

File No. 100008

Committee Item No. 4

Board Item No. 18

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date April 5, 2010

Board of Supervisors Meeting Date April 13, 2010

Cmte Board

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Completed by: Alisa Somera Date April 2, 2010

Completed by: Alisa Somera Date April 8, 2010

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file and the online version.

1 [Permit and License Fee Elimination.]

2
3 Ordinance amending San Francisco Business and Tax Regulations Code Sections 248
4 and 249.1, amending San Francisco Police Code Sections 2.26 and 2.27, and repealing
5 San Francisco Police Code Section 2.28, all to eliminate certain permit and license fees
6 and revenue fees, while retaining any underlying permitting, licensing, and other
7 substantive regulatory requirements.

8 NOTE: Additions are single-underline italics Times New Roman;
9 deletions are ~~strike-through italics Times New Roman~~.
10 Board amendment additions are double-underlined;
Board amendment deletions are ~~strikethrough normal~~.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. The San Francisco Business and Tax Regulations Code is hereby amended
13 by amending Sections 248 and 249.1, to read as follows:

14 **SEC. 248. FOOD PRODUCT AND MARKETING ESTABLISHMENTS.**

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

CLASS	FEE
Class A. Food product and marketing establishments without food preparation with a total square footage of:	
Less than 5,001 square feet	\$569
5,001 square feet to 10,000 square feet	748
10,001 square feet to 20,000 square feet	934
Greater than 20,000 square feet	1,135
Class B. Food product and marketing establishments with food	

1	preparation with a total square footage of:	
2	Less than 5,001 square feet	610
3	5,001 square feet to 10,000 square feet	794
4	10,001 square feet to 20,000 square feet	968
5	Greater than 20,000 square feet	1,154
6	Class C. Retail bakeries with total square footage of:	
7	Less than 2,001 square feet	625
8	Greater than 2,000 square feet	645
9	Class D. Produce stand	629
10	Class E. Certified farmers market	635
11	Class F. Wholesale food markets	610
12	Class G. Food manufacturing or processing	629
13	Class H. Food product and marketing establishments with an	
14	inventory of food at cost in stock as of the first day of April:	
15	Less than \$1,000	105
16	Greater than \$1,000	<u>0 749</u>
17	Class I. Food product and marketing establishments in	
18	stadiums, arenas or auditoriums with a seating	
19	capacity of 25,000 or more	625

20 (b) The license fees prescribed in this Section are due and payable annually in
 21 advance on the first day of September of each year. Fees for new licenses issued prior to, or
 22 after September 1st, shall be prorated on a monthly basis.

24 **SEC. 249.1. FOOD PREPARATION AND SERVICE ESTABLISHMENTS.**

1 (a) Every person, firm or corporation engaged in the business of operating food
 2 preparation and service establishments, as defined in Section 451 of the San Francisco
 3 Health Code, that require permits from the Health Department shall pay an annual license fee
 4 to the Tax Collector as follows:

5 ~~(a)~~

6 CLASS	7 FEE
8 Class A. Food preparation and service establishments with a total square footage of:	
9 Less than 1,000 square feet	\$777
10 1,000 square feet to 2,000 square feet	1,028
11 Greater than 2,000 square feet	1,179
12 Class B. Bar or tavern	923
13 Class C. Take-out establishment	932
14 Class D. Fast food establishment	1,056
15 Class E. Catering facility	908
16 Class F. Temporary facility	945
17 Class G. Food demonstrations	105
18 Class H. Commissary	884
19 Class I. Pushcart on private property	737
20 Class J. Stadium concession	625
21 Class K. Vending machines	177
22 Class L. Bed and breakfast establishment	999
23 Class M. Boarding house	241
24 Class N. Private school cafeteria	294
25 Class O. Hospital kitchen, with food service to	

1 the general public and staff only 940

2 **Class P. Licensed Health Care Facility** 1050

3 The license fees prescribed in this Section are due and payable on an annual basis
4 commencing April 1, 1984. Fees for new licenses issued prior to, or after April 1st, shall be
5 prorated on a monthly basis.

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

8 (1) Food preparation and service establishments used exclusively by day care
9 facilities for children are exempt from paying the fees required by this Section. For the
10 purpose of this subsection, a "day care facility for children" shall mean a "community care
11 facility" licensed pursuant to the provisions of Chapter 3, Division 2 of the California Health
12 and Safety Code (commencing at Section 1500) which provides nonmedical care to children
13 in need of personal services, supervision, or assistance essential for sustaining the activities
14 of daily living or for the protection of the individual on less than a 24-hour basis, or a "family
15 day care home for children" licensed pursuant to the provisions of Chapter 3.6, Division 2 of
16 the California Health and Safety Code (commencing at Section 1597.50).

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

19
20 Section 2. The San Francisco Police Code is hereby amended by amending
21 Sections 2.26 and 2.27, to read as follows:

22 **SEC. 2.26. SCHEDULE OF PERMITS AND FILING FEES.**

23 The following filing fees, payable in advance to the City and County of San Francisco,
24 are required when submitting applications for permits to the Police Department or
25 Entertainment Commission:

1	TYPE OF PERMIT	FILING FEE
2	Permit Amendment/Additional Partner	\$ 81
3	Amusement Park	<u>0 871</u>
4	Antique Shop	558
5	Auto Wrecker	664
6	Ball or Ring Throwing Games	<u>0 477</u>
7	Balloon and Kite Advertising	<u>0 367</u>
8	Billiard Parlor	456
9	Bingo Games	112
10	Amendment to Permit	112
11	Circus	<u>0 648</u>
12	Closing-Out Sale	<u>0 413</u>
13	Dance Hall Keeper	1,401
14	Amendment to Permit	660
15	One Night Dance	40
16	Dealer in Firearms and/or Ammunition	961
17	Renewal	218
18	Discharge of Cannon	400
19	Distributor of Advertising	
20	Class A	524
21	Class B	459
22	Driverless Auto Rental	631
23	Encounter Studio	
24	Owner	725
25	Employee	202

1	Escort Service	
2	Owner	709
3	Employee	202
4	Extended Hours Permit	1,500
5	Amendment to Permit	660
6	Fortuneteller	<u>0 357</u>
7	Funeral Procession Escort	224
8	Insignia and Uniform	<u>0 43</u>
9	General Soliciting Agent	252
10	Itinerant Show	680
11	Itinerant Show/Nonprofit [Fee set by Police Code Section 1017.2]	100
12	Junk Dealer	945
13	Junk Gatherer	
14	Resident	439
15	Nonresident	370
16	Licensed Tour Guide	272
17	Loudspeaker	416
18	Vehicle	416
19	Masked Ball	779
20	Massage Establishment	1,684
21	Masseur/Masseuse	202
22	Trainee	202
23	Mechanical Amusement Devices	568
24	Mechanical Contrivance	568
25	Miniature Golf Course	586

1	Mobile Caterer	775
2	Additional Stop	73
3	Assistant	73
4	Transfer of Stop	73
5	Museum	645
6	Nude Models in Public Photographic Studio	
7	Owner	704
8	Employee	202
9	Off-Heliport Landing Site	477
10	One Night Event	255
11	Outcall Massage	462
12	Pawnbroker	763
13	Peddler	
14	Fish, Vegetables, Fruit	525
15	Food for Human Consumption	525
16	Nonfood	330
17	Employee	77
18	Pedicab Driver	77
19	Pedicab Owner	
20	First Pedicab	372
21	Each Additional Pedicab	84
22	Photographer, Public Place	
23	Owner	429
24	Solicitor	77
25	Photographic Solicitor	

1	Owner	429
2	Employee	77
3	Place of Entertainment	1,500
4	Amendment to Permit	660
5	Poker	894
6	Amendment to Permit	79
7	Public Bathhouse	1,122
8	Public Outcry Sales	716
9	Pushcart Peddler	594
10	Recreational Equipment Vendor	408
11	Rodeo Exhibition/Wild West Show	651
12	Second Hand Dealer	558
13	Second Hand Dealer, Auto Accessories	558
14	Shooting Gallery	723
15	Skating Rink	693
16	Street Photographer	
17	Owner	<u>0 379</u>
18	Solicitor	<u>0 234</u>
19	Tow Car Driver	198
20	Tow Car Firm	575
21	Trade-In Dealer	713
22	Valet Parking	
23	Fixed Location	535
24	Annual Special Event	350
25	Vehicle for Hire, Nonmotorized	644

1
2 **SEC. 2.27. SCHEDULE OF LICENSE FEES FOR PERMITS ISSUED BY THE POLICE**
3 **DEPARTMENT OR ENTERTAINMENT COMMISSION.**

4 The following license fees are payable to the Tax Collector for permits issued by the
5 Police Department or Entertainment Commission and, when applicable, for their renewal:

6 Note: All license fees are at an annual rate unless otherwise indicated.

TYPE OF PERMIT	FILING FEE
Amusement Park	\$ <u>0 310</u>
Antique Shop	<u>0 53</u>
Auto Wrecker	408
Ball or Ring Throwing Games	<u>0 136</u>
Balloon and Kite Advertising	<u>0 75 per quarter</u>
Billiard Parlor	
First Table	125
Each Additional Table	12
Bingo Game	<u>0 66</u>
Circus	<u>0 275 per day</u>
Dance Hall Keeper	354
Dealer in Firearms and/or Ammunition	378
Discharge of Cannon	41 per day
Distributor of Advertising	
Class A	112
Class B	29
Driverless Auto Rental	269
Encounter Studio	

1	Owner	426
2	Employee	48
3	Escort Service	
4	Owner	432
5	Employee	75
6	Extended Hours Permit	470
7	Fortuneteller	<u>0 40</u>
8	Funeral Procession Escort	<u>0 96</u>
9	General Soliciting Agent	74
10	Itinerant Show, Each Concession	36 per day
11	Junk Dealer	454
12	Junk Gatherer	
13	Resident	86
14	Nonresident	86
15	Licensed Tour Guide	128
16	Loudspeaker	135
17	Masked Ball	194 per day
18	Massage Establishment	463
19	Masseur/Masseuse	75
20	Trainee	75 per 90-day permit
21	Mechanical Amusement Devices	
22	First Machine	256
23	Each Additional Machine	<u>0 29</u>
24	Mechanical Contrivance	
25	First Machine	<u>0 144</u>

1	Each Additional Machine	<u>0 22</u>
2	Miniature Golf Course	137
3	Mobile Caterer	582
4	Assistant	41
5	Museum	172
6	Nude Models in Public Photographic Studio	
7	Owner	408
8	Employee	75
9	Off-Heliport Landing Site	32 per day
10	Outcall Massage	393
11	Pawnbroker	447
12	Peddler	
13	Fish, Vegetables, Fruit	624
14	Food for Human Consumption	624
15	Nonfood	166
16	Employee	67
17	Pedicab Driver	22
18	Pedicab Owner	
19	First Pedicab	<u>0 277</u>
20	Each Additional Pedicab	<u>0 139</u>
21	Photographer, Public Place	
22	Owner	172
23	Solicitor	66
24	Photographic Solicitor	
25	Owner	139

1	Employee	66
2	Place of Entertainment	452
3	Poker	261
4	Public Bathhouse	364
5	Public Outcry Sales	246
6	Pushcart Peddler	624
7	Recreational Equipment Vendor	261
8	Rodeo Exhibition/Wild West Show	<u>0 125 per day</u>
9	Second Hand Dealer	<u>0 53</u>
10	Second Hand Dealer, Auto Accessories	<u>0 53</u>
11	Shooting Gallery	<u>0 136</u>
12	Skating Rink	<u>0 300</u>
13	Street Photographer	
14	Owner	<u>0 137</u>
15	Solicitor	<u>0 67</u>
16	Tow Car Driver	28
17	Tow Car Firm	
18	First Tow Truck	457
19	Each Additional Tow Truck	182
20	Trade-In Dealer	513
21	Valet Parking	
22	Fixed Location	222
23	Annual Special Event	139
24	Vehicle for Hire, Nonmotorized	139
25		

1 Section 3. The San Francisco Police Code is hereby amended by repealing
2 Section 2.28 in its entirety.

3 ~~SEC. 2.28. FEES FOR CLOSING OUT SALES.~~

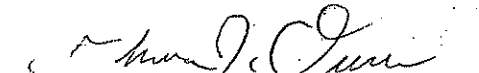
4 ~~(a) Notwithstanding any other provision of law, it is the intent of the Board of Supervisors that~~
5 ~~the following fee not only pays for the costs of processing the permit and regulating this activity, but~~
6 ~~also generates revenue. The Board of Supervisors finds that this fee has, in the past, made no~~
7 ~~distinction between processing/regulatory purposes and revenue generating purposes and has been~~
8 ~~used both to pay for the processing/regulatory costs and to generate substantial revenue; that this fee~~
9 ~~has been, and continues to be, revenue producing device; that, to insure that no greater amount of the~~
10 ~~revenues produced be expended to defray costs than was expended prior to the adoption date of Article~~
11 ~~XIII A of the California Constitution, it has become necessary, in this case, to provide separate filing fee~~
12 ~~(which is listed in Section 2.26 of this Article) to reflect the increased costs of processing and~~
13 ~~regulatory activities since July 1, 1978; and that the following fee predates the passage of Article XIII A~~
14 ~~of the California Constitution and imposes no change to this fee rate.~~

15 ~~(b) Close Out Sale. The fee shall be charged of one percent of the gross retail value of the~~
16 ~~entire stock of merchandise on hand for the closing out sale at the time of application for such permit~~
17 ~~whether said sale is to be conducted by auction or otherwise.~~

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20 / / /
21 / / /
22 / / /
23 / / /
24 / / /

1 Section 4. The elimination of certain permit and license fees in this ordinance does
2 not, and is not intended to, relieve any person of the duty to obtain said permit or license
3 where required by law, or relieve such person of the responsibility to comply with any other
4 regulations applicable to the permitted or licensed activity.

5
6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA, City Attorney

8 By: 
9 THOMAS J. OWEN
Deputy City Attorney

LEGISLATIVE DIGEST
(Amendment of the Whole, dated 4/5/2010)

[Permit and License Fee Elimination.]

Ordinance amending San Francisco Business and Tax Regulations Code Sections 248 and 249.1, amending San Francisco Police Code Sections 2.26 and 2.27, and repealing San Francisco Police Code Section 2.28, all to eliminate certain permit and license fees and revenue fees, while retaining any underlying permitting, licensing, and other substantive regulatory requirements.

Existing Law

The City regulates various businesses and activities. As part of that regulation, the City may require an initial authorization to engage in the business or activity, often called a "permit", and an annual renewal of that authorization, often called a "license".

The City may charge a fee to recover the costs of investigating and processing the permit or license application, as well as the costs of any regulation of the business or activity conducted under the permit or license.

The City also imposes a limited number of pre-Prop. 13 fees on certain businesses to raise general revenue.

Amendments to Current Law

The proposal would amend the Business and Tax Regulations Code and the Police Code to eliminate the fees for certain permits and licenses:

Public Health

- \$749 license fee for **food product and marketing establishments with an inventory of food worth more than \$1,000.**
- \$145 license fee for **temporary food preparation service establishments.**

Police

- \$871 permit fee and \$310 annual license fee for **amusement parks.**
- \$477 permit fee and \$136 annual license fee for **ball or ring throwing games.**

- \$367 permit fee and \$75 per quarter license fee for **balloon and kite advertising**.
- \$648 permit fee and the \$275 per day license fee for **circuses**.
- \$413 permit fee for **closing-out sales**.
- \$357 permit fee and \$40 annual license fee for **fortunetellers**.
- \$13 "insignia and uniform" permit fee for **funeral procession escorts**
- \$525 permit fee and \$624 annual license fee for **peddlers selling fish, vegetables, and fruit** (but peddlers would be required to pay the same permit fee and annual license fee to sell **food for human consumption**).
- \$379 permit fee and \$137 annual license fee for **street photographers (owners)** and the \$231 permit fee and \$67 annual license fee for **street photographers (solicitors)**.
- \$53 annual license fee for **antique shops**.
- \$66 annual license fee for **bingo games**.
- \$96 annual license fee for **funeral procession escorts**.
- \$29 annual license fee for a **second or additional mechanical amusement device**.
- \$144 annual license fee for a **first mechanical contrivance**, and \$22 annual license fee for **each additional mechanical contrivance**.
- \$277 annual license fee for the **first pedicab operated by a pedicab owner**, and \$139 annual license fee for **each additional pedicab**.
- \$125 per day license fee for **rodeos or Wild West shows**.
- \$53 annual license fee for **second-hand dealers**, and \$53 annual license fee for **second-hand dealers selling auto accessories**.
- \$136 annual license fee for **shooting galleries**.
- \$399 annual license fee for **skating rinks**.

(These figures reflect the fee amounts as stated in the Municipal Code. The fees charged for the Police Code permits and licenses are now higher, due to automatic cost-of-living adjustments under Police Code Section 2.31.)

The proposal would also eliminate the revenues fee on **closing-out sales** equal to 1 percent of the gross retail value of the entire stock of merchandise on hand for the sale.

The proposal expressly provides that the elimination of these fees would not eliminate the requirement that anyone obtain a permit or license to engage in the particular business or activity, or that they comply with any other substantive regulations governing such business or activity. The proposal would only mean that the City would not charge the person any fee for issuance of the permit or license.

Background Information

If the City eliminates some or all of the fees as proposed, it would have to absorb the costs of processing and issuing the permits and licenses and of regulating those businesses and activities, or reduce enforcement costs, etc.

And because of the subsequent adoption of Propositions 13 and 218, if the City were to eliminate the revenue fee on closing-out sales, it could not re-impose that fee without voter approval, or at least any portion of the fee that would exceed the City's administrative and regulatory costs.

Changes from the Previous Draft

The proposed legislation currently on file, dated 1/5/2010, would eliminate permit and/or license fees for, among others, car rental agencies, junk dealers, mobile caterers, pawnbrokers, certain peddlers, auto wreckers, tour guides, and pedicab drivers. The amendment of the whole, dated 4/5/2010, leaves those fees at their current levels. The amendment of the whole also retains current revenue fees for mobile caterers and pawnbrokers proposed for elimination in the 1/5/2010 draft. And the amendment of the whole includes new provisions eliminating permit and/or license fees for funeral procession escorts (insignia and uniform) and street photographers.



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
GAVIN NEWSOM, MAYOR

April 2, 2010

Ms. Angela Calvillo, Clerk of the Board
Board of Supervisors
City Hall room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102-4694

RE: File No. 100008 [Permit and License Fee Elimination]

Ordinance amending San Francisco Business and Tax Regulations Code Sections 248 and 249.1, amending San Francisco Police Code Sections 2.26 and 2.27, and repealing San Francisco Police Code Sections 2.28 and 2.29, all to eliminate certain permit and license fees and revenue fees, while retaining any underlying permitting, licensing, and other substantive regulatory requirements.

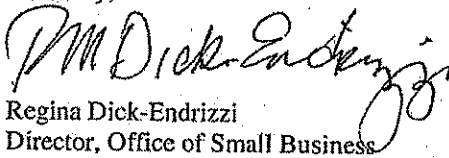
Small Business Commission Recommendation: **Approval**

Dear Ms. Calvillo:

On January 11, 2010, the Small Business Commission heard and recommended approval to the Board of Supervisors for File No. 100008.

The commission supports efforts to streamline the permit process and looks forward to continuing work with the Board of Supervisors to accomplish this goal.

Sincerely,


Regina Dick-Endrizzi
Director, Office of Small Business

cc. Supervisors Chiu, Maxwell and Mar
Starr Terrell
Alisa Somera, Clerk of the Land Use and Economic Development Committee

SMALL BUSINESS ASSISTANCE CENTER/ SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110 SAN FRANCISCO, CALIFORNIA 94102-4681
(415) 554-6481