Section 953.6	.600%
Section 953.7	.325%

(c) If, after applying any rules or elections used to assign receipts to a business activity in Section 953.9 of Article 12-A-1, a person or combined group derives gross receipts from business activities described in more than one of Sections 953.1 through 953.7 of Article 12-A-1, inclusive, the taxable gross receipts and rate or rates of tax to be applied to that person or combined group shall be determined as follows:

(1) The taxable gross receipts shall be determined on an aggregate basis in numbered order of Sections 953.1 through 953.7, inclusive, i.e., the taxable gross receipts for business activities described in Section 953.1 of Article 12-A-1 should be determined first, Section 953.2 of Article 12-A-1 second, and so on;

(2) The rates in subsection (b) shall apply to the gross receipts from the corresponding sets of business activities described in Sections 953.1 through 953.7 of Article 12-A-1, inclusive, except that the rate shall be 0% for the first \$50,000,000 of the person or combined group's total taxable gross receipts from all taxable business activities;

(3) Whether the 0% rate for the first \$50,000,000 of the person or combined group's total taxable gross receipts from all taxable business activities applies to any set of business activities after the first shall be determined by adding to the taxable gross receipts from that set of business activities all of the taxable gross receipts from all previous sets of business activities; and

(4) The Homelessness Gross Receipts Tax for the person or combined group shall be the sum of the liabilities for each set of business activities determined under subsections (1) through (3).

(d) Notwithstanding any other subsection of this Section 2804, every person engaging in business within the City as an administrative office, as defined in Section 953.8 of Article 12-A-1, shall pay an annual homelessness administrative office tax measured by its total payroll expense, as defined in Section 953.8(f) of Article 12-A-1, that is attributable to the City. If a person is a member of a combined group, then its tax shall be measured by the total payroll expense of the combined group attributable to the City. Such combined group shall pay only the homelessness administrative office tax, and not the tax imposed under other subsections of this Section 2804, but a person or combined group may be liable for both the administrative office tax imposed by Section 953.8 of Article 12-A-11 and the homelessness administrative office tax imposed by this subsection (d). The homelessness administrative office tax rate for each tax year is 1.5%.

Unless specified otherwise, this homelessness administrative office tax shall be considered part of the Homelessness Gross Receipts Tax for all purposes.

(e) "Taxable gross receipts" means a person or combined group's gross receipts, not excluded under Section 2805, attributable to the City. The person or combined group's gross receipts that are attributable to the City shall be determined in the same manner as in Article 12-A-1, as amended from time to time.

(f) If the voters adopt any measure adding a business activity category in Section 953.7.5 of Article 12-A-1 at the November 6, 2018 consolidated general election, any receipts from business activities described in that Section 953.7.5 shall be assigned, for purposes of this Article 28, to one or more of Sections 953.1 through 953.7 of Article 12-A-1, inclusive, as if Section 953.7.5 were not added to Article 12-A-1.

■ (Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2805. EXEMPTIONS AND EXCLUSIONS.

(a) An organization that is exempt from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from taxation under this Article 28, only so long as those exemptions continue to exist under state or federal law.

(b) For only so long as and to the extent that the City is prohibited from imposing the Homelessness Gross Receipts Tax, any person upon whom the City is prohibited under the Constitution or laws of the State of California or the Constitution or laws of the United States from imposing the Homelessness Gross Receipts Tax shall be exempt from the Homelessness Gross Receipts Tax.

(c) For purposes of this Article 28, gross receipts shall not include receipts that are excluded from gross receipts for purposes of the gross receipts tax imposed by Article 12-A-1, and also shall not include receipts subject to a gross receipts tax on commercial rents imposed as a result of a measure adopted by the voters of San Francisco in the June 5, 2018 election.

■ (Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2805.1 CREDIT FOR WAIVING RIGHT TO REFUND.

(a) Any person or combined group that meets the requirements of subsection (b) for a tax year shall be allowed a non-refundable credit against that person or combined group's Homelessness Gross Receipts Tax liability for that tax year equal to 10% of the amount specified under Section 2805.1(b)(1).

(b) To qualify for the credit in subsection (a), a person or combined group must, between January 1 of the tax year following the tax year for which the credit is being claimed and the date the person or combined group timely files its original annual tax return, enter into a binding agreement with the City, in substantially the form of the agreement included in Board of Supervisors File No. 190092, in which:

(1) The person, or each person in the combined group that is engaging in business within the City, irrevocably, fully, and unconditionally waives and releases its right to a refund (whether by return of payment, credit, offset, carryforward, or otherwise) of a specified amount of the Homelessness Gross Receipts Taxes reported on the person or combined group's originally-filed Homelessness Gross Receipts Tax return for the tax year for which the person or combined group is claiming the credit based on either or both of the following:

(A) Any argument that the Homelessness Gross Receipts Tax Ordinance required at least a two-thirds vote of the electorate to pass.

(B) Any lawsuit challenging the Homelessness Gross Receipts Tax Ordinance or any other initiative tax measure in San Francisco or elsewhere in California that invalidates the Homelessness Gross Receipts Tax Ordinance or similar initiative tax measure because it was not passed by at least a two-thirds vote of the electorate.

(2) Notwithstanding Section 6.22-1 of the Business and Tax Regulations Code or any other provision of law that would limit public disclosure, the person or each person in the combined group that is engaging in business within the City waives any right to confidentiality in the aggregate amount of Homelessness Gross Receipts Tax liability subject to waiver under all agreements described in Section 2805.1(b) of all persons and combined groups, regardless of the number of persons or combined groups that enter into such agreements. Nothing in this subsection (b)(2) shall constitute a waiver of the confidentiality of the information in the person or combined group's Homelessness Gross Receipts Tax return, or the terms of each agreement under Section 2805.1(b), other than the aggregate amount of Homelessness Gross Receipts Tax liability subject to waiver under all agreements described in Section 2805.1(b) of all persons and combined groups.

(3) The person, or each person in the combined group that is engaging in business within the City, agrees to indemnify the City if, subsequent to the person or combined group entering into the agreement, there are additional persons determined to have been engaging in business within the City as a member of the combined group for that tax year and such additional person or persons requests a refund (whether by return of payment, credit, offset, carryforward, or otherwise) of all or any portion of the amount waived under Section 2805.1(b)(1) for the tax year for which the person or combined group is claiming the credit in contravention of Section 2805.1(d).

(c) If a person or combined group enters into an agreement described in subsection (b), but does not claim the credit authorized by this Section 2805.1, the person or combined group shall remain subject to the terms of the agreement.

(d) Any person determined to have been engaging in business within the City as a member of a combined group for a tax year after that combined group entered into an agreement described in subsection (b) for that tax year shall be deemed to have entered into the agreement and shall be subject to the terms of the agreement as if it had executed the agreement itself.

(e) The Tax Collector shall verify that any credit claimed pursuant to this Section 2805.1 is correct.

(f) The tax credit authorized by this Section 2805.1 shall be effective for tax year 2019 and each subsequent tax year, but shall expire by operation of law and not be available for the tax year and all subsequent tax years from the earlier of:

(1) The tax year in which San Francisco Superior Court Case No. CGC-19-573230 (*City and County of San Francisco v. All persons interested in the matter of Proposition C on the November 6, 2018 San Francisco ballot, authorizing an increase in specified business taxes to fund specified homeless services in San Francisco, and all other matters and proceedings relating thereto*), is finally resolved; and

(2) Tax year 2024.

No person or combined group may claim the credit authorized by this Section for the tax year in which San Francisco Superior Court Case No. CGC-19-573230 is finally resolved or in any tax year thereafter, or for any tax year commencing on or after January 1, 2024, whichever is earlier.

(g) The Board of Supervisors hereby authorizes the Tax Collector to enter into the agreements described in subsection (b), in substantially the form included in Board of Supervisors File No. 190092, and authorizes the Tax Collector, in consultation with the City Attorney and the Controller, to agree to changes to the agreements that do not materially decrease the benefits to the City or materially increase the obligations to the City.

■ (Added by Ord. [73-19](#), File No. 190092, App. 4/26/2019, Eff. 5/27/2019)

SEC. 2805.2. CREDIT FOR GIFTS TO THE OUR CITY, OUR HOME FUND.

(a) Any person that, on or before the expiration of this Section 2805.2, makes an irrevocable gift to the Our City, Our Home Fund (established in Administrative Code Section 10.100-164) shall be allowed a non-refundable credit against the Homelessness Gross Receipts Tax liability of that person or the combined group of which that person is a part.

(b) The credit authorized by this Section 2805.2 shall equal 110% of the amount of the irrevocable gift made under subsection (a).

(c) If the irrevocable gift described in subsection (a) is made between January 1 and the date the person or combined group timely files its original annual tax return, the credit authorized by this Section 2805.2 shall be available for the tax year prior to the calendar year in which the person makes the irrevocable gift. If the irrevocable gift is made at any other time during the tax year, the credit authorized by this Section shall be available for the tax year in which the irrevocable gift is made. The person making the irrevocable gift may carry forward any unused portion of this credit to future tax years up to and including tax year 2025 to be used against the future Homelessness Gross Receipts Tax liability of the person or the combined group of which that person is a part in that future tax year. No part of this credit may be carried forward to tax years commencing on or after January 1, 2026.

(d) The Tax Collector shall verify that any credit claimed pursuant to this Section 2805.2 is correct.

(e) Notwithstanding Administrative Code Section 10.100-305 or any other provision of the Municipal Code restricting the department's acceptance of gifts, the Office of the Treasurer and Tax Collector is authorized to accept the gifts described in subsection (a) of this Section 2805.2.

(f) This Section 2805.2 shall expire by operation of law and shall not be available for irrevocable gifts made on or after the earlier of:

(1) The date on which San Francisco Superior Court Case No. CGC-19-573230 (*City and County of San Francisco v. All persons interested in the matter of Proposition C on the November 6, 2018 San Francisco ballot, authorizing an increase in specified business taxes to fund specified homeless services in San Francisco, and all other matters and proceedings relating thereto*) is finally resolved; and

(2) January 1, 2024.

Any irrevocable gift made to the Our City, Our Home Fund on or after the date on which San Francisco Superior Court Case No. CGC-19-573230 is finally resolved, or on or after January 1, 2024, whichever is earlier, shall not entitle the person making the irrevocable gift to the credit described in this Section 2805.2.

■ (Added by Ord. [73-19](#), File No. 190092, App. 4/26/2019, Eff. 5/27/2019)

SEC. 2806. COMBINED RETURNS.

(a) Persons subject to the Homelessness Gross Receipts Tax shall file returns at the same time and in the same manner as returns filed for the gross receipts tax imposed by Article 12-A-1, including the rules for combined returns under Section 956.3, as amended from time to time.

(b) If a person is subject to the Homelessness Gross Receipts Tax but is not required to file a gross receipts tax return under Article 12-A-1, such person or combined group's Homelessness Gross Receipts Tax return shall be filed at the same time and in the same manner as if such person or combined group were required to file a gross receipts tax return under Article 12-A-1.

(c) For purposes of this Article 28, a lessor of residential real estate is treated as a separate person with respect to each individual building in which it leases residential real estate units, notwithstanding Section 6.2-15 of Article 6, as amended from time to time, or subsection (a) of this Section 2806. This subsection (c) applies only to leasing residential real estate units within a building, and not to any business activity related to other space, either within the same building or other buildings, which is not residential real estate. The Tax Collector is authorized to determine what constitutes a separate building and the number of units in a building.

■ (Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2807. TAX COLLECTOR AUTHORIZED TO DETERMINE GROSS RECEIPTS.

The Tax Collector may, in his or her reasonable discretion, independently establish a person or combined group's gross receipts within the City and establish or reallocate gross receipts among related entities so as to fairly reflect the gross receipts within the City of all persons and combined groups.

SEC. 2808. CONSTRUCTION AND SCOPE OF THE HOMELESSNESS GROSS RECEIPTS TAX ORDINANCE.

(a) This Article 28 is intended to authorize application of the Homelessness Gross Receipts Tax in the broadest manner consistent with its provisions and with the California Constitution, the United States Constitution, and any other applicable provision of federal or state law.

(b) The Homelessness Gross Receipts Tax imposed by this Article 28 is in addition to all other City taxes, including the gross receipts tax imposed by Article 12-A-1, as amended from time to time. Accordingly, by way of example and not limitation, persons subject to both the Homelessness Gross Receipts Tax and the gross receipts tax shall pay both taxes. Persons exempt from either the gross receipts tax or the Homelessness Gross Receipts Tax, but not both, shall pay the tax from which they are not exempt.

■ (Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2809. ADMINISTRATION OF THE HOMELESSNESS GROSS RECEIPTS TAX ORDINANCE.

Except as otherwise provided under this Article 28, the Homelessness Gross Receipts Tax Ordinance shall be administered pursuant to Article 6 of the Business and Tax Regulations Code, as amended from time to time, including all penalties and other charges imposed by that Article.

■ (Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2810. DEPOSIT OF PROCEEDS; EXPENDITURE OF PROCEEDS.

(a) All monies collected under the Homelessness Gross Receipts Tax Ordinance shall be deposited to the credit of the Our City, Our Home Fund, established in Administrative Code Section 10.100-164. The Fund shall be maintained separate and apart from all other City funds and shall be subject to appropriation. Any balance remaining in the Fund at the close of any fiscal year shall be deemed to have been provided for a special purpose within the meaning of Charter Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes described in subsection (b)(3).

(b) Subject to the budgetary and fiscal provisions of the Charter, monies in the Our City, Our Home Fund shall be appropriated on an annual or supplemental basis and used exclusively for the following purposes:

(1) Up to 3% of the proceeds of the Homelessness Gross Receipts Tax distributed in any proportion to the Tax Collector and other City departments, for administration of the Homelessness Gross Receipts Tax and administration of the Our City, Our Home Fund for the following purposes:

(A) Payment of the administrative expenses of collecting the Homelessness Gross Receipts Tax;

(B) Payment for City oversight of the expenditures described in this subsection (b); and

(C) Payment for City expenses providing support for the Our City, Our Home Oversight Committee, including but not limited to payments for the needs assessments described in Section 2810(e)(2)(B).

(2) Refunds of any overpayments of the Homelessness Gross Receipts Tax, including any related penalties, interests, and fees.

(3) All remaining amounts for the following purposes, in the following percentages, which amounts shall include the costs of administering the programs described.

(A) **Permanent Housing Expenditures.** At least 50% to the Mayor's Office of Housing and Community Development ("MOHCD"), or its successor agency, for uses consistent with the Homelessness Gross Receipts Tax Ordinance that help Homeless adults, families, or youth, including but not limited to Homeless persons with mental illness or addiction, permanently exit homelessness and secure permanent housing. Every reasonable effort shall be made to ensure that Homeless persons with barriers to housing, including but not limited to a lack of identification and documentation, are able to access housing made available under this subsection (A). Uses under this subsection (A) shall be limited to:

(i) Short-term rental subsidies, expenditures for which shall be limited to no more than 12% of this subsection (A). For purposes of this subsection (i), "short-term" means a period that is five years or less.

(ii) Construction, acquisition, rehabilitation, lease, preservation, and operation of permanent supportive housing units. For purposes of this subsection (ii), "permanent supportive housing" means housing that provides a rental subsidy and onsite supportive services for formerly Homeless adults, families, and youth.

(iii) Acquisition, rehabilitation, master lease, and operation of SRO Buildings, or portions thereof, newly acquired or master leased on or after January 1, 2019, and the associated protection of extremely low- and very low-income households, especially households with seniors, veterans, persons with disabilities, or immigrants. Existing, higher-income households may retain occupancy in SRO Buildings, under the program's goal of preventing displacement. Any vacant unit in an SRO Building may be used for the purpose of housing Homeless individuals or families. Long-term rental subsidies shall be an eligible use of funds under this subsection (iii). For

purposes of this subsection (iii) the following terms shall have the following meanings:

(aa) “Area Median Income” means the area median income for the United States Department of Housing and Urban Development (“HUD”) Metro Fair Market Rent Area (“HFMA”) that includes San Francisco, as published annually by MOHCD, adjusted for household size. If HFMA data is unavailable, MOHCD shall calculate area median income using other publicly available and credible data.

(bb) “Extremely low- and very low-income households” means households that earn up to 50% of Area Median Income.

(cc) “Long-term” means a period that is longer than five years.

(dd) “Master lease” means a nonprofit or governmental entity leasing dedicated housing units from a property owner and, in turn, leasing those units to residents.

MOHCD shall enter into an agreement with HSH, or its successor agency, that requires at least 20% of the total amounts appropriated under this subsection (A) be used for the purposes described in this subsection (A) that support Homeless youth aged 18 through 29, and at least 25% of the total amounts appropriated under this subsection (A) be used for the purposes described in this subsection (A) that support Homeless families with children under age 18 at the time of entry into housing.

(B) **Homeless Shelter Expenditures.** Up to 10% to HSH, or its successor agency, for uses consistent with the Homelessness Gross Receipts Tax Ordinance that help Homeless adults, families, or youth, including but not limited to Homeless persons with mental illness or addiction, secure short-term residential shelter, including but not limited to funding navigation centers and shelters, and to fund Hygiene Programs. For purposes of this subsection (B), “Hygiene Programs” means any program that provides bathrooms, handwashing stations, and/or showers intended for use by those who do not have access to those facilities.

(C) **Homelessness Prevention Expenditures.** Up to 15% to MOHCD and/or HSH, or their successor agencies, for the provision of services to those at risk of becoming Homeless or who recently have become Homeless. These services are limited to providing financial, utility, and/or Rental Assistance; flexible funding (e.g., security deposit, expenses necessary to maintain housing); short-term case management; conflict mediation; legal representation in eviction cases; connection to mainstream services (e.g., services from agencies outside of the homeless assistance system, such as public benefit agencies); housing search assistance; and assistance to newly Homeless families and individuals to identify immediate alternate housing arrangements. Every reasonable effort shall be made to ensure that financial assistance is available in a timely manner to avoid evictions or displacements.

(D) **Mental Health Expenditures for Homeless Individuals.** At least 25% to the Department of Public Health (“DPH”) for the creation of a new mental health services program or programs that are specifically designed for Homeless people severely impaired by behavioral health issues. Such uses shall be limited to:

- (i) Intensive street-based mental health services and case management;
- (ii) Assertive outreach services;
- (iii) Mental health and substance abuse treatment, including medications;
- (iv) Peer support;
- (v) Residential and drop-in services; and

(vi) Specialized temporary and long-term housing Rental Assistance, housing linkage, and referrals into supportive housing with continued intensive case management and mental health services that follow people from homelessness into housing.

Nothing in this subsection (D) shall prevent DPH from using allocations pursuant to this subsection (D) to acquire or lease facilities to provide the mental health services described herein.

(E) **Determination of Appropriations; Remaining Amounts.** The Board of Supervisors shall determine how much to appropriate to each of Sections 2810(b)(3)(A) through (D), in accordance with those Sections. Any amounts remaining in the Our City, Our Home Fund at the end of any fiscal year shall be held in the Our City, Our Home Fund to be added to amounts available for appropriation under Section 2810 (b)(3) in any future year.

(c) Commencing with a report filed no later than February 15, 2020, covering the fiscal year ending on June 30, 2019, the Controller shall file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the Our City, Our Home Fund during the prior fiscal year, the status of any project required or authorized to be funded by this Section 2810, and such other information as the Controller, in the Controller’s sole discretion, shall deem relevant to the operation of this Article 28.

(d) **Appropriations May Not Supplant Existing Expenditures.** Monies in the Our City, Our Home Fund shall be expended only for Eligible Programs. Monies in the Our City, Our Home Fund shall not be spent to supplant existing programs funded by the City for homeless programs, which shall continue to be funded, at a minimum, at the Base Amount. All funds unexpended from the Our City, Our Home Fund shall be held in the Our City, Our Home Fund and may be expended on Eligible Programs in any future fiscal year in which other expenditures from the Our City, Our Home Fund may be made. For purposes of this subsection (d):

(1) “Base Amount” means the Controller’s calculation of the amount of City appropriations (not including appropriations from the Our City, Our Home Fund and exclusive of expenditures funded by private funding or funded or mandated by state or federal law) for Eligible Programs for the fiscal year ending June 30, 2018.

(2) “Eligible Programs” means all programs and expenditures described in Section 2810(b)(3).

(e) **Our City, Our Home Oversight Committee.**

(1) By February 28, 2019, the Board of Supervisors shall establish by ordinance the Our City, Our Home Oversight Committee (“Oversight Committee”) to make recommendations to the Mayor, the Board of Supervisors, the Health Commission, and the Homelessness Oversight Commission to ensure that the Our City, Our Home Fund is administered in a manner consistent with the provisions of this Section 2810.

(2) The purpose of the Oversight Committee shall be to monitor and make recommendations in the administration of the Our City, Our Home Fund, to take steps to ensure that the fund is administered in a manner accountable to the community and consistent with the law, and to advise the Board of Supervisors, the Health Commission, and the Homelessness Oversight Commission on appropriations from the Our City, Our Home Fund. As part of this purpose, the Oversight Committee shall:

(A) Develop recommendations for prioritizing the use of funds appropriated from the Our City, Our Home Fund;

(B) By December 31, 2019, and every three years thereafter, conduct a needs assessment with respect to homelessness and Homeless populations, including but not limited to an assessment of available data on subpopulations with regard to race, family composition, sexual orientation, age, and gender served by the programs and expenditures described in Section 2810(b)(3), and make annual recommendations about appropriations from the Our City, Our Home Fund to the Board of Supervisors, the Health Commission, and the Homelessness Oversight Commission consistent with that needs assessment, and such needs assessment shall inform the Department of Homelessness and Supportive Housing’s strategic planning process;

(C) Promote and facilitate transparency in the administration of the Our City, Our Home Fund.

(D) Promote implementation of the programs funded by the Our City, Our Home Fund in a culturally sensitive manner.

(3) **Voting Members.**

(A) The Oversight Committee shall have nine voting members.

(i) Seats one, three, five, and seven shall be appointed by the Mayor under Charter Section 3.100(18).

(ii) Seats two, four, six, and eight shall be appointed by the Board of Supervisors.

(iii) Seat nine shall be appointed by the Controller.

(B) **Eligibility.**

(i) Seat one shall be an individual with experience with Homeless housing development or supportive housing services.

(ii) Seat two shall be an individual representing families with minor children residing in SRO Units or a family member residing in a SRO Unit.

(iii) Seat three shall be an individual with experience providing Homeless services.

(iv) Seat four shall be an individual who has experienced homelessness and also has experience advocating for Homeless people.

(iv)¹ Seat five shall be an individual with mental health service and/or substance abuse expertise.

(v) Seats six and seven shall be individuals who have personally experienced homelessness.

(vi) Seat eight shall be an individual who has experience advocating on Homeless or mental health issues.

(vii) Seat nine shall be an at large seat.

(C) **Term.** The terms of the initial appointees to the Oversight Committee shall commence on the date of the first meeting of the committee, which shall occur when at least six members have been appointed and are present, but no later than February 28, 2019. The initial terms of odd numbered seats shall be three years, and two years following the initial three-year term. Even numbered seats shall have two-year terms.

(4) The City shall provide adequate dedicated staffing to the Oversight Committee.

(5) The Oversight Committee shall meet at least six times during each fiscal year, except for the fiscal year ending June 30, 2019, during which the Oversight Committee shall meet at least twice.

(g)¹ Nothing in this Section 2810 shall limit the authority of the Mayor and the Board of Supervisors to propose, amend, and adopt a budget under Article IX of the Charter.

(h) For purposes of this Section 2810:

(1) “Homeless” means an individual or family that lacks a fixed, regular, and adequate nighttime residence, and whose primary nighttime residence is one or more of the following: a shelter; a sidewalk or street; outdoors; a vehicle; a structure not certified or fit for human residence, such as an abandoned building; a couch used for sleeping in accommodations that are inadequate or overly crowded; a SRO Unit in which one or more family members are under the age of 18; a transitional housing program; or in such other location that is unsafe or unstable.

(2) “Single Room Occupancy (SRO) Unit” or “SRO Unit” means a dwelling unit or group housing room consisting of no more than one occupied room with a maximum gross floor area of 350 square feet and meeting the Housing Code’s minimum floor area standards.

The unit may have a bathroom in addition to the occupied room. As a dwelling unit, it would have a cooking facility and bathroom. As a group housing room, it would share a kitchen with one or more other single room occupancy unit(s) in the same building and may also share a bathroom. A Single Room Occupancy Building (or “SRO Building”) is one in which at least 50% of the units are SRO Units.

(3) “Rental Assistance” means rental subsidies or nonprofit housing operating subsidies that help Homeless people find housing and stabilize in housing in which they are the leaseholders.

(Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019; amended by Ord. [23-23](#), File No. 221246, App. 2/23/2023, Eff. 3/26/2023; Ord. [35-23](#), File No. 230125, App. 3/17/2023, Eff. 4/17/2023)

CODIFICATION NOTE

- 1. So in [Prop. C](#), 11/6/2018.

SEC. 2811. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend this Article 28 by ordinance by a two-thirds vote but only to further the Findings and intent as set for the ¹ in Section 2802.

(Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

CODIFICATION NOTE

- 1. So in [Prop. C](#), 11/6/2018.

SEC. 2812. EFFECT OF STATE AND FEDERAL AUTHORIZATION.

To the extent that the City’s authorization to impose or to collect any tax imposed under this Article 28 is expanded or limited as a result of changes in state or federal statutes, regulations, or other laws, or judicial interpretations of those laws, no amendment or modification of this Article shall be required to conform the taxes to those changes, and the taxes are hereby imposed in conformity with those changes, and the Tax Collector shall collect them to the full extent of the City’s authorization up to the full amount and rate of the taxes imposed under this Article.

- (Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2813. SEVERABILITY.

(a) Except as provided in Section 2813(b), below, if any section, subsection, sentence, clause, phrase, or word of this Article 28, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by an unappealable decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Article. The People of the City and County of San Francisco hereby declare that, except as provided in Section 2813(b), they would have adopted this Article 28 and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Homelessness Gross Receipts Tax in Section 2804 is held in its entirety to be facially invalid or unconstitutional in a final unappealable court determination, the remainder of this Article 28 shall be void and of no force and effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code, and likewise cause Section 10.100-164 to be removed from the Administrative Code.

- (Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

SEC. 2814. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 28 shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

(Added by [Proposition C](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2019)

ARTICLE 29:

VACANCY TAX ORDINANCE

- Sec. 2901. Short Title.
- Sec. 2902. Findings and Purpose.
- Sec. 2903. Definitions.
- Sec. 2904. Imposition of Tax.
- Sec. 2905. Exemptions and Exclusions.

- Sec. 2906. Administration.
- Sec. 2907. Deposit of Proceeds; Expenditure of Proceeds.
- Sec. 2908. Technical Assistance to the Tax Collector.
- Sec. 2909. Amendment of Ordinance.
- Sec. 2910. Severability.
- Sec. 2911. Savings Clause.

SEC. 2901. SHORT TITLE.

This Article 29 shall be known as the “Vacancy Tax Ordinance,” and the tax it imposes shall be known as the “Vacancy Tax.”

■ (Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021)

SEC. 2902. FINDINGS AND PURPOSE.

(a) San Francisco’s neighborhood commercial districts prioritize street-level, customer-facing businesses as a means of stimulating a bustling, pedestrian-friendly urban environment. Retail storefronts are the building blocks of neighborhood vitality, encouraging people to stroll through San Francisco’s streets, sidewalks, parks, and other open spaces, and inviting them in.

(b) San Francisco residents and visitors have an interest in preserving the vitality of commercial corridors in these districts. Vacant storefronts in otherwise vibrant neighborhood commercial districts degrade the urban environment and reduce the quality of life in those neighborhoods, leading to blight and crime, particularly when storefronts stay empty for extended periods of time. Further, the resulting blight negatively impacts other small businesses in the area by discouraging foot traffic and eroding the character and uniqueness of San Francisco’s diverse neighborhoods and communities.

(c) Retail vacancies may occur when property owners are performing tenant improvements for prospective tenants, while actively seeking a new commercial tenant, or following a disaster requiring wholesale rehabilitation of a structure. These temporary vacancies reflect a property owner’s desire to maintain the active retail storefront environment of San Francisco’s neighborhood commercial corridors and to continue contributing to the surrounding community.

(d) But in other instances, retail vacancies occur when a property owner or landlord fails to actively market a vacant retail storefront to viable commercial tenants and/or fails to offer the property at a reasonable rate. Retail vacancies may persist as property owners and landlords hold storefronts off of the market for extended periods of time or refuse to offer the space for a reasonable market rate.

(e) The purpose of the Vacancy Tax is to stimulate the rehabilitation of long-term retail vacancies, and, in turn, to reinvigorate commercial corridors and stabilize commercial rents, thereby allowing new small businesses to open and existing small businesses to thrive.

(f) By dedicating proceeds from the Vacancy Tax to the Small Business Assistance Fund, the Vacancy Tax will also assist small businesses and provide relief to those small businesses adversely affected by blight, crime, and other negative impacts caused by vacant storefronts in San Francisco.

■ (Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021)

SEC. 2903. DEFINITIONS.

Unless otherwise defined in this Article 29, the terms used in this Article shall have the meanings given to them in Article 6 of the Business and Tax Regulations Code, as amended from time to time. For purposes of this Article, the following definitions shall apply:

“Affiliate” means a person under common majority ownership or common control with any other person, whether that ownership or control is direct or indirect. An Affiliate includes but is not limited to a person that majority owns or controls any other person or a person that is majority owned or controlled by any other person.

“Building Permit Application Period” means the period following the date that an application for a building permit for repair, rehabilitation, or construction with respect to Taxable Commercial Space in a building or structure is filed with the City through the date the Department of Building Inspection or its successor agency grants or denies that application, but not to exceed one year. Notwithstanding the preceding sentence, if more than one building permit application is filed by or on behalf of one or more persons in the Taxpayer’s Group for the same Taxable Commercial Space, the Building Permit Application Period shall mean only the applicable period following the date the first application is filed with the City by or on behalf of anyone in the Taxpayer’s Group.

“Conditional Use Application Period” means the 183-day period following the date that a complete application for a conditional use permit for use of Taxable Commercial Space is filed with the City, but if the Planning Commission or its successor agency does not grant or deny that application within 183 days, the Conditional Use Application Period means the period following the date that the application is filed through December 31 of the year in which the date 183 days from the application filing date falls. Notwithstanding the preceding sentence, if more than one complete conditional use permit application is filed by or on behalf of one or more persons in the Taxpayer’s Group for the same Taxable Commercial Space, the Conditional Use Application Period shall mean only the applicable period following the date the first complete application is filed with the City by or on behalf of anyone in the Taxpayer’s Group.

“Construction Period” means the one-year period following the date that the City issues a building permit for repair, rehabilitation, or construction with respect to Taxable Commercial Space in a building or structure, provided that if the City issues multiple building permits to or for the benefit of one or more persons in the Taxpayer’s Group for the same Taxable Commercial Space, the One-Year Construction Period shall mean only the one-year period following the issuance of the first building permit to or for the benefit of anyone in the Taxpayer’s Group.

“Disaster Period” means the two-year period following the date that Taxable Commercial Space was severely damaged and made uninhabitable or unusable due to fire, natural disaster, or other catastrophic event.

“Frontage” means the number of linear feet of Taxable Commercial Space that is adjacent or tangent to a Public Right of Way, rounded to the nearest foot.

“Public Right of Way” means the dedicated public alleys, boulevards, courts, lanes, roads, sidewalks, spaces, streets, and ways within the City, which are under the permitting jurisdiction of the Department of Public Works.

“Related Person” means a spouse or domestic partner, child, parent, or sibling (these latter three relationships including biological, adoptive, and “step” relationships; and the sibling relationship also including half-siblings).

“Residential Real Estate” means real property where the primary use of or right to use the property is for the purpose of dwelling, sleeping or lodging other than as part of the business activity of accommodations. For purposes of this Article 29, “accommodations” means the activity of providing lodging or short-term accommodations for travelers, vacationers, or others, including the business activity described in code 721 of the North American Industry Classification System as of November 6, 2012.

“Taxable Commercial Space” means the ground floor of any building or structure, or the ground floor of any portion of a building or structure, where such ground floor (1) is adjacent or tangent to a Public Right of Way, (2) is located in one of the “Named Neighborhood Commercial Districts” or “Named Neighborhood Commercial Transit Districts” listed in Section 201 of the Planning Code, as those districts exist on March 3, 2020, and irrespective of whether those districts are expanded, narrowed, eliminated, or otherwise modified subsequent to that date, and (3) is not Residential Real Estate.

“Taxpayer’s Group” means for each taxpayer, with respect to each Taxable Commercial Space, the taxpayer, any current or former co-owner or co-tenant of the taxpayer, and any Related Person or Affiliate of the taxpayer or the taxpayer’s current or former co-owner or co-tenant.

“Vacant” means unoccupied, uninhabited, or unused for more than 182 days, whether consecutive or nonconsecutive, in a tax year. Notwithstanding the previous sentence, a person shall not be considered to have kept a building or structure Vacant during the Building Permit Application Period, Construction Period, Disaster Period, and/or Conditional Use Application Period if that Building Permit Application Period, Construction Period, Disaster Period, and/or Conditional Use Application Period applies to that person for that Taxable Commercial Space. In determining whether a person has kept Taxable Commercial Space Vacant, days within the Building Permit Application Period, Construction Period, Disaster Period, and Conditional Use Application Period shall be disregarded if that Building Permit Application Period, Construction Period, Disaster Period, and/or Conditional Use Application Period applies to that person for that Taxable Commercial Space.

■ (Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021)

SEC. 2904. IMPOSITION OF TAX.

(a) Except as otherwise provided in this Article 29, for the purposes described in Section 2907, the City imposes an annual Vacancy Tax on keeping Taxable Commercial Space Vacant.

(b) The tax on keeping Taxable Commercial Space Vacant in a tax year shall be as follows:

(1) For the 2022 tax year, \$250 per linear foot of Frontage.

(2) For the 2023 tax year, \$250 per linear foot of Frontage for Taxable Commercial Space that has not been kept Vacant by any person in the 2022 tax year and \$500 per linear foot of Frontage for Taxable Commercial Space that has been kept Vacant by any person in the 2022 tax year.

(3) For the 2024 tax year and subsequent tax years:

(A) \$250 per linear foot of Frontage for Taxable Commercial Space that has not been kept Vacant by any person in the immediately preceding tax year;

(B) \$500 per linear foot of Frontage for Taxable Commercial Space that has been kept Vacant by any person in the immediately preceding tax year but not kept Vacant by any person in the tax year immediately preceding that tax year; and

(C) \$1,000 per linear foot of Frontage for all situations in which neither subsection (b)(3)(A) nor subsection (b)(3)(B) of this Section 2904 applies.

(c) The Vacancy Tax shall be payable by: (1) the owner or owners of the Taxable Commercial Space kept Vacant, provided that the Taxable Commercial Space is not leased; (2) the lessee or lessees, and not the owner, of the Taxable Commercial Space kept Vacant, if that Taxable Commercial Space is leased but not subleased; and (3) the sublessee or sublessees, and not the owner or sublessor, of the Taxable Commercial Space kept Vacant, if that Taxable Commercial Space is subleased. Not more than one tax shall be imposed under this Section 2904 by reason of multiple liable owners, lessees, or sublessees. If there are multiple liable owners, lessees, or sublessees, each such person shall be jointly and severally liable for the Vacancy Tax.

(d) A person shall be liable for the Vacancy Tax only if that person has kept Taxable Commercial Space Vacant in a tax year. A person shall be deemed to have kept Taxable Commercial Space Vacant in a tax year if that person and all Related Persons and Affiliates of that person, individually or collectively, have kept that Taxable Commercial Space Vacant for more than 182 days in that tax year.

(e) The imposition of the Vacancy Tax under this Section 2904 shall be suspended for the 2021 tax year.

■ (Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021; amended by Ord. [94-20](#), File No. 200420, App. 6/26/2020, Eff. 7/27/2020)

SEC. 2905. EXEMPTIONS AND EXCLUSIONS.

(a) For only so long as and to the extent that the City is prohibited from imposing the Vacancy Tax, any person upon whom the City is prohibited under the Constitution or laws of the State of California or the Constitution or laws of the United States from imposing the Vacancy Tax shall be exempt from the Vacancy Tax.

(b) Any organization that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, shall be exempt from the Vacancy Tax.

(c) The City shall not be exempt from the Vacancy Tax.

(d) If a lessee or sublessee has operated a business in Taxable Commercial Space for more than 182 consecutive days during a lease or sublease of at least two years, such lessee or sublessee shall not be liable for the Vacancy Tax for the remainder of that lease or sublease, regardless of whether that lessee or sublessee keeps the Taxable Commercial Space Vacant.

■ (Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021)

SEC. 2906. ADMINISTRATION.

Except as otherwise provided under this Article 29, the Vacancy Tax shall be administered pursuant to Article 6 of the Business and Tax Regulations Code.

■ (Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021)

SEC. 2907. DEPOSIT OF PROCEEDS; EXPENDITURE OF PROCEEDS.

(a) All monies collected under the Vacancy Tax Ordinance shall be deposited to the credit of the Small Business Assistance Fund ("Fund"), established in Administrative Code Section 10.100-334. The Fund shall be maintained separate and apart from all other City funds and shall be subject to appropriation. Any balance remaining in the Fund at the close of any fiscal year shall be deemed to have been provided for a special purpose within the meaning of Charter Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes described in subsection (b).

(b) Subject to the budgetary and fiscal provisions of the Charter, monies in the Small Business Assistance Fund shall be appropriated on an annual or supplemental basis and used exclusively for the following purposes:

(1) To the Tax Collector and other City Departments, for administration of the Vacancy Tax and administration of the Fund.

(2) Refunds of any overpayments of the Vacancy Tax, including any related penalties, interest, and fees.

(3) All remaining amounts to provide funding to assist the maintenance and operation of small businesses in the City.

(c) Commencing with a report filed no later than February 15, 2023, covering the fiscal year ending on June 30, 2022, the Controller shall file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the Small Business Assistance Fund during the prior fiscal year, the status of any project required or authorized to be funded by this Section 2907, and such other information as the Controller, in the Controller's sole discretion, shall deem relevant to the operation of this Article 29.

■ (Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021; amended by Ord. [94-20](#), File No. 200420, App. 6/26/2020, Eff. 7/27/2020)

SEC. 2908. TECHNICAL ASSISTANCE TO THE TAX COLLECTOR.

The Department of Public Works, the Department of Building Inspection, and the Office of Economic Workforce Development shall provide technical assistance to the Tax Collector, upon the Tax Collector's request, to administer the Vacancy Tax.

■ (Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021)

SEC. 2909. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal this Article 29 by ordinance by a two-thirds vote and without a vote of the people except as limited by Articles XIII A and XIII C of the California Constitution.

(Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021)

SEC. 2910. SEVERABILITY.

(a) Except as provided in Section 2910(b), if any section, subsection, sentence, clause, phrase, or word of this Article 29, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Article. The People of the City and County of San Francisco hereby declare that, except as provided in Section 2910(b), they would have adopted this Article 29 and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Vacancy Tax in Section 2904 is held in its entirety to be facially invalid or unconstitutional in a final court determination, the remainder of this Article 29 shall be void and of no force and effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code.

■ (Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021)

SEC. 2911. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 29 shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

(Added by [Proposition D](#), 3/3/2020, Eff. 4/17/2020, Oper. 1/1/2021)

ARTICLE 29A:

EMPTY HOMES TAX ORDINANCE

Sec. 2950.	Short Title.
Sec. 2951.	Findings and Purpose.
Sec. 2952.	Definitions.
Sec. 2953.	Imposition of Tax.
Sec. 2954.	Returns; Presumption of Vacancy.
Sec. 2955.	Exemptions and Exclusions.
Sec. 2956.	Administration; Penalties.
Sec. 2957.	Deposit of Proceeds.
Sec. 2958.	Expenditure of Proceeds.
Sec. 2959.	Technical Assistance to the Tax Collector.
Sec. 2960.	Authorization and Limitation on Issuance of Bonds.
Sec. 2961.	Amendment of Ordinance.
Sec. 2962.	Severability.
Sec. 2963.	Savings Clause.

SEC. 2950. SHORT TITLE.

This Article 29A shall be known as the “Empty Homes Tax Ordinance,” and the tax it imposes shall be known as the “Empty Homes Tax.”

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2951. FINDINGS AND PURPOSE.

(a) Residential vacancies are an ongoing concern in San Francisco. According to census data, there were tens of thousands of vacant residential units in San Francisco as of 2019. A report published in January 2022 by the Budget and Legislative Analyst found that the total number of vacant units in San Francisco increased by about 20% between 2015 and 2019, to 40,500 units in 2019.

(b) According to the Budget and Legislative Analyst report, vacant units in 2019 were concentrated in the South of Market area, downtown, and in the Mission District; generally the same areas where new, large-scale housing construction has been concentrated. Such units are disproportionately in multiunit buildings.

(c) The Empty Homes Tax is limited to buildings with more than two residential units because such buildings are more likely to include one or more units held vacant by choice and are more likely to include multiple vacancies.

(d) Prolonged vacancy restricts the supply of available housing units and runs counter to the City's housing objectives. Prolonged vacancies can also decrease economic activity in neighborhoods and lead to blight.

(e) The Empty Homes Tax is intended to disincentivize prolonged vacancies, thereby increasing the number of housing units available for occupancy, while also raising funds for rent subsidies and affordable housing.

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2952. DEFINITIONS.

Unless otherwise defined in this Article 29A, the terms used in this Article shall have the meanings given to them in Article 6 of the Business and Tax Regulations Code, as amended from time to time. For purposes of this Article, the following definitions shall apply:

“Affiliate” means a person under common majority ownership or common control, whether that ownership or control is direct or indirect, with any other person, including but not limited to a person that majority owns or controls, or is majority owned or controlled by, any other person.

“Building Permit Application Period” means the period following the date that an application for a building permit for repair, rehabilitation, or construction with respect to a Residential Unit is filed with the City through the date the Department of Building Inspection or its successor agency grants or denies that application, not to exceed one year. Notwithstanding the preceding sentence, if more than one building permit application is filed by or on behalf of one or more persons in the Owner's Group for the same Residential Unit, the Building Permit Application Period shall mean only the applicable period following the date the first application is filed with the City by or on behalf of anyone in the Owner's Group.

“Construction Period” means the one-year period following the date that the City issues a building permit for repair, rehabilitation, or construction with respect to a Residential Unit, provided that if the City issues multiple building permits to or for the benefit of one or more persons in the Owner's Group for the same Residential Unit, the Construction Period shall mean only the one-year period following the issuance of the first building permit to or for the benefit of anyone in the Owner's Group.

“Disaster Period” means the two-year period following the date that a Residential Unit was severely damaged and made uninhabitable or unusable due to fire, natural disaster, or other catastrophic event.

“Homeowners' Exemption Period” means the period during which a Residential Unit is the principal place of residence of any owner of that Residential Unit and for which such owner validly has claimed either the homeowners' property tax exemption under Section 218 of the California Revenue and Taxation Code or the disabled veterans' exemption under Section 205.5 of that Code, as those sections may be amended from time to time.

“Lease Period” means the period during which any owner of a Residential Unit or any person in the Owner's Group of that owner leases that Residential Unit to one or more tenants under a bona fide lease intended for occupancy, but not including any lease or rental of that Residential Unit to anyone in the Owner's Group or to travelers, vacationers, or other transient occupants.

“New Construction Period” means the one-year period following the date that the City issues a certificate of final completion and occupancy with respect to a Residential Unit in a newly erected building or a newly added Residential Unit in an existing building.

“Owner Death Period” means, with respect to a co-owner or decedent's estate, heirs, or beneficiaries, the period during which a Residential Unit is unoccupied, uninhabited, or unused because of the death of any owner of a Residential Unit who was the sole occupant of that Residential Unit immediately prior to such owner's death, provided that such period shall not exceed the longer of one year or the period during which the Residential Unit is subject to the authority of a probate court.

“Owner In Care Period” means the period during which a Residential Unit is unoccupied, uninhabited, or unused because all occupants of the Residential Unit who used that Residential Unit as their principal residence are residing in a hospital, long term or supportive care facility, medical care or treatment facility, or other similar facility.

“Owner's Group” means for each owner of a Residential Unit, with respect to each Residential Unit, the owner, any current or former co-owner, and any Related Person or Affiliate of the owner or any current or former co-owner.

“Related Person” means a spouse, domestic partner, child, parent, or sibling.

“Residential Unit” means a house, an apartment, a mobile home, a group of rooms, or a single room that is designed as separate living quarters, other than units occupied or intended for occupancy primarily by travelers, vacationers, or other transient occupants. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have a kitchen and direct access from the outside of the building or through a common hall. For purposes of this Article 29A, a Residential Unit shall not include a unit in a currently operational nursing home, residential care facility, or other similar facility, or any unit that is fully exempt from property tax under the welfare exemption under Section 214(g) of the California Revenue and Taxation Code, as may be amended from time to time.

“Vacancy Exclusion Period” means the Building Permit Application Period, Construction Period, Disaster Period, Homeowners' Exemption Period, Lease Period, New Construction Period, Owner Death Period, or Owner In Care Period.

“Vacant” means unoccupied, uninhabited, or unused, for more than 182 days, whether consecutive or nonconsecutive, in a tax year.

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2953. IMPOSITION OF TAX.

(a) Except as otherwise provided in this Article 29A, for the purposes described in Section 2958, the City imposes an annual Empty Homes Tax on each person that owns a Residential Unit for keeping that Residential Unit Vacant.

(b) The tax on an owner keeping a Residential Unit Vacant for the 2024 tax year shall be as follows:

- (1) \$2,500 for each Residential Unit with square footage less than 1,000;
- (2) \$3,500 for each Residential Unit with square footage from 1,000 to 2,000; and
- (3) \$5,000 for each Residential Unit with square footage greater than 2,000.

(c) The tax on an owner keeping a Residential Unit Vacant for the 2025 tax year, if that owner has not kept that Residential Unit Vacant in the 2024 tax year, shall be as follows:

- (1) \$2,500 for each Residential Unit with square footage less than 1,000;
- (2) \$3,500 for each Residential Unit with square footage from 1,000 to 2,000; and
- (3) \$5,000 for each Residential Unit with square footage greater than 2,000.

(d) The tax on an owner keeping a Residential Unit Vacant for the 2025 tax year, if that owner has kept that Residential Unit Vacant in the 2024 tax year, shall be as follows:

- (1) \$5,000 for each Residential Unit with square footage less than 1,000;
- (2) \$7,000 for each Residential Unit with square footage from 1,000 to 2,000; and
- (3) \$10,000 for each Residential Unit with square footage greater than 2,000.

(e) The tax on an owner keeping a Residential Unit Vacant for the 2026 tax year and subsequent tax years, if that owner has not kept that Residential Unit Vacant in the immediately preceding tax year, shall be as follows:

- (1) \$2,500 for each Residential Unit with square footage less than 1,000;
- (2) \$3,500 for each Residential Unit with square footage from 1,000 to 2,000; and
- (3) \$5,000 for each Residential Unit with square footage greater than 2,000.

(f) The tax on an owner keeping a Residential Unit Vacant for the 2026 tax year and subsequent tax years, if that owner has kept that Residential Unit Vacant in the immediately preceding tax year but has not kept that Residential Unit Vacant in the tax year immediately preceding that tax year, shall be as follows:

- (1) \$5,000 for each Residential Unit with square footage less than 1,000;
- (2) \$7,000 for each Residential Unit with square footage from 1,000 to 2,000; and
- (3) \$10,000 for each Residential Unit with square footage greater than 2,000.

(g) The tax on an owner keeping a Residential Unit Vacant for the 2026 tax year and subsequent tax years, if that owner has kept that Residential Unit Vacant in the immediately preceding tax year and has kept that Residential Unit Vacant in the tax year immediately preceding that tax year, shall be as follows:

- (1) \$10,000 for each Residential Unit with square footage less than 1,000;
- (2) \$14,000 for each Residential Unit with square footage from 1,000 to 2,000; and
- (3) \$20,000 for each Residential Unit with square footage greater than 2,000.

(h) The rates set forth in subsections (c), (d), (e), (f), and (g) of this Section 2953 shall be adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31st of the preceding year, beginning with the 2025 tax year.

(i) The Empty Homes Tax shall be payable by the owner or owners of the Residential Unit kept Vacant. Not more than one tax per Residential Unit shall be imposed under this Section 2953 for a tax year by reason of multiple liable owners. If there are multiple liable owners, each owner shall be jointly and severally liable for the tax, which shall be the highest amount of tax payable by any owner for that Residential Unit for that tax year.

(j) A person shall be liable for the Empty Homes Tax only if that person, while owning a Residential Unit, has kept or is deemed to have kept that Residential Unit unoccupied, uninhabited, or unused, for more than 182 days, whether consecutive or nonconsecutive, in a tax year. In determining whether an owner has kept a Residential Unit Vacant during a tax year, days within any Vacancy Exclusion Period shall be disregarded if that Vacancy Exclusion Period applies to that owner for that Residential Unit, as shall days in which the Residential Unit was not owned by the owner, but the owner shall be deemed to have kept the Residential Unit unoccupied, uninhabited, or unused on all other days that such Residential Unit is unoccupied, uninhabited, or unused during the tax year.

(k) The Empty Homes Tax shall take effect on January 1, 2024. The Empty Homes Tax shall expire on December 31, 2053.

SEC. 2954. RETURNS; PRESUMPTION OF VACANCY.

(a) Each person that is required to pay the Empty Homes Tax shall file a return in the form and manner prescribed by the Tax Collector.

(b) Each person that owns a Residential Unit at any time during a tax year shall file a return for that tax year in the form and manner prescribed by the Tax Collector, unless that person is exempt from the Empty Homes Tax with respect to that Residential Unit under any one of subsections (a) through (d) of Section 2955 or is covered under the Homeowners' Exemption Period for that Residential Unit for the entire tax year. A person that fails to file the return required by this subsection (b) for a Residential Unit shall be presumed to have kept that Residential Unit Vacant for the tax year for which such return is required. The person who fails to file the required return may rebut the presumption by producing satisfactory evidence that such person did not keep the Residential Unit Vacant during the tax year for which the return is required.

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024; amended by Ord. [224-23](#), File No. 230898, App. 11/3/2023, Eff. 12/4/2023)

SEC. 2955. EXEMPTIONS AND EXCLUSIONS.

(a) For only so long as and to the extent that the City is prohibited from imposing the Empty Homes Tax, any person upon whom the City is prohibited under the Constitution or laws of the State of California or the Constitution or laws of the United States from imposing the Empty Homes Tax shall be exempt from the Empty Homes Tax.

(b) Any organization that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, shall be exempt from the Empty Homes Tax.

(c) The City, the State of California, and any county, municipal corporation, district, or other political subdivision of the State shall be exempt from the Empty Homes Tax, except where any constitutional or statutory immunity from taxation is waived or is not applicable.

(d) A person that owns any Residential Unit located in a building with two or fewer Residential Units shall be exempt from the Empty Homes Tax with respect to any Residential Unit located in that building.

(e) For purposes of this Article 29A, the Empty Homes Tax shall not apply with respect to a Residential Unit for any tax year for which any person is liable for the Vacancy Tax imposed under Article 29 of the Business and Tax Regulations Code with respect to that Residential Unit.

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2956. ADMINISTRATION; PENALTIES.

(a) Except as otherwise provided under this Article 29A, the Empty Homes Tax shall be administered pursuant to Article 6 of the Business and Tax Regulations Code.

(b) Transactions with the principal purpose of avoiding or evading all or a portion of the Empty Homes Tax shall be disregarded for purposes of determining the amount of the Empty Homes Tax and whether the Empty Homes Tax is due. In addition to the Empty Homes Tax due as a result of this subsection (b), any owner liable for any Empty Homes Tax as a result of this subsection (b) shall be liable for a penalty in an amount equal to the Empty Homes Tax due as a result of this subsection (b).

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2957. DEPOSIT OF PROCEEDS.

(a) All monies collected under the Empty Homes Tax Ordinance shall be deposited to the credit of the Housing Activation Fund ("Fund") established in Administrative Code Section 10.100-76. The Fund shall be maintained separate and apart from all other City funds and shall be subject to appropriation. Any balance remaining in the Fund at the close of any fiscal year shall be deemed to have been provided for a special purpose within the meaning of Charter Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes described in Section 2958.

(b) Commencing with a report filed no later than February 15, 2026, covering the fiscal year ending on June 30, 2025, the Controller shall file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the Fund during the prior fiscal year, the status of any project required or authorized to be funded by Section 2958, and such other information as the Controller, in the Controller's sole discretion, shall deem relevant to the operation of this Article 29A.

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2958. EXPENDITURE OF PROCEEDS.

Subject to the budgetary and fiscal provisions of the Charter, monies in the Housing Activation Fund shall be appropriated on an

annual or supplemental basis and used exclusively for the following purposes:

- (a) To the Tax Collector and other City Departments, for administration of the Empty Homes Tax and administration of the Housing Activation Fund.
- (b) Refunds of any overpayments of the Empty Homes Tax, including any related penalties, interest, and fees.
- (c) All remaining amounts to provide funding, including administrative costs, for Eligible Programs, 50% of which shall be used for the programs described in subsection 2958(c)(1)(A) and 50% of which shall be used for the programs described in subsection 2958(c)(1)(B). The voters intend that these remaining amounts be spent on Eligible Programs at levels in addition to amounts currently spent on such Eligible Programs and that such remaining amounts not be used to supplant existing expenditures.

(1) For purposes of this Section 2958, “Eligible Programs” means:

(A) Rental subsidies for individuals age 60 or older and rental subsidies for households with a household income of not more than 50% of Area Median Income; and

(B) The acquisition and rehabilitation of multi-unit buildings, in which at least one-third of the units are unoccupied, for affordable housing, and the operation of such buildings acquired and/or rehabilitated under this subsection 2958(c)(1)(B). Buildings subject to expenditures under this subsection 2958(c)(1)(B) shall be restricted through a recorded deed restriction or restrictions mandated for the useful life of the building to households with an average household income that does not exceed 80% of Area Median Income.

(2) For purposes of this Section 2958, “Area Median Income” means the median income as published annually by the Mayor’s Office of Housing and Community Development for the City and County of San Francisco, derived in part from the income limits and area median income determined by the United States Department of Housing and Urban Development, or its successor agency, for the San Francisco County metro fair market rent area, adjusted solely for household size, but not for high housing cost area. The Board of Supervisors may modify this definition of Area Median Income solely for purposes of subsection 2958(c)(1)(B) to determine area median income by zip code area.

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2959. TECHNICAL ASSISTANCE TO THE TAX COLLECTOR.

The Department of Public Works, the Department of Building Inspection, the Rent Board, and the Assessor-Recorder’s Office shall provide technical assistance to the Tax Collector, upon the Tax Collector’s request, to administer the Empty Homes Tax.

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2960. AUTHORIZATION AND LIMITATION ON ISSUANCE OF BONDS.

The City is hereby authorized to issue from time to time limited tax bonds or other forms of indebtedness to finance the costs of the projects described in Section 2958. The City shall be authorized to pledge revenues generated by the Empty Homes Tax to the repayment of limited tax bonds or other forms of indebtedness authorized under this Section 2960. The Board of Supervisors shall by ordinance or resolution, as applicable, establish the terms of any limited tax bonds or other forms of indebtedness authorized hereby, including but not limited to, the amount of the issue, date, covenants, denominations, interest rate or rates, maturity or maturities, redemption rights, tax status, manner of sale, and such other particulars as are necessary or desirable.

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2961. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal this Article 29A by ordinance by a two-thirds vote and without a vote of the people except as limited by Articles XIII A and XIII C of the California Constitution.

■ (Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

SEC. 2962. SEVERABILITY.

(a) Except as provided in Section 2962(b), if any section, subsection, sentence, clause, phrase, or word of this Article 29A, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Article. The People of the City and County of San Francisco hereby declare that, except as provided in Section 2962(b), they would have adopted this Article 29A and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Empty Homes Tax in Section 2953 is held in its entirety to be facially invalid or unconstitutional in a final court determination, the remainder of this Article 29A shall be void and of no force and effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code.

SEC. 2963. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 29A shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

(Added by [Proposition M](#), 11/8/2022, Eff. 12/23/2022, Oper. 1/1/2024)

ARTICLE 30:

CANNABIS BUSINESS TAX

Sec. 3001.	Short Title.
Sec. 3002.	Definitions.
Sec. 3003.	Imposition of Tax.
Sec. 3004.	Allocation; Gross Receipts Attributable to the City.
Sec. 3005.	Exemptions and Exclusions.
Sec. 3006.	Returns; Combined Returns.
Sec. 3007.	Tax Collector Authorized to Determine Gross Receipts.
Sec. 3008.	Construction and Scope of the Cannabis Business Tax Ordinance.
Sec. 3009.	Administration of the Cannabis Business Tax Ordinance.
Sec. 3010.	Expenditure of Proceeds.
Sec. 3011.	Amendment of Ordinance.
Sec. 3012.	Effect of State and Federal Authorization.
Sec. 3013.	Severability.
Sec. 3014.	Savings Clause.

SEC. 3001. SHORT TITLE.

This Article 30 shall be known as the “Cannabis Business Tax Ordinance,” and the tax it imposes shall be known as the “Cannabis Business Tax.”

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3002. DEFINITIONS.

Unless otherwise defined in this Article 30, the terms used in this Article shall have the meanings given to them in Articles 6 and 12-A-1 of the Business and Tax Regulations Code, as amended from time to time. For purposes of this Article 30, the following definitions shall apply:

“Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Article 30, “Cannabis” does not mean “Industrial Hemp.”

“Cannabis Business Activities” means any business activities directly related to Cannabis or Cannabis Products, including but not limited to the cultivation, possession, manufacture, processing, storing, labeling, distribution, or sale of Cannabis or Cannabis Products for consideration. “Cannabis Business Activities” shall not include: (a) business activities indirectly related to Cannabis or Cannabis Products, including the sale of items that do not themselves contain Cannabis or Cannabis Products; (b) laboratory testing; and (c) transportation of Cannabis or Cannabis Products where the person transporting Cannabis or Cannabis Products never takes title to or sells Cannabis or Cannabis Products.

“Cannabis Products” means Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated Cannabis, or an edible or topical product containing Cannabis or concentrated Cannabis and other ingredients.

“Industrial Hemp” means a fiber or oilseed crop, or both, that is limited to types of the plant *Cannabis sativa* L. having no more than three tenths of 1% tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the

resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom.

“Medicinal Cannabis” means Cannabis or a Cannabis Product, respectively, sold for use under the Compassionate Use Act of 1996 (Proposition 215) by a medicinal cannabis patient in California who possesses a physician’s recommendation.

“Retail Sale” means any transaction whereby, for any consideration, title to Cannabis or Cannabis Products is transferred from one person to another for the latter person’s use and not for resale, and includes the delivery of Cannabis or Cannabis Products to a person for such person’s own use and not for resale pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3003. IMPOSITION OF TAX.

(a) Except as otherwise provided in this Article 30, for the privilege of engaging in Cannabis Business Activities in the City, the City imposes an annual Cannabis Business Tax on each person engaged in business in the City that receives gross receipts from Cannabis Business Activities attributable to the City.

(b) The Cannabis Business Tax shall be calculated in the following manner:

(1) The person or combined group’s first \$1,000,000 of gross receipts attributable to the City from Cannabis Business Activities shall be exempt from the Cannabis Business Tax.

(2) The person or combined group’s gross receipts attributable to the City from the Retail Sale of Cannabis or Cannabis Products, including the amount exempt under Section 3003(b)(1), shall be multiplied as follows:

(A) by 2.5% for gross receipts in excess of the amount exempt under Section 3003(b)(1) and up to and including \$1,500,000; and

(B) by 5% for gross receipts over \$1,500,000.

(3) The person or combined group’s gross receipts attributable to the City from all Cannabis Business Activities other than the Retail Sale of Cannabis or Cannabis Products, including the amount exempt under Section 3003(b)(1), shall be multiplied as follows:

(A) by 1% for gross receipts in excess of the amount exempt under Section 3003(b)(1) and up to and including \$1,500,000; and

(B) by 1.5% for gross receipts over \$1,500,000.

(4) The Board of Supervisors may from time to time by an ordinance adopted by at least two-thirds of the members of the Board increase one or more of the rates provided for in Sections 3003(b)(2) and 3003(b)(3), except that no rate may increase more than 1% annually and no rate may exceed 7%. The Board of Supervisors may from time to time by an ordinance adopted by a majority of the members of the Board decrease one or more of the rates provided for in Sections 3003(b)(2) and 3003(b)(3). Any such adjustments in this Section 3003(b)(4) shall be effective no sooner than the tax year following the tax year in which the ordinance adjusting the rate is effective. The Controller shall prepare and submit a market analysis and impact report to the Board before the Board adjusts any tax rate under this Section 3003(b)(4).

(5) If a person or combined group has gross receipts attributable to the City from the Retail Sale of Cannabis or Cannabis Products and from Cannabis Business Activities other than the Retail Sale of Cannabis or Cannabis Products, the person or combined group’s Cannabis Business Tax shall be determined as follows:

(A) The person or combined group’s taxable gross receipts shall be determined on an aggregate basis first for gross receipts attributable to the City from Cannabis Business Activities other than the Retail Sale of Cannabis or Cannabis Products, and then for gross receipts attributable to the City from the Retail Sale of Cannabis or Cannabis Products;

(B) The \$1,000,000 exemption in Section 3003(b)(1) shall be applied first to gross receipts attributable to the City from Cannabis Business Activities other than the Retail Sale of Cannabis or Cannabis Products, with any remaining portion of the exemption then applied to gross receipts attributable to the City from the Retail Sale of Cannabis or Cannabis Products;

(C) The rates applicable under Section 3003(b)(2) shall be determined by applying the rate scale commencing with the gross receipts attributable to the City from Cannabis Business Activities other than the Retail Sale of Cannabis or Cannabis Products; and

(D) The Cannabis Business Tax for the person or combined group shall be the sum of the liabilities calculated under Sections 3003(b)(2) and 3002(b)(3), determined in accordance with Sections 3003(b)(5)(A), 3003(b)(5)(B), and 3003(b)(5)(C).

(c) The imposition of the Cannabis Business Tax under this Section 3003 shall be suspended for the 2021, 2022, 2023, 2024, and 2025 tax years.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021; amended by Ord. [240-20](#), File No. 201009, App. 11/25/2020, Eff. 12/26/2020; Ord. [231-21](#), File No. 211150, App. 12/17/2021, Eff. 1/17/2022, Retro. 1/1/2022; Ord. [247-22](#), File No. 221070, App. 12/9/2022, Eff. 1/9/2023, Retro. 1/1/2023)

SEC. 3004. ALLOCATION; GROSS RECEIPTS ATTRIBUTABLE TO THE CITY.

(a) Notwithstanding any other provision of this Article 30, any person subject to the Cannabis Business Tax engaging in Cannabis Business Activities in the City and engaging in no Cannabis Business Activities outside the City is subject to the Cannabis Business Tax

on all non-exempt gross receipts.

(b) Notwithstanding any other provision of this Article 30, any person subject to the Cannabis Business Tax engaging in Cannabis Business Activities both in the City and outside the City shall determine their or their combined group's gross receipts attributable to the City from Cannabis Business Activities under Section 956.1 of Article 12-A-1. For purposes of this Section 3004(b), "gross receipts" as used in Section 956.1 of Article 12-A-1 shall mean all of the person or combined group's non-exempt gross receipts from Cannabis Business Activities.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3005. EXEMPTIONS AND EXCLUSIONS.

(a) For purposes of this Article 30, gross receipts shall not include receipts from the Retail Sale of Medicinal Cannabis.

(b) An organization that is exempt from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from taxation under this Article 30, only so long as those exemptions continue to exist under state or federal law.

(c) For purposes of this Article 30, gross receipts shall not include receipts from business activities if, and only so long as and to the extent that, the City is prohibited from taxing such receipts under the Constitution or laws of the United States or under the Constitution or laws of the State of California.

(d) For only so long as and to the extent that the City is prohibited from imposing the Cannabis Business Tax, any person upon whom the City is prohibited under the Constitution or laws of the State of California or the Constitution or laws of the United States from imposing the Cannabis Business Tax shall be exempt from the Cannabis Business Tax.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3006. RETURNS; COMBINED RETURNS.

(a) Persons subject to the Cannabis Business Tax shall file returns at the same time and in the same manner as returns filed for the gross receipts tax (Article 12-A-1), including the rules for combined returns under Section 956.3, as amended from time to time.

(b) If a person is subject to the Cannabis Business Tax but is not required to file a gross receipts tax return, such person or combined group's Cannabis Business Tax return shall be filed at the same time and in the same manner as if such person or combined group were required to file a gross receipts tax return.

(c) For purposes of this Article 30, a lessor of residential real estate is treated as a separate person with respect to each individual building in which it leases residential real estate units, notwithstanding Section 6.2-15 of Article 6, as amended from time to time, or subsection (a) of this Section 3006. This subsection (c) applies only to leasing residential real estate units within a building, and not to any business activity related to other space, either within the same building or other buildings, which is not residential real estate. The Tax Collector is authorized to determine what constitutes a separate building and the number of units in a building.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3007. TAX COLLECTOR AUTHORIZED TO DETERMINE GROSS RECEIPTS.

The Tax Collector may, in the Tax Collector's reasonable discretion, independently establish a person or combined group's gross receipts attributable to the City from Cannabis Business Activities and establish or reallocate gross receipts among related entities so as to fairly reflect the gross receipts attributable to the City from Cannabis Business Activities of all persons and combined groups.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3008. CONSTRUCTION AND SCOPE OF THE CANNABIS BUSINESS TAX ORDINANCE.

(a) This Article 30 is intended to authorize application of the Cannabis Business Tax in the broadest manner consistent with its provisions and with the California Constitution, the United States Constitution, and any other applicable provision of federal or state law.

(b) The Cannabis Business Tax imposed by this Article 30 is in addition to all other City taxes, including the gross receipts tax imposed by Article 12-A-1, as amended from time to time. Accordingly, by way of example and not limitation, persons subject to both the Cannabis Business Tax and the gross receipts tax shall pay both taxes. Persons exempt from either the gross receipts tax or the Cannabis Business Tax, but not both, shall pay the tax from which they are not exempt.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3009. ADMINISTRATION OF THE CANNABIS BUSINESS TAX ORDINANCE.

Except as otherwise provided under this Article 30, the Cannabis Business Tax Ordinance shall be administered pursuant to Article 6 of the Business and Tax Regulations Code, as amended from time to time.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3010. EXPENDITURE OF PROCEEDS.

Proceeds from the Cannabis Business Tax shall be deposited in the City’s General Fund and may be spent for unrestricted general revenue purposes of the City.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3011. AMENDMENT OF ORDINANCE.

Except as limited in Section 3003(b)(4) and as limited by Article XIII C of the California Constitution, the Board of Supervisors may amend or repeal this Article 30 by ordinance without a vote of the people.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3012. EFFECT OF STATE AND FEDERAL AUTHORIZATION.

To the extent that the City’s authorization to impose or collect any tax imposed under this Article 30 is expanded or limited as a result of changes in state or federal statutes, regulations, or other laws, or judicial interpretations of those laws, no amendment or modification of this Article shall be required to conform the taxes to those changes, and the taxes are hereby imposed in conformity with those changes and the Tax Collector shall collect them to the full extent of the City’s authorization up to the full amount and rate of the taxes imposed under this Article.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3013. SEVERABILITY.

(a) Except as provided in Section 3013(b), if any section, subsection, sentence, clause, phrase, or word of this Article 30, or the application thereof to any person or circumstance, is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Article, including the application of such portions to other persons or circumstances. The People of the City and County of San Francisco hereby declare that, except as provided in Section 3013(b), they would have adopted each section, subsection, sentence, clause, phrase, and word of this Article not declared invalid or unconstitutional without regard to whether any other portion of this Article would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Cannabis Business Tax in Section 3003 is held in its entirety to be facially invalid or unconstitutional in a final court determination, the remainder of this Article 30 shall be void and of no force and effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code.

■ (Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

SEC. 3014. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 30 shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

(Added by [Proposition D](#), 11/6/2018, Eff. 12/14/2018, Oper. 1/1/2021)

ARTICLE 32: TRAFFIC CONGESTION MITIGATION TAX

Sec. 3201.	Short Title.
Sec. 3202.	Findings and Purpose.
Sec. 3203.	Definitions.
Sec. 3204.	Imposition of Tax.
Sec. 3205.	Exemptions and Exclusions.
Sec. 3206.	Construction and Scope of the Traffic Congestion Mitigation Tax Ordinance.
Sec. 3207.	Administration of the Traffic Congestion Mitigation Tax Ordinance.
Sec. 3208.	Deposit of Proceeds; Expenditure of Proceeds.
Sec. 3209.	Authorization and Limitation on Issuance of Bonds.
Sec. 3210.	Amendment of Ordinance.

- Sec. 3211. Effect of State and Federal Authorization.
Sec. 3212. Severability.
Sec. 3213. Savings Clause.
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SEC. 3201. SHORT TITLE.

This Article 32 shall be known as the “Traffic Congestion Mitigation Tax Ordinance,” and the tax it imposes shall be known as the “Traffic Congestion Mitigation Tax.”

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3202. FINDINGS AND PURPOSE.

(a) Strategies for managing traffic congestion are key to ensuring that San Francisco’s transportation system remains efficient, affordable, and safe as the number of jobs and the population in San Francisco grows. These strategies include improving transit, improving access to bicycling and walking, supporting walkable and transit-oriented neighborhoods, and managing vehicle use, parking, and traffic signals.

(b) Over the years, traffic congestion has increased in San Francisco, with San Francisco ranking among the top five most congested cities in the world, according to the 2018 INRIX Global Traffic Scorecard, which analyzes traffic congestion in more than 200 cities across 38 countries. As congestion increases, it is vital that San Francisco continue to make its transit system faster and more reliable while ensuring that the City invests in streets to create a safer environment.

(c) Emerging technologies, including autonomous vehicles, are expected to further increase traffic congestion in San Francisco, with the San Francisco County Transportation Authority’s 2017 Report “TNCs Today” documenting that transportation network companies accounted for approximately 50% of San Francisco’s congestion increase from 2010-2016. As these technologies expand, it is critical that they complement existing transit infrastructure and improve first-mile-last-mile accessibility, while mitigating congestion.

(d) In 2014, San Francisco adopted Vision Zero, a plan committed to eliminating all traffic deaths in San Francisco. The Vision Zero High Injury Network guides the City’s investments in infrastructure and ensures prioritization of critical Transit First, pedestrian safety, and bicycle safety projects. In San Francisco, 13% of streets account for 75% of the City’s severe traffic injuries and fatalities. To further the goal of Vision Zero, San Francisco must increase capital investments in street safety.

(e) In 2017, the San Francisco Transportation 2045 Task Force identified a projected \$22 billion funding gap for San Francisco’s transportation system through 2045 and possible revenue sources to close that gap, including a tax on rides facilitated by transportation network companies.

(f) In 2018, the Legislature enacted Assembly Bill 1184, which confirmed the City’s authority to impose a tax on net rider fares for rides originating in San Francisco, including rides facilitated by transportation network companies and rides provided by autonomous vehicles.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3203. DEFINITIONS.

Unless otherwise defined in this Article 32, the terms used in this Article shall have the meanings given to them in Article 6 of the Business and Tax Regulations Code, as amended from time to time.

For purposes of this Article 32, the following definitions apply.

“Autonomous Vehicle” means a vehicle, other than a Taxicab or Limousine, with or without a driver, equipped with and into which has been integrated technology that has the capability to drive the vehicle without the active physical control by a natural person, regardless of whether the vehicle is in driverless operation. An Autonomous Vehicle includes any vehicle capable of being driven remotely by a natural person.

“Commercial Ride-Share Company” means a person that provides prearranged transportation services for compensation using an online-enabled application or platform or any offline method to connect passengers with drivers using a Personal Vehicle, including but not limited to a transportation network company as that term is defined in Section 5431(c) of the California Public Utilities Code as of June 30, 2019.

“Limousine” means a limousine as that term is used in Section 5431 of the California Public Utilities Code as of June 30, 2019.

“Mobility Provider” means any person conducting or controlling a business that provides rides to fare-paying passengers using an Autonomous Vehicle or a Private Transit Services Vehicle, or both, including but not limited to the owner or proprietor of such business.

“Net Rider Fare” means all charges for a ride, including but not limited to charges based on time or distance, or both, and excluding any taxes, fees, and other charges where such taxes, fees, and other charges are imposed by governmental entities on that ride. The Net Rider Fare for a ride includes subscription fees and other indirect charges that are attributable to that ride. The entire amount of subscription

fees and other indirect charges that are charged in connection with passenger rides shall be presumed, subject to rebuttal, to be attributable to passenger rides.

“Personal Vehicle” means a vehicle that (1) has a passenger capacity of eight persons or less, including the driver, (2) is owned, leased, rented, or otherwise authorized for use by the driver, (3) meets any applicable inspection and other safety requirements imposed by the California Public Utilities Commission, and (4) is not a Taxicab or Limousine.

“Private Transit Services Vehicle” means a private transit vehicle as defined in Section 1202 of the Transportation Code as of June 30, 2019.

“Shared Ride” means a ride in which, prior to the commencement of the ride, a passenger requests to share the ride with one or more passengers and each passenger is charged a fare that is calculated, in whole or in part, based on the passenger’s request to share all or part of the ride with one or more passengers, regardless of whether the passenger actually shares all or part of the ride. A ride provided by a Private Transit Services Vehicle shall be deemed to be a Shared Ride if that vehicle is designed to carry and regularly carries more than one passenger at a time.

“Taxicab” means a taxicab as that term is used in Section 5431 of the California Public Utilities Code as of June 30, 2019.

“Zero-Emission Vehicle” means a vehicle of a year, make, and model that the California Air Resources Board has certified as a zero-emission vehicle under Section 1962.2 of Title 13 of the California Code of Regulations, as may be amended or replaced by a similar regulation, for 2018 and subsequent model years; under Section 1962.1 of Title 13 of the California Code of Regulations for 2009 through 2017 model years; or under Section 1962 of Title 13 of the California Code of Regulations or predecessor regulation, for 2008 and prior model years. For purposes of this Article 32, a vehicle shall be considered a Zero-Emission Vehicle on and after the date the California Air Resources Board has certified that vehicle’s year, make, and model as a zero-emission vehicle under the aforementioned regulations.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3204. IMPOSITION OF TAX.

(a) Except as otherwise provided in this Article 32, for the privilege of engaging in business in the City and to raise revenue for the purposes set forth in Section 3208, the City imposes a Traffic Congestion Mitigation Tax, which shall be a special excise tax, as follows:

(1) Except as provided in Section 3204(a)(3), for each ride originating in the City facilitated by a Commercial Ride-Share Company, the tax shall be imposed on the Commercial Ride-Share Company and shall be calculated by applying the following percentages to the Net Rider Fare attributable to the City.

(A) 1.5% for a Shared Ride;

(B) 3.25% for a ride other than a Shared Ride.

(2) Except as provided in Section 3204(a)(3), for each ride originating in the City provided by an Autonomous Vehicle or a Private Transit Services Vehicle, and not facilitated by a Commercial Ride-Share Company, the tax shall be imposed on the Mobility Provider of the Autonomous Vehicle or the Private Transit Services Vehicle and shall be calculated by applying the following percentages to the Net Rider Fare attributable to the City.

(A) 1.5% for a Shared Ride;

(B) 3.25% for a ride other than a Shared Ride.

(3) From January 1, 2020 through December 31, 2024, for each ride described in Section 3204(a)(1) or Section 3204(a)(2) that is provided in a Zero-Emission Vehicle, the tax shall be calculated by multiplying the Net Rider Fare attributable to the City for that ride by 1.5%.

(b) For purposes of this Article 32, a passenger’s ride originates in the City if the vehicle picks up that passenger in the City. The Net Rider Fare attributable to the City for each ride shall be the Net Rider Fare for that ride multiplied by a fraction, the numerator of which is the distance traveled within the City for that ride and the denominator of which is the total distance traveled for that ride. In lieu of calculating the distance traveled within the City for each ride a portion of which occurs outside the City, a person subject to tax under this Article 32 may presume that the Net Rider Fare for each such ride is 50% attributable to the City; provided, however, that such presumption must be applied to all rides for which a portion occurs outside the City during the reporting period. If it is impracticable or unreasonable to attribute a Net Rider Fare to the City based on distance traveled, the Net Rider Fare attributable to the City shall be determined on the basis of all relevant facts and circumstances of the particular case, in accordance with any rulings or regulations issued or promulgated by the Tax Collector.

(c) The tax imposed under this Section 3204 shall apply only to persons that are engaging in business within the City within the meaning of Section 6.2-12 of Article 6 of the Business and Tax Regulations Code.

(d) The Traffic Congestion Mitigation Tax shall be operative on January 1, 2020 and shall expire on November 5, 2045.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3205. EXEMPTIONS AND EXCLUSIONS.

(a) Rides that originate in the City and carry passengers across the California state line shall be exempt from the Traffic Congestion Mitigation Tax for only so long as and to the extent that the City is prohibited from taxing such rides under Section 14505 of Title 49 of the United States Code.

(b) Net Rider Fare as defined in Section 3203 shall not include charges for a ride or a portion of a ride if, and only so long as and to the extent that, the City is prohibited from taxing such ride or portion of a ride under the Constitution or laws of the United States or under the Constitution or laws of the State of California.

(c) Any person upon whom the City is prohibited under the Constitution or laws of the United States or under the Constitution or laws of the State of California from imposing the Traffic Congestion Mitigation Tax shall be exempt from the Traffic Congestion Mitigation Tax.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3206. CONSTRUCTION AND SCOPE OF THE TRAFFIC CONGESTION MITIGATION TAX ORDINANCE.

(a) This Article 32 is intended to authorize application of the Traffic Congestion Mitigation Tax in the broadest manner consistent with its provisions and with the California Constitution, the United States Constitution, and any other applicable provision of federal or state law.

(b) The Traffic Congestion Mitigation Tax imposed by this Article 32 is in addition to all other City taxes, including without limitation the gross receipts tax imposed by Article 12-A-1 of the Business and Tax Regulations Code, as amended from time to time. Accordingly, by way of example and not limitation, persons subject to both the Traffic Congestion Mitigation Tax and the gross receipts tax shall pay both taxes. Similarly, persons exempt from either the gross receipts tax or the Traffic Congestion Mitigation Tax, but not both, shall pay the tax from which they are not exempt.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3207. ADMINISTRATION OF THE TRAFFIC CONGESTION MITIGATION TAX ORDINANCE.

Except as otherwise provided under this Article 32, the Traffic Congestion Mitigation Tax shall be administered pursuant to Article 6 of the Business and Tax Regulations Code, as amended from time to time, including all penalties and other charges imposed by that Article.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3208. DEPOSIT OF PROCEEDS; EXPENDITURE OF PROCEEDS.

(a) All monies collected under the Traffic Congestion Mitigation Tax Ordinance shall be deposited to the credit of the Traffic Congestion Mitigation Fund, established in Administrative Code Section 10.100-345. The Fund shall be maintained separate and apart from all other City funds and shall be subject to appropriation. Any balance remaining in the Fund at the close of any fiscal year shall be deemed to have been provided for a special purpose within the meaning of Charter Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes described in Section 3208(b)(3), below.

(b) Subject to the budgetary and fiscal provisions of the Charter, monies in the Traffic Congestion Mitigation Fund shall be appropriated on an annual or supplemental basis and used exclusively for the following purposes:

(1) Up to 2% of the proceeds of the Traffic Congestion Mitigation Tax distributed in any proportion to the Tax Collector and other City departments, for administration of the Traffic Congestion Mitigation Tax and administration of the Traffic Congestion Mitigation Fund.

(2) Refunds of any overpayments of the Traffic Congestion Mitigation Tax, including any related penalties, interests, and fees.

(3) All remaining amounts for the following purposes, in the following percentages, which amounts shall include the costs of administering the programs described.

(A) 50% to the Municipal Transportation Agency, or any successor agency, for Muni transit service and affordability, system reliability and capacity, and keeping transit infrastructure in a state of good repair, to be used exclusively for the following purposes:

- (i) Improving bus and rail service frequency and reliability.
- (ii) Maintaining and expanding Muni fleet and facilities.
- (iii) Improving access, including stations, escalators, and elevators.

(iv) Improving reliability through fixing and/or replacing rails, overhead wires, associated fixed guideway infrastructure, and traffic signals.

(B) 50% to the San Francisco County Transportation Authority, or any successor body, for planning, design studies, and/or capital

improvements that promote users' safety in the public right-of-way, to be used exclusively for the following purposes:

- (i) Pedestrian and bicycle safety infrastructure, including civil and signal improvements, mid-block crossings, and bike boxes.
- (ii) Physical protection of bicycle facilities from motorized traffic, including bicycle lanes within street rights-of-way.
- (iii) Traffic calming.
- (iv) Traffic signal and traffic signal timing improvements.
- (v) Maintenance of existing safety infrastructure.

(c) All amounts allocated to the Municipal Transportation Agency under Section 3208(b)(3)(A) shall be credited to the Municipal Transportation Fund as described in Section 8A.105 of Article VIIIA of the Charter.

(d) Commencing with a report filed no later than February 15, 2022, covering the fiscal year ending on June 30, 2021, the Controller shall file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the Traffic Congestion Mitigation Fund during the prior fiscal year, the status of any project authorized to be funded by this Section 3208, and such other information as the Controller, in the Controller's sole discretion, deems relevant to the operation of this Article 32.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3209. AUTHORIZATION AND LIMITATION ON ISSUANCE OF BONDS.

The City is hereby authorized to issue from time to time limited tax bonds to finance the costs of the capital projects described in Section 3208. The City shall be authorized to pledge revenues generated by the Traffic Congestion Mitigation Tax to the repayment of limited tax bonds authorized under this Section 3209. The amount of limited tax bonds authorized hereby shall not exceed \$300,000,000 in aggregate principal amount. The Board of Supervisors shall by ordinance or resolution, as applicable, establish the terms of any limited tax bonds authorized hereby, including but not limited to, the amount of the issue, date, covenants, denominations, interest rate or rates, maturity or maturities, redemption rights, tax status, manner of sale, and such other particulars as are necessary or desirable.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3210. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal this Article 32 by ordinance by a two-thirds vote and without a vote of the people except as limited by Articles XIII A and XIII C of the California Constitution.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3211. EFFECT OF STATE AND FEDERAL AUTHORIZATION.

To the extent that the City's authorization to impose or to collect any tax imposed under this Article 32 is expanded or limited as a result of changes in state or federal statutes, regulations, or other laws, or judicial interpretations of those laws, no amendment or modification of this Article shall be required to conform the taxes to those changes, and the taxes are hereby imposed in conformity with those changes, and the Tax Collector shall collect them to the full extent of the City's authorization up to the full amount and rate of the taxes imposed under this Article.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3212. SEVERABILITY.

(a) Except as provided in Section 3212(b), if any section, subsection, sentence, clause, phrase, or word of this Article 32, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Article. The People of the City and County of San Francisco hereby declare that, except as provided in Section 3212(b), they would have adopted this Article 32 and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Traffic Congestion Mitigation Tax in Section 3204 is held in its entirety to be facially invalid or unconstitutional in a final court determination, the remainder of this Article 32 shall be void and of no force and effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code, and likewise cause Section 10.100-345 to be removed from the Administrative Code.

■ (Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

SEC. 3213. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 32 shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

(Added by [Proposition D](#), 11/5/2019, Eff. 12/20/2019, Oper. 1/1/2020)

ARTICLE 33: OVERPAID EXECUTIVE GROSS RECEIPTS TAX

Sec. 3301.	Short Title.
Sec. 3302.	Definitions.
Sec. 3303.	Imposition of Tax.
Sec. 3304.	Exemptions and Exclusions.
Sec. 3305.	Combined Returns.
Sec. 3306.	Tax Collector Authorized to Determine Gross Receipts.
Sec. 3307.	Construction and Scope of the Overpaid Executive Gross Receipts Tax Ordinance.
Sec. 3308.	Administration of the Overpaid Executive Gross Receipts Tax Ordinance.
Sec. 3309.	Deposit of Proceeds; Expenditure of Proceeds.
Sec. 3310.	Amendment of Ordinance.
Sec. 3311.	Effect of State and Federal Authorization.
Sec. 3312.	Severability.
Sec. 3313.	Savings Clause.

SEC. 3301. SHORT TITLE.

This Article 33 shall be known as the “Overpaid Executive Gross Receipts Tax Ordinance,” and the tax it imposes shall be known as the “Overpaid Executive Gross Receipts Tax.”

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3302. DEFINITIONS.

Unless otherwise defined in this Article 33, the terms used in this Article shall have the meanings given to them in Articles 6, 12-A, and 12-A-1 of the Business and Tax Regulations Code, as amended from time to time. For purposes of this Article, the following definitions apply.

“Compensation” means wages, salaries, commissions, bonuses, property issued or transferred in exchange for the performance of services (including but not limited to stock options), compensation for services to owners of pass-through entities, and any other form of remuneration paid to employees for services.

“Executive Pay Ratio” means the ratio of the annual Compensation paid to the person or combined group’s Highest-Paid Managerial Employee for a tax year to the median Compensation paid to the person or combined group’s full-time and part-time employees based in the City for that tax year, determined on a full-time equivalency and annualized basis. For purposes of this definition:

(a) An employee is “based in the City for [a] tax year” if the employee’s total working hours in the City for the person or combined group during the tax year exceeds the employee’s total working hours in any other local jurisdiction for the person or combined group during the tax year.

(b) Compensation paid to a part-time employee for the tax year shall be converted to a “full-time equivalency” by multiplying the part-time employee’s Compensation for the tax year by 40, and dividing the result by the average number of hours the part-time employee worked per week during the tax year for the person or combined group.

(c) Compensation paid to an employee who was employed by the person or combined group for only a portion of the tax year shall be “annualized” by multiplying the employee’s Compensation (or, as stated, for a part-time employee, full-time equivalent Compensation) for the tax year by 52, and dividing the result by the number of weeks that the employee was employed by that person or combined group during the tax year.

“Highest-Paid Managerial Employee” means the individual employee or officer of a person or combined group with managerial responsibility in a business function who received the most Compensation for a tax year.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3303. IMPOSITION OF TAX.

(a) Except as otherwise provided in this Article 33, commencing with tax years beginning on or after January 1, 2022, for the privilege of engaging in business in the City, the City imposes an annual Overpaid Executive Gross Receipts Tax on each person engaging in business within the City where the Executive Pay Ratio for the tax year of that person or the combined group of which it is a

part exceeds 100:1.

(b) The Overpaid Executive Gross Receipts Tax shall be calculated as follows:

(1) 0.1% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;

(2) 0.2% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;

(3) 0.3% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;

(4) 0.4% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;

(5) 0.5% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or

(6) 0.6% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.

(c) For purposes of this Section 3303, "taxable gross receipts" means a person or combined group's gross receipts, not excluded under Section 3304, attributable to the City. The person or combined group's gross receipts that are attributable to the City shall be determined in the same manner as in Article 12-A-1, as amended from time to time.

(d) Notwithstanding any other subsection of this Section 3303, every person engaging in business within the City as an administrative office, as defined in Section 953.8 of Article 12-A-1, shall pay an annual overpaid executive administrative office tax if the Executive Pay Ratio for the tax year of that person or the combined group of which it is a part exceeds 100:1. This overpaid executive administrative office tax shall be measured by the person's total payroll expense, as defined in Section 953.8(f) of Article 12-A-1, that is attributable to the City. If a person is a member of a combined group, then its tax shall be measured by the total payroll expense of the combined group attributable to the City. Such person or combined group shall pay only the overpaid executive administrative office tax, and not the tax imposed under other subsections of this Section 3303, but a person or combined group may be liable for the administrative office tax imposed by Section 953.8 of Article 12-A-1 and the homelessness administrative office tax imposed by Section 2804(d) of Article 28 in addition to the overpaid executive administrative office tax imposed by this subsection (d). Unless specified otherwise, this overpaid executive administrative office tax shall be considered part of the Overpaid Executive Gross Receipts Tax for all purposes. The overpaid executive administrative office tax shall be calculated as follows:

(1) 0.4% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;

(2) 0.8% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;

(3) 1.2% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;

(4) 1.6% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;

(5) 2% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or

(6) 2.4% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3304. EXEMPTIONS AND EXCLUSIONS.

(a) An organization that is exempt from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from taxation under this Article 33, only so long as those exemptions continue to exist under state or federal law.

(b) For only so long as and to the extent that the City is prohibited from imposing the Overpaid Executive Gross Receipts Tax, any person upon whom the City is prohibited under the Constitution or laws of the State of California or the Constitution or laws of the United States from imposing the Overpaid Executive Gross Receipts Tax shall be exempt from the Overpaid Executive Gross Receipts Tax.

(c) For purposes of this Article 33, gross receipts shall not include receipts that are excluded from gross receipts for purposes of the gross receipts tax imposed by Article 12-A-1.

(d) A person or combined group exempt from the gross receipts tax as a small business enterprise under Section 954.1 of Article 12-A-1 shall also be exempt from taxation under this Article 33. But the exemption in this subsection (d) of Section 3304 shall not apply to

persons subject to the overpaid executive administrative office tax in subsection (d) of Section 3303.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3305. COMBINED RETURNS.

(a) Persons subject to the Overpaid Executive Gross Receipts Tax shall file returns at the same time and in the same manner as returns filed for the gross receipts tax imposed by Article 12-A-1, including the rules for combined returns under Section 956.3, as amended from time to time.

(b) If a person is subject to the Overpaid Executive Gross Receipts Tax, but is not required to file a gross receipts tax return under Article 12-A-1, such person or combined group's Overpaid Executive Gross Receipts Tax return shall be filed at the same time and in the same manner as if such person or combined group were required to file a gross receipts tax return under Article 12-A-1.

(c) For purposes of this Article 33, a lessor of residential real estate is treated as a separate person with respect to each individual building in which it leases residential real estate units, notwithstanding Section 6.2-15 of Article 6, as amended from time to time, or subsection (a) of this Section 3305. This subsection (c) applies only to leasing residential real estate units within a building, and not to any business activity related to other space, either within the same building or other buildings, which is not residential real estate. The Tax Collector is authorized to determine what constitutes a separate building and the number of units in a building.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3306. TAX COLLECTOR AUTHORIZED TO DETERMINE GROSS RECEIPTS.

The Tax Collector may, in the Tax Collector's reasonable discretion, independently establish a person or combined group's gross receipts within the City and establish or reallocate gross receipts among related entities so as to fairly reflect the gross receipts within the City of all persons and combined groups.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3307. CONSTRUCTION AND SCOPE OF THE OVERPAID EXECUTIVE GROSS RECEIPTS TAX ORDINANCE.

(a) This Article 33 is intended to authorize application of the Overpaid Executive Gross Receipts Tax in the broadest manner consistent with its provisions and with the California Constitution, the United States Constitution, and any other applicable provision of federal or state law.

(b) The Overpaid Executive Gross Receipts Tax imposed by this Article 33 is in addition to all other City taxes, including the gross receipts tax imposed by Article 12-A-1, as amended from time to time. Accordingly, by way of example and not limitation, persons subject to both the Overpaid Executive Gross Receipts Tax and the gross receipts tax shall pay both taxes. Persons exempt from either the gross receipts tax or the Overpaid Executive Gross Receipts Tax, but not both, shall pay the tax from which they are not exempt.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3308. ADMINISTRATION OF THE OVERPAID EXECUTIVE GROSS RECEIPTS TAX ORDINANCE.

Except as otherwise provided under this Article 33, the Overpaid Executive Gross Receipts Tax Ordinance shall be administered pursuant to Article 6 of the Business and Tax Regulations Code, as amended from time to time, including all penalties and other charges imposed by that Article.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3309. DEPOSIT OF PROCEEDS; EXPENDITURE OF PROCEEDS.

The Overpaid Executive Gross Receipts Tax is a general tax. Proceeds from the tax shall be deposited in the City's general fund and may be expended for any City purposes.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3310. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal this Article 33 by ordinance without a vote of the people except as limited by Article XIII C of the California Constitution.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3311. EFFECT OF STATE AND FEDERAL AUTHORIZATION.

To the extent that the City’s authorization to impose or to collect any tax imposed under this Article 33 is expanded or limited as a result of changes in state or federal statutes, regulations, or other laws, or judicial interpretations of those laws, no amendment or modification of this Article shall be required to conform the taxes to those changes, and the taxes are hereby imposed in conformity with those changes, and the Tax Collector shall collect them to the full extent of the City’s authorization up to the full amount and rate of the taxes imposed under this Article.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3312. SEVERABILITY.

(a) Except as provided in subsection (b), if any section, subsection, sentence, clause, phrase, or word of this Article 33, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Article. The People of the City and County of San Francisco hereby declare that, except as provided in subsection (b), they would have adopted this Article and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Overpaid Executive Gross Receipts Tax in Section 3303 is held in its entirety to be facially invalid or unconstitutional in a final court determination, the remainder of this Article 33 shall be void and of no force and effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code.

■ (Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

SEC. 3313. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 33 shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

(Added by [Proposition L](#), 11/3/2020, Eff. 12/18/2020, Oper. 1/1/2022)

ARTICLE 36: [REPEALED]

Editor’s Note:

Article 36, Commercial Rents Tax, comprising Sections 3601 through 3616, was repealed by Ordinance [152-21](#), effective October 30, 2021.

SEC. 3601. [REPEALED.]

■ (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3602. [REPEALED.]

■ (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3603. [REPEALED.]

■ (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3604. [REPEALED.]

■ (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3605. [REPEALED.]

(Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3606. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3607. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3608. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3609. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3610. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3611. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3612. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3613. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3614. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3615. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

SEC. 3616. [REPEALED.]

- (Added by [Proposition F](#), 11/3/2020, Eff. 12/29/2020, Oper. 1/1/2021; repealed by Ord. [152-21](#), File No. 210828, App. 9/29/2021, Eff. 10/30/2021)

ARTICLE 37: FAIR WAGES FOR EDUCATORS PARCEL TAX

ORDINANCE

Sec. 3701.	Short Title.
Sec. 3702.	Definitions.
Sec. 3703.	Parcel.
Sec. 3704.	Imposition.
Sec. 3705.	Exemptions.
Sec. 3706.	Collection.
Sec. 3707.	Regulations.
Sec. 3708.	Deposit of Moneys Collected.
Sec. 3709.	Expenditure of Proceeds.
Sec. 3710.	Supplement to Existing School District Funding.
Sec. 3711.	Oversight.
Sec. 3712.	Amendment of Ordinance.
Sec. 3713.	Severability.
Sec. 3714.	Savings Clause.

SEC. 3701. SHORT TITLE.

This Article 37 shall be known as the “Fair Wages for Educators Parcel Tax Ordinance,” and the tax it imposes shall be known as the “Fair Wages for Educators Parcel Tax.”

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3702. DEFINITIONS.

For purposes of this Article 37, the following definitions shall apply:

“Assessor” means the Assessor-Recorder of the City and County of San Francisco, or the Assessor-Recorder’s designee.

“City” means the City and County of San Francisco.

“Controller” means the Controller of the City and County of San Francisco, or the Controller’s designee.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Parcel” has the meaning set forth in Section 3703.

“School District” means the San Francisco Unified School District.

“Tax” means the Fair Wages for Educators Parcel Tax imposed by this Article 37.

“Tax Collector” means the Tax Collector of the City and County of San Francisco, or the Tax Collector’s designee.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3703. PARCEL.

(a) “Parcel” means a unit of real estate, except a possessory interest, in the City with an Assessor’s parcel number as shown on the most current official assessment roll of the Assessor on July 1 of the Fiscal Year for which the Tax is imposed. However, both of the following conditions shall apply:

(1) A Parcel created by a subdivision map approved in accordance with the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the California Government Code) shall be deemed to be a single assessment unit and shall not be deemed, on the basis of multiple Assessor’s parcel numbers assigned by the Assessor, to constitute multiple assessment units.

(2) A Parcel that has not been subdivided in accordance with the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the California Government Code) may be deemed to constitute a separate assessment unit only to the extent that the Parcel has been previously described and conveyed in one or more deeds separating it from all adjoining property.

(b) If the Parcel identified pursuant to subsection (a)(1) or (a)(2) is not consistent with the property’s identification by Assessor’s parcel number, it shall be the responsibility of the Parcel owner to provide the Tax Collector with written notice of the correct Assessor’s parcel number of taxable Parcels pursuant to this Section 3703 within 90 days after the date of the initial tax bill containing the Tax.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3704. IMPOSITION.

(a) Unless otherwise provided in this Article 37, on July 1 of each Fiscal Year there is hereby imposed an annual Tax of \$288 on each Parcel in the City for the purposes described in Section 3709.

(b) Commencing with Fiscal Year 2022-2023, the Tax rate shall be adjusted annually in accordance with the San Francisco All Items Consumer Price Index for All Urban Consumers (CPI-U) as reported by the U.S. Department of Labor's Bureau of Labor Statistics.

(c) The Tax shall take effect on July 1, 2021 for Fiscal Year 2021-2022, and shall continue in effect for each Fiscal Year thereafter until June 30, 2038, after which date it shall expire by operation of law.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3705. EXEMPTIONS.

(a) The following Parcels shall be exempt from the Tax:

(1) Parcels on which no ad valorem property tax is levied for the Fiscal Year; and

(2) Parcels in which an individual who is 65 years of age or older before July 1 of the Fiscal Year owns a beneficial interest, where such homeowner occupies the Parcel as the homeowner's principal residence.

(b) To claim an exemption from the Tax under subsection (a)(2), the owner must submit an application to the Tax Collector by the deadline set by the Tax Collector. The application shall be accompanied by such evidence as the Tax Collector deems necessary to determine eligibility for the exemption. The Tax Collector shall prepare forms for this purpose. Exemptions granted under subsection (a)(2) shall be automatically renewed in subsequent Fiscal Years absent a change in a material fact. Owners of Parcels receiving an exemption under subsection (a)(2) must notify the Tax Collector if the Parcel no longer qualifies for the exemption.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3706. COLLECTION.

(a) The Tax shall be collected by the City in two approximately equal installments in the same manner and on the same dates as established by law for the collection of ad valorem property taxes. The collection of the Tax shall be subject to the regulations and procedures governing the collection of ad valorem property taxes by the City, including, without limitation, the imposition of penalties, fees, and interest on the failure to remit or the delinquent remittance of the Tax, and refunds of Taxes, penalties, fees, and interest.

(b) The Tax Collector is charged with the responsibility of overseeing the collection and receipt of the proceeds of the Tax.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3707. REGULATIONS.

The Tax Collector is authorized to promulgate rules and regulations to implement this Article 37.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3708. DEPOSIT OF MONEYS COLLECTED.

All monies collected under this Article 37 shall be deposited to the credit of the Fair Wages for Educators Fund, established in Administrative Code Section 10.100-72, which shall be a category four fund under Administrative Code Section 10.100-1. The Fund shall be maintained separate and apart from all other City funds and shall be subject to appropriation. Any balance remaining in the Fund at the close of any Fiscal Year shall be deemed to have been provided for a special purpose within the meaning of Charter Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes described in Section 3709.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3709. EXPENDITURE OF PROCEEDS.

(a) Subject to the budgetary and fiscal provisions of the Charter, monies in the Fair Wages for Educators Fund shall be appropriated on an annual or supplemental basis and used exclusively for the following purposes:

(1) Up to 1% of the proceeds of the Tax, in any proportion, to the Tax Collector and other City Departments, for administration of the Fair Wages for Educators Parcel Tax and administration of the Fair Wages for Educators Fund.

(2) Refunds of any overpayments of the Tax, including any related penalties, interest, and fees.

(3) All remaining amounts to be transferred to the School District, which shall use these proceeds only for the following purposes, with the School District having sole discretion as to allocation of the proceeds among any or all of these purposes:

- (A) Raising the salaries of teachers so the School District can compete with other school districts in recruiting and retaining qualified and prepared teachers to support student achievement;
- (B) Raising the salaries of paraeducators so the School District can better support individualized learning;
- (C) Increasing staffing and support at high-needs schools;
- (D) Increasing staffing and program funding at Community Schools;
- (E) Providing additional professional development to all teachers and paraeducators;
- (F) Providing more competitive compensation and/or benefits to other School District personnel;
- (G) Investing in 21st century technology, including providing support for digital teaching and learning tools for students, educators, and their families;
- (H) Allocating funds to public charter schools in the City; and
- (I) Providing oversight to ensure the proceeds from the Tax are spent only for the purposes described in this subsection (a).
- (b) The Controller shall, with every disbursement made to the School District pursuant to this Article 37, require the School District to verify in writing that it will use the funds only for the purposes set forth in subsection (a)(3).
- (c) Commencing with a report filed no later than February 15, 2023, covering the fiscal year ending on June 30, 2022, the Controller shall file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the Fair Wages for Educators Fund during the prior Fiscal Year, the status of any project required or authorized to be funded by this Section 3709, and such other information as the Controller, in the Controller's sole discretion, shall deem relevant to the operation of this Article 37.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3710. SUPPLEMENT TO EXISTING SCHOOL DISTRICT FUNDING.

- (a) The People of the City and County of San Francisco find and declare that major urban school districts such as San Francisco's serve an ethnically and economically diverse student population that requires more resources than currently provided. In adopting this Tax, the People of the City and County of San Francisco choose to provide additional City resources to complement, and not supplant, City, State, Federal and other funding for the School District.
- (b) Consistent with subsection (a), the People of the City and County of San Francisco find that the contributions to and disbursements from the Fair Wages for Educators Fund are discretionary expenditures by the City for the direct benefit of the children of the City, their families, and the community at large. In the event that the State attempts, directly or indirectly, to redistribute these expenditures to other jurisdictions or to offset or reduce State or Federal funding to the School District because of the contributions to and disbursements from the Fair Wages for Educators Fund, the City shall transfer monies that would otherwise be distributed to the School District each year from the Fair Wages for Educators Fund to the City's Children and Youth Fund established in Charter Section 16.108, or such other fund as the Board of Supervisors may designate, to be spent for purposes which are substantially equivalent to the purposes set forth in Section 3709(a)(3).
- (c) The Tax is intended to be in addition to and not to replace any other monies provided by the City to the School District, including but not limited to the Public Education Enrichment Fund ("PEEF"). This Article 37 does not authorize a reduction in disbursements from the City to PEEF.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3711. OVERSIGHT.

The independent oversight committee appointed by the School District's Board of Education pursuant to Proposition A on the June 3, 2008 San Francisco ballot shall, starting with Fiscal Year 2021-2022, submit a report on at least an annual basis to the Mayor, Board of Supervisors, and Board of Education evaluating whether the proceeds from the Tax are being properly expended for the purposes set forth in Section 3709(a)(3). If that oversight committee is unwilling or unable to perform this function for any reason, then the City may establish an oversight committee to submit a report on at least an annual basis to the Mayor, Board of Supervisors, and the Board of Education evaluating whether the proceeds from the Tax are being properly expended for the purposes set forth in Section 3709(a)(3).

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3712. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal this Article 37 by ordinance by a two-thirds vote and without a vote of the people except as limited by Articles XIII A and XIII C of the California Constitution.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3713. SEVERABILITY.

(a) Except as provided in Section 3713(b), if any section, subsection, sentence, clause, phrase, or word of this Article 37, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Article. The People of the City and County of San Francisco hereby declare that, except as provided in Section 3713(b), they would have adopted this Article 37 and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Fair Wages for Educators Parcel Tax in Section 3704 is held in its entirety to be facially invalid or unconstitutional in a final judicial decision, the remainder of this Article 37 shall be void and of no force and effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code.

■ (Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

SEC. 3714. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 37 shall be construed as requiring the payment of any Tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

(Added by [Proposition J](#), 11/3/2020, Eff. 7/1/2021)

References to Ordinances

Ordinances Affecting the Business and Tax Regulations Code

Publisher's Note: *The following table lists all ordinances affecting the Business and Tax Regulations Code passed by the Board of Supervisors beginning in 2011. The table includes links to the ordinances (as maintained in PDF format on the Board of Supervisors' web site) and to the code sections affected. For other legislation, including older ordinances and those affecting other codes, please refer to the Comprehensive Ordinance Table or the Board's ["Legislation Passed"](#) web site.*

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[2023 Ordinances](#)

[New Ordinances](#)

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
68-11	110155	05/20/11	Business and Tax Regulations Code - Payroll Expense Tax Exclusion in Central Market Street and Tenderloin Area <i>Sections Affected:</i> 906.3 (Added)
87-11	110337	07/03/11	Business and Tax Regulations Code - Excluding Stock-Based Compensation from Payroll Expense, Tax Years 2011 through 2017 <i>Sections Affected:</i> 906.4 (Added)
103-11	110435	07/20/11	Business and Tax Regulations Code - Citizen's Advisory Committee - Central Market Street and Tenderloin Area <i>Sections Affected:</i> 906.3-1 (Added)
172-11	110506	10/12/11	Police Code, Planning Code, and Business and Tax Regulations Code - Limited Live Performance Permits <i>Sections Affected:</i> 8 (Amended)
238-11	111101	01/14/12	Administrative, Business and Tax Regulations, Fire, Health, and Police Codes - Business License Fees <i>Sections Affected:</i> 76.1, 76.2 (Added); 78, 93, 93.1, 120, 122, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249.1, 249.5, 249.6, 249.7, 249.12, 249.13, 249.15, 249.16 (Amended); 76, 80 (Deleted)

▼

2012

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
160-12	120377	08/11/12	Business and Tax Regulations Code - Payroll Expense Tax Exclusion for Small Business Net New Payroll - 2012 through 2015 <i>Sections Affected:</i> 906.5 (Added)
172-12	120638	08/26/12	Business and Tax Regulations and Health Codes - Food Product and Marketing Establishment License Fees <i>Sections Affected:</i> 248, 249.1 (Amended)
189-12	120407	10/11/12	Business and Tax Regulations, Police Codes - Parking Tax Exemption for Special Parking Events Operated by Volunteers on SFUSD Property <i>Sections Affected:</i> 608 (Added); 604 (Amended)
195-12	120717	10/17/12	Health, Business and Tax Regulations Codes - On-Site Water Reuse for Commercial, Multi-Family, and Mixed-Use Developments <i>Sections Affected:</i> 249.24 (Added)
209-12	120631	10/28/12	Business and Tax Regulations, Police, and Planning Codes - Parking Tax Simplification for Residential Properties <i>Sections Affected:</i> 609 (Added); 2219.7 (Amended)

223-12	111160	11/28/12	Business and Tax Regulations Code - Revisions to the Citizen's Advisory Committee for the Central Market Street and Tenderloin Area <i>Sections Affected:</i> 906.3-1 (Amended)
233-12	120965	12/20/12	Business and Tax Regulations Code - Prevent Termination of Payroll Expense Tax Exclusion for Small Business Net New Payroll if Voters Adopt Gross Receipts Tax <i>Sections Affected:</i> 906.5 (Amended)
239-12	120963	01/06/13	Business and Tax Regulations Code - Improvement Districts: Longer Term When Assessments Pledged to Bond, Lease, or Other Obligations; Alternative 2/3 Weighted Vote by Businesses <i>Sections Affected:</i> 1515 (Added); 1510, 1511 (Amended)
Proposition E	N/A	App. 11/06/12	Gross Receipts Tax Ordinance <i>Sections Affected:</i> 6.24-1, 863, 909, Art. 12-A-1, Secs. 950, 951, 952, 952.1, 952.2, 952.3, 952.4, 952.5, 952.6, 953, 953.1, 953.2, 953.3, 953.4, 953.5, 953.6, 953.7, 953.8, 953.9, 954, 954.1, 955, 956, 956.1, 956.2, 956.3, 957, 958, 959, 960, 961, 962, 963, 964, 965 (Added); 6.1-1*, 6.2-12*, 6.2-17*, 6.9-1*, 6.9-2*, 6.9-3*, 855, 856, 903.1*, 905-A*, 906E* (Amended) <i>* The Operative Date of the amendments to these sections was 01/01/14; see Prop. E, Secs. 4, 6, and 7.</i>

2013

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
5-13	121064	02/23/13	Business and Tax Regulations, Police Codes - Parking Stations - Revenue Control Equipment; License Regulations; Parking Tax Bonds; Administrative Citation Process <i>Sections Affected:</i> 6.6-1, 6.10-3, 6.15-1, 6.17-2, 6.18-1, 6.19-8, 2202 (Amended)
96-13	130244	06/30/13	Health, Business and Tax Regulations Code - Regulate and Establish Annual Fees - Cottage Food Operations <i>Sections Affected:</i> 249.1A (Added)
166-13	130541	09/01/13	Administrative, Business and Tax Regulation Codes - Controller's Reports and Cash Reserve Fund <i>Sections Affected:</i> 515.01 (Amended)
170-13	130545	09/01/13	Business and Tax Regulation Code - Hotel Tax Allocations <i>Sections Affected:</i> 515.01, 515.2 (Amended)
201-13	130276	11/02/13	Business and Tax Regulations Code - Former Transfer Tax Review Board <i>Sections Affected:</i> 1111, 1115, 1115.1, 1115.3 (Amended); 1115.2 (Repealed)

206-13	130784	11/10/13*	Business and Tax Regulations Code - Miscellaneous Changes <i>Sections Affected:</i> 6.6-1, 6.8-1, 6.9-1*, 6.9-3*, 6.9-4, 6.9-5, 6.9-6, 6.11-1, 6.11-2, 6.11-3, 6.17-2, 6.17-3, 6.21-1, 607, 859, 860, 905-A*, 906.3, 2219.6 (Amended) * Amendments to these sections were operative on 1/1/2014.
221-13	130790	12/01/13	Business and Tax Regulations, Police Codes - Renting Parking Spaces at Residential Properties to Non-Residents <i>Sections Affected:</i> 609 (Amended)
271-13	131031	12/27/13 [Oper. 01/01/14]	Business and Tax Regulations Code - Business Tax Installment Payments; Combined Reporting; Special Assessments <i>Sections Affected:</i> 6.1-1, 6.2-17, 6.6-1, 6.9-3, 6.9-5, 6.17-1, 6.17-2, 6.17-3, 6.21-1, 907, 956.3 (Amended)

2014

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
14-14	130462	03/16/14	Business and Tax Regulations Code - Public Realm Landscaping, Improvement, and Maintenance Assessment Districts <i>Sections Affected:</i> Art. 15A, Secs. 15A.1, 15A.2, 15A.3, 15A.4, 15A.5 (Added)
19-14	130402	04/13/14	Health, Business and Tax Regulations Codes - Safe Body Art <i>Sections Affected:</i> 249.25 (Added)
75-14	140226	06/27/14	Various Codes - Nonsubstantive Clean-Up Ordinance <i>Sections Affected:</i> 906.1, 906.2, 906.3-1 (Amended)
195-14	140776	10/19/14	Police, Business and Tax Regulations Codes - Regulating Mechanical Amusement Devices and Arcades <i>Sections Affected:</i> 8
222-14	140798	12/07/14	Business and Tax Regulations Code - Amendments to Common Administrative Provisions, Business Registration, Payroll Expense Tax, and Gross Receipts Tax <i>Sections Affected:</i> 6.9-2, 6.9-3, 6.17-1, 852.1, 855, 856, 905-A, 954.1 (Amended); 852.3 (Repealed)
257-14	141053	01/18/15	Business and Tax Regulations Code - Parking Stations; Revenue Control Equipment <i>Sections Affected:</i> 2221 (Added); 607, 2201, 2202, 2203, 2204, 2205, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2215, 2218, 2219, 2219.6, 2226 (Amended); 2219.10 (Repealed)
259-14	141098	01/18/15	Health, Business and Tax Regulations Codes - Tobacco Sales Permits and Associated Fees <i>Sections Affected:</i> 249.16 (Amended)

2015

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
4-15	141146	02/19/15	Business and Tax Regulations Code - Hotel Tax Exemption Increase <i>Sections Affected:</i> 506 (Amended)
43-15	141235	05/02/15	Business and Tax Regulations Code - Repealing Article 3 Regarding Transient Merchants <i>Sections Affected:</i> Art. 3, Secs. 250, 251, 251.1, 252, 253, 254, 255, 256, 257, 258 (Repealed)
56-15	120967	06/07/15	Transportation, Police, Administrative, and Business and Tax Regulations Codes - Motor Vehicles for Hire <i>Sections Affected:</i> 76.5 (Repealed)
111-15	150495	08/01/15	Business and Tax Regulations Code - Transfer Tax Recording Requirements <i>Sections Affected:</i> 1111, 1113 (Amended)
140-15	150561	09/05/15	Business and Tax Regulations Code - Fire Department Licensing Fees <i>Sections Affected:</i> 93, 93.1, 120, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247 (Amended)
152-15	150625	09/05/15	Business and Tax Regulations, Police Codes - Exempting Certain Parking Stations and Hotels <i>Sections Affected:</i> 6.9-3, 2219.7 (Amended); 609 (Repealed)
154-15	150730	09/05/15	Business and Tax Regulations Code - Procedural Rules for Refunds of Business Taxes and Real Property Transfer Taxes <i>Sections Affected:</i> 6.15-3, 1113.2, 1113.3 (Added); 6.13-5, 6.15-1, 6.15-2, 1113 (Amended); 6.15-4 (Redesignated); 6.15-3 (Repealed)

2016

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
78-16	160101	06/19/16 [Retro. 01/01/16]	Business and Tax Regulations Code - Parking Tax Exemption for Certain Parking Events on School District Property <i>Sections Affected:</i> 608 (Added)

2017

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
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Ord. No.	File No.	Eff. Date	Short Title and Code Sections Affected
24-17	161226	03/12/17	Business and Tax Regulations Code - Revising Administrative Citation Rules <i>Sections Affected:</i> 6.19-4, 6.19-6 (Amended)
26-17	161264	03/12/17	Business and Tax Regulations Code - Estimated Payments, Filing Extensions, and Refunds <i>Sections Affected:</i> 6.9-1, 6.9-3, 6.9-4, 6.15-1, 6.15-2 (Amended)
36-17	161225	03/19/17	Business and Tax Regulations Code - Business Registration with Tax Collector <i>Sections Affected:</i> 6.17-3 (Amended), 856.1 (Repealed)
45-17	161316	03/26/17	Administrative, Business and Tax Regulations, Police Codes - Elimination of Fees <i>Sections Affected:</i> 248 (Amended)
172-17	170680	08/26/17* [Retro Oper. 7/1/17]	Business and Tax Regulations Code - Emergency Medical Services Fees <i>Sections Affected:</i> 249.8
176-17	170703	08/26/17	Business and Tax Regulations Code - Administration of Real Property Transfer Tax <i>Sections Affected:</i> Adding 1101.1, 1111.1, 1115.2, 1115.6, 1117, 1118; Deleting 1111.1; Amending 1103, 1111, 1113.1, 1115, 1115.1, 1115.3, 1115.4, 1116
199-17	170741	11/04/17	Business and Tax Regulations Code - Central Market Street and Tenderloin Area Citizen's Advisory Committee <i>Sections Affected:</i> 906.3-1
230-17	171042	01/05/18	Various Codes - Regulation of Cannabis Businesses <i>Sections Affected:</i> 1, 1.77, 8 (Amended)
246-17	171153	01/21/18	Business and Tax Regulations, Health Codes - Permit, License and Inspection Fees for Cannabis Businesses <i>Sections Affected:</i> 249.20

2018

Ord. No.	File No.	Eff. Date	Short Title and Code Sections Affected
10-18	171133	3/4/18	Business and Tax Regulations Code - Minimum Filing Thresholds for Gross Receipts Tax and Payroll Expense Tax <i>Sections Affected:</i> 6.9-2; 6.9-3; 905-A; 954.1
12-18	171155	3/4/18	Business and Tax Regulations Code - Sugary Drinks Distributor Tax Administration <i>Sections Affected:</i> 6.1-1; 6.2-17; 6.8-1; 6.9-1; 6.9-4; 6.9-5; 6.15-1; 6.15-2

93-18	180157	5/28/18 [Retro. Oper 1/1/18]	Business and Tax Regulations Code - Temporary Suspension of Business Registration and Fee for Transportation Network Company Drivers and Taxi Drivers <i>Sections Affected:</i> 853
211-18	180736	9/10/18	Business and Tax Regulations Code - Validation Actions and Statute of Repose for June 2018 Ballot Measures <i>Sections Affected:</i> Adding 6.15-4
235-18	180753	11/12/18 [Oper. 1/1/19]	Business and Tax Regulations Code - Administration of Early Care and Education Commercial Rents Tax <i>Sections Affected:</i> 6.1-1, 6.2-12, 6.2-17, 6.8-1, 6.9-1, 6.9-2, 6.9-3, 6.9-4, 6.9-5, 6.15-1, 6.15-2, 6.17-1, 2103
250-18	180002	12/03/18	Various Codes - Nonsubstantive Clean-Up Ordinance <i>Sections Affected:</i> 1115
281-18	180453	01/07/19*	Business and Tax Regulations, Planning Codes - Central South of Market Housing Sustainability District <i>Sections Affected:</i> 8, 26 *Conditional Operative date
313-18	181077	1/21/19	Business and Tax Regulations Code - Validation Actions and Statute of Repose for November 2018 Proposition C <i>Sections Affected:</i> 6.15-4
317-18	181082	1/21/19* *Oper. 1/1/19	Business and Tax Regulations Code - Early Care and Education Commercial Rents Tax Credit and Exclusions <i>Sections Affected:</i> 2105; Adding 2106.1

2019

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
58-19	190109	4/29/19* Retro. eff. 4/20/19	Police, Business and Tax Regulations, Transportation Codes - Event-Related Cannabis Permits - Application Fee <i>Sections Affected:</i> 249.20
60-19	190045	5/5/19	Building, Business and Tax Regulations Codes - Temporary Homeless Shelter Provisions During Shelter Crisis <i>Sections Affected:</i> Art. 1, Sec. 8
69-19	181110	5/20/19 Retro. 1/1/19	Business and Tax Regulations Code - Administration of Homelessness Gross Receipts Tax <i>Sections Affected:</i> 6.1-1, 6.2-12, 6.2-17, 6.8-1, 6.9-1, 6.9-3, 6.9-5, 6.15-1, 6.15-2, and 6.17-1

73-19	190092	5/27/19	Business and Tax Regulations Code - Credits For Waiver of Homelessness Gross Receipts Tax Refund and Certain Gifts <i>Sections Affected:</i> Adding 2805.1, 2805.2
79-19	181212	6/03/19	Administrative, Business and Tax Regulations Codes - Nonprofit Organizations' First-Right-to-Purchase Multi-Family Residential Buildings <i>Sections Affected:</i> Adding 1108.6
116-19	181156	7/29/19	Planning, Business and Tax Regulations Codes - Accessory Dwelling Units in New Construction <i>Sections Affected:</i> 8, 26
189-19	190549	9/9/19 Oper. 10/1/19	Business and Tax Regulations Code - Transient Occupancy Tax Exemption Increase <i>Sections Affected:</i> 506
252-19	190710	12/16/19	Health, Business and Tax Regulations Codes - Food Preparation and Service Establishment Categories, Disclosures, and Permit Fees <i>Sections Affected:</i> 249.1, 249.11, 249.12
277-19	190927	12/28/19*	Oper. 1/1/20 if approved at 11/5/19 election; else void Business and Tax Regulations Code - Administration of Traffic Congestion Mitigation Tax <i>Sections Affected:</i> 6.1-1, 6.2-12, 6.2-17, 6.8-1, 6.9-1, 6.9-2, 6.9-3, 6.9-5, 6.15-2
298-19	191107	1/20/20	Business and Tax Regulations Code - Extending Temporary Suspension of Business Registration and Fee for Transportation Network Company Drivers and Taxi Drivers <i>Sections Affected:</i> Amending 853
94-20	200420	7/27/20	Business and Tax Regulations, Administrative Codes - Temporary Suspension of Vacancy Tax <i>Sections Affected:</i> Amending 2904; 2907
105-20	200243	8/10/20	Health, Business and Tax Regulations Codes - Overdose Prevention Programs <i>Sections Affected:</i> Amending 8
111-20	200399	8/17/20	Business and Tax Regulations Code - Real Property Transfer Tax Refunds <i>Sections Affected:</i> Amending 1113
207-20	200759	11/9/20	Business and Tax Regulations Code - Tax Penalties and Interest; Administration of Cannabis Business Tax <i>Sections Affected:</i> Amending Secs. 6.1-1, 6.2-17, 6.4-1, 6.5-2, 6.8-1, 6.9-1, 6.9-3, 6.9-5, 6.9-7, 6.10-3, 6.11-1, 6.11-2, 6.11-3, 6.12-4, 6.13-1, 6.15-1, 6.15-2, 6.17-1, 6.17-2, 6.17-3, 6.17-4, 6.17-5, 6.20-1, 6.21-1; 906.2; Adding Secs. 6.11-1.1, 6.17-1.1, 6.17-2.1, 6.17-3.1, 6.17-4.1; Deleting Art. 17 (Secs. 1700 - 1707)

2020

Ord. No.	File No.	Eff. Date	Short Title and Code Sections Affected
94-20	200420	7/27/20 Oper. 1/1/21	Business and Tax Regulations, Administrative Codes - Temporary Suspension of Vacancy Tax <i>Sections Affected:</i> Amending 2904; 2907
105-20	200243	8/10/20	Health, Business and Tax Regulations Codes - Overdose Prevention Programs <i>Sections Affected:</i> Amending 8
111-20	200399	8/17/20	Business and Tax Regulations Code - Real Property Transfer Tax Refunds <i>Sections Affected:</i> Amending 1113
207-20	200759	11/9/20	Business and Tax Regulations Code - Tax Penalties and Interest; Administration of Cannabis Business Tax <i>Sections Affected:</i> Amending Secs. 6.1-1, 6.2-17, 6.4-1, 6.5-2, 6.8-1, 6.9-1, 6.9-3, 6.9-5, 6.9-7, 6.10-3, 6.11-1, 6.11-2, 6.11-3, 6.12-4, 6.13-1, 6.15-1, 6.15-2, 6.17-1, 6.17-2, 6.17-3, 6.17-4, 6.17-5, 6.20-1, 6.21-1; 906.2; Adding Secs. 6.11-1.1, 6.17-1.1, 6.17-2.1, 6.17-3.1, 6.17-4.1; Deleting Art. 17 (Secs. 1700 - 1707)
240-20	201009	12/26/20	Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax, and Tax Reduction <i>Sections Affected:</i> Amending 3003

2021

Ord. No.	File No.	Eff. Date	Short Title and Code Sections Affected
43-21	210180	5/3/21	Business and Tax Regulations Code - Extending Temporary Suspension of Business Registration and Fee for Transportation Network Company Drivers and Taxi Drivers <i>Sections Affected:</i> 853
88-21	210161	8/2/21	Business and Tax Regulations Code - Administration of Vacancy Tax <i>Sections Affected:</i> Amending 6.1-1, 6.2-17, 6.8-1, 6.9-1, 6.9-2, 6.9-3, 6.9-4, 6.9-5
111-21	210285	9/4/21	Planning, Business and Tax Regulations, Police Codes - Small Business Recovery Act <i>Sections Affected:</i> Amending 32
118-21	210566	9/4/21	Various Codes - Mobile Vendor Regulation <i>Sections Affected:</i> Amending 1.36

135-21	210658	9/4/21	Business and Tax Regulations Code - Emergency Medical Services Fees <i>Sections Affected:</i> Amending 249.8
152-21	210828	10/30/21	Business and Tax Regulations Code - Administrative Provisions: <i>Sections Affected:</i> Amending 6.1-1, 6.2-1, 6.2-3, 6.2-8, 6.2-12, 6.2-17, 6.2-20, 6.2-21, 6.4-1, 6.5-1, 6.6-1, 6.7-1, 6.8-1, 6.9-4, 6.9-6, 6.9-7, 6.10-1, 6.10-2, 6.10-3, 6.11-2, 6.11-3, 6.12-1, 6.12-2, 6.12-5, 6.13-3, 6.13-4, 6.15-1, 6.15-2, 6.15-3, 6.16-1, 6.17-1, 6.17-1.1, 6.17-2, 6.18-1, 6.18-2, 6.18-6, 6.18-8, 6.19-1, 6.19-2, 6.19-3, 6.19-7, 6.19-8, 6.19-10, 6.19-11, 6.21-1, 6.22-1, 6.23-1, 953.1, 953.2, 953.3, 953.4, 953.5, 953.6, 953.7, 953.8, 960; Repealing 6.2-14, 6.7-2, 6.9-1, 6.9-2, 6.9-3, 6.9-5, 709, 713, Article 12-B: 1021, 1022, 1023, 1024, Article 36: 3601, 3602, 3603, 3604, 3605, 3606, 3607, 3608, 3609, 3610, 3611, 3612, 3613, 3614, 3615, 3616; Adding 6.8-2, 6.9-1
155-21	210536	11/8/21	Health, Business and Tax Regulations Codes - Alternate Water Sources for Non-Potable Applications <i>Sections Affected:</i> Amending 249.24
205-21	210937	12/13/21	Business and Tax Regulations Code - Affordable Housing Transfer Tax Exemption <i>Sections Affected:</i> Amending 1108.6 (Art. 12-C)
231-21	211150	1/17/22 Retro. 1/1/22	Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax <i>Sections Affected:</i> Amending 3003

2022

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
44-22	211292	4/22/22	Various Codes - Street Vendor Regulation <i>Sections Affected:</i> Amending 1.36
59-22	220057	5/16/22	Business and Tax Regulations Code - Extending Temporary Suspension of Business Registration and Fee for Transportation Network Company Drivers and Taxi Drivers <i>Sections Affected:</i> Amending 853
160-22	220540	8/21/22	Business and Tax Regulations Code - Disclosure of Vacancy Tax Information <i>Sections Affected:</i> Amending 6.9-1
184-22	220684	9/4/22	Business and Tax Regulations, Health Codes - Emergency Medical Services Fees <i>Sections Affected:</i> Amending 249.8

188-22	220756	9/4/22	Business and Tax Regulations Code - Disclosure of Vacancy Tax Information; Penalties For Failure to Timely File Vacancy Tax Returns <i>Sections Affected:</i> Amending 6.9-1, 6.17-3.1
244-22	221022	12/18/22	Business and Tax Regulations Code - Installment Payments for Delinquent License Fees <i>Sections Affected:</i> Amending 76.1
247-22	221070	01/09/23 Retro. 1/1/23	Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax <i>Sections Affected:</i> Amending 3003

2023

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
23-23	221246	3/26/23	Administrative, Business and Tax Regulations Codes - Homelessness Oversight Commission and Related City Bodies <i>Sections Affected:</i> Amending 2810
35-23	230125	4/17/23	Administrative, Business and Tax Regulations Codes - Homelessness Oversight Commission and Related City Bodies <i>Sections Affected:</i> Amending 2810
45-23	221162	5/15/23	Business and Tax Regulations Code - Extending Temporary Suspension of Business Registration and Fee for Transportation Network Company Drivers and Taxi Drivers <i>Sections Affected:</i> Amending 853
99-23	230307	7/3/2023	Business and Tax Regulations Code - Extending Sunset Date of Credit from Early Care and Education Commercial Rents Tax for Qualifying Child Care Facilities <i>Sections Affected:</i> Amending 2106.1
151-23	230155	8/28/23 Retro. 1/1/23	Business and Tax Regulations Code - Gross Receipts Tax Rate Increase Postponement and Credits for Opening City Location <i>Sections Affected:</i> Amending Art. 12-A-1: 953.1, 953.2, 953.3; Adding 960.1
175-23	230659	8/28/23	Business and Tax Regulations, Health Codes - Emergency Medical Services Fees <i>Sections Affected:</i> Amending 249.8
176-23	230661	8/28/23	Business and Tax Regulations Code - Early Care and Education Commercial Rents Tax Baseline (uncodified)
179-23	230664	8/28/23 Retro. 7/1/23	Business and Tax Regulations Code - Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses <i>Sections Affected:</i> Adding 76.3 (in Art. 2); Amending 855 (in Art. 12)

224-23	230898	12/4/23	Business and Tax Regulations Code - Administration of Empty Homes Tax <i>Sections Affected:</i> Amending 6.1-1, 6.2-17, 6.4-1, 6.5-1, 6.8-1, 6.8-2, 6.9-1, 6.9-4, 6.10-3, 6.18-1 (Art. 6); 2954 (Art. 29A)

2024

<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
<i>Ord. No.</i>	<i>File No.</i>	<i>Eff. Date</i>	<i>Short Title and Code Sections Affected</i>
8-24	231007	1/15/24 Retro. 1/1/17	Business and Tax Regulations Code - Transfer Tax Exemption for Affordable Housing <i>Sections Affected:</i> Amending 1108.6
51-24	240036	4/22/24 Retro. 1/1/24	Business and Tax Regulations Code - Transient Occupancy Tax Returns <i>Sections Affected:</i> Amending 6.9-1
62-24	230310	4/28/24	Various Codes - State-Mandated Accessory Dwelling Unit Controls <i>Sections Affected:</i> Amending Secs. 8, 26
72-24	240126	5/13/24	Business and Tax Regulations Code - Extending Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses <i>Sections Affected:</i> Amending 76.3
109-24	240281	7/7/24	Administrative, Business and Tax Regulations Codes - Housing Needs Report Frequency and DAS Department Name Updates <i>Sections Affected:</i> Amending 249.1
175-24	240639	8/12/24 Oper. 9/1/24	Business and Tax Regulations Code - Transient Occupancy Tax Exemption Increase <i>Sections Affected:</i> Amending 506
194-24	240599	8/31/24	Business and Tax Regulations Code - DPH Cannabis Business Inspection Fees <i>Sections Affected:</i> Amending 249.20
198-24	240604	8/31/24	Business and Tax Regulations Code - Early Care and Education Commercial Rents Tax Baseline - FYs 2024-2025 and 2025-2026
203-24	240406	9/1/24	Health, Business and Tax Regulations Codes - Annual Retail Food Special Event Permit <i>Sections Affected:</i> Amending 249.11
225-24	240728	10/21/24	Business and Tax Regulations Code - Transfer Tax Reduction for Union Labor-Built and Union Pension Fund-Financed Housing <i>Sections Affected:</i> Adding 1108.8

New Ordinances

Publisher's Note: The following table lists all ordinances affecting the Business and Tax Regulations Code that have been passed by the Board of Supervisors but that are not yet effective. The table includes links to the amending ordinances (as maintained in PDF format on the Board of Supervisors' web site) and to the code sections affected. For other legislation, including older ordinances and those affecting other codes, please refer to the Comprehensive Ordinance Table or the Board's ["Legislation Passed"](#) web site.

Ord. No.	File No.	Eff. Date	Short Title and Code Sections Affected
214-24	240698	9/8/24 Oper. cond.	Business and Tax Regulations Code - Gross Receipts Tax Rates for NAICS Code 721 (Accommodation) <i>Sections Affected:</i> Amending 953.21* (if approved by electorate and not terminated)