

File No. 120638

Committee Item No. \_\_\_\_\_

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date June 21 & 22, 2012

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | *Budget and Legislative Analyst Report         |
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Completed by: Victor Young Date June 14, 2012

Completed by: Victor Young Date \_\_\_\_\_

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

[Business and Tax Regulations and Health Codes - Food Product and Marketing Establishment License Fees]

**Ordinance amending 1) the San Francisco Business & Tax Regulations Code Sections 248 and 249.1; and 2) the San Francisco Health Code Sections 440 and 451 relating to fees for food product and marketing establishment licenses issued by the Department of Public Health.**

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

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

Section 1. Findings.

The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 120638 and is incorporated herein by reference.

Section 2. The San Francisco Business and Tax Regulations Code is hereby amended by amending Sections 248 and 249.1, to read as follows:

**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.

Class	Fee	
<b>Class A.</b> Food product and marketing establishments without food preparation with a total		

square footage of:

<i>Class A-1.</i> Less than 5,001 square feet	\$569	\$647
<i>Class A-2.</i> 5,001 square feet to 10,000 square feet	\$748	\$847
<i>Class A-3.</i> 10,001 square feet to 20,000 square feet	\$934	\$1,054
<i>Class A-4.</i> Greater than 20,000 square feet	\$1,135	\$1,277
<b>Class B.</b> Food product and marketing establishments with food preparation with a total square footage of:		
<i>Class B-1.</i> Less than 5,001 square feet	\$610	\$693
<i>Class B-2.</i> 5,001 square feet to 10,000 square feet	\$794	\$898
<i>Class B-3.</i> 10,001 square feet to 20,000 square feet	\$968	\$1,091
<i>Class B-4.</i> Greater than 20,000 square feet ("Supermarket") with:	\$1,154	
<u>1 Food Preparation Station</u>		\$1,235
<u>2 to 3 Food Preparation Stations</u>		\$1,390
<u>4 or more Food Preparation Stations</u>		\$1,544
<b>Class C.</b> Retail bakeries <i>with total square footage of:</i>		
<i>Less than 2,001 square feet Without food preparation</i>	\$625	\$753
<i>Greater than 2,000 square feet With food preparation</i>	\$645	\$1,290
<b>Class D.</b> <i>Produce stand Farm Stand</i>	\$629	\$309
<b>Class E.</b> Certified farmers market	\$635	\$1,039
<b>Class F.</b> Wholesale food markets <i>with retail</i>	\$610	\$645
<b>Class G.</b> Food manufacturing or processing	\$629	\$714
<b>Class H.</b> 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	\$105	
Greater than \$1,000	0	Refer to Class A
<b>Class I.</b> Food product and marketing establishments in stadiums, arenas or auditoriums with a seating capacity of	\$625	

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. 249.1. 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 San Francisco Health Code, that require permits from the Health Department shall pay an annual license fee to the Tax Collector as follows:

(a)

Class	Fee	
<b>Class A.</b> Food preparation and service establishments with a total square footage of:		
Less than 1,000 square feet	\$777	\$879
1,000 square feet to 2,000 square feet	\$1,028	\$1,158
Greater than 2,000 square feet	\$1,179	\$1,326
<b>Class B.</b> Bar or tavern	\$923	
<i>Without food preparation</i>		\$750
<i>With food preparation</i>		\$950
<b>Class C.</b> Take-out establishment	\$932	\$1,051
<b>Class D.</b> Fast food establishment	\$1,056	\$1,189
<b>Class E.</b> Catering facility	\$908	\$1,025
<b>Class F.</b> Temporary facility	\$145	\$176
<i>Class G. Food demonstrations</i>	\$105	
<b>Class <u>HG</u>.</b> Commissary	\$884	\$998
<b>Class <u>H</u>.</b> Mobile Food Facilities		

1	Class I-1. Mobile Food Facility 1	<del>\$181</del>	<u>\$195</u>
2	Class I-2. Mobile Food Facility 2	<del>\$271</del>	<u>\$292</u>
3	Class I-3. Mobile Food Facility 3	<del>\$181</del>	<u>\$195</u>
4	Class I-4. Mobile Food Facility 4	<del>\$724</del>	<u>\$778</u>
5	Class I-5. Mobile Food Facility 5	<del>\$724</del>	<u>\$778</u>
6	<b>Class <u>H</u>.</b> Stadium concession	<del>\$625</del>	<u>\$710</u>
7	<b>Class <u>KJ</u>.</b> Vending machines companies	<del>\$177</del>	<u>\$211 plus</u>
8			<u>\$5.56 per machine</u>
9	<b>Class <u>LK</u>.</b> Bed and breakfast establishment	<del>\$999</del>	<u>\$1,126</u>
10	<b>Class <u>ML</u>.</b> Boarding house	<del>\$241</del>	<u>\$283</u>
11	<b>Class <u>NM</u>.</b> Private school cafeteria	<del>\$294</del>	
12	<i>Without food preparation</i>		<u>\$342</u>
13	<i>With food preparation</i>		<u>\$527</u>
14	<b>Class <u>ON</u>.</b> Hospital kitchen, with food service to the general public and staff only	<del>\$940</del>	<u>\$1,060</u>
15			
16	<b>Class <u>PO</u>.</b> Licensed Health Care Facility	<del>\$1,050</del>	<u>\$1,169</u>
17	<b>Class <u>OP</u>.</b> Caterer	<del>\$350</del>	<u>\$376</u>
18	<b>Class <u>O</u>.</b> <i>Employee Cafeteria</i>		
19	<i>Without food preparation</i>		<u>\$669</u>
20	<i>With food preparation</i>		<u>\$1,029</u>

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

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

1 (1) Food preparation and service establishments used exclusively by day care  
2 facilities for children are exempt from paying the fees required by this Section.

3 For the purpose of this subsection, a "day care facility for children" shall mean a  
4 "community care facility" licensed pursuant to the provisions of Chapter 3, Division 2 of the  
5 California Health and Safety Code (commencing at Section 1500) which provides nonmedical  
6 care to children in need of personal services, supervision, or assistance essential for  
7 sustaining the activities of daily living or for the protection of the individual on less than a 24-  
8 hour basis, or a "family day care home for children" licensed pursuant to the provisions of  
9 Chapter 3.6, Division 2 of the California Health and Safety Code (commencing at Section  
10 1597.50).

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

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

1  
2 Section 3. The San Francisco Health Code is hereby amended by amending Sections  
3 440 and 451, to read as follows:

4 **SEC. 440. FOOD PRODUCT AND MARKETING ESTABLISHMENT.**

5 (a) **"Food Product and Marketing Establishment"** means any room or building,  
6 or place or portion thereof, maintained, used or operated for the purpose of commercially  
7 storing, selling, vending, packaging, making, cooking, mixing, processing, bottling, canning,  
8 packing, slaughtering, or otherwise preparing or handling food, except Food Preparation and  
9 Service Establishments as defined in Section 451 and Food Product and Marketing delivery  
10 vehicles.

11 (b) **"Food"** as used in this Section, includes all articles used for food, drink,  
12 confectionery, or condiment, whether simple or compound, including perishable foods, such  
13 as fruits, vegetables, fish, meat, poultry, eggs, and bakery goods, whether sold after  
14 processing or sold in a fresh or frozen form. Food as used in this Section, shall not include  
15 whole pumpkins sold during the month of October for purely decorative purposes, which are  
16 not intended for human consumption, and which are clearly marked as being sold only for  
17 such limited purposes.

18 (c) **"Bakery"** as included within this Section and means any room, building,  
19 premises, or place which is used or operated for commercial baking, manufacturing,  
20 preparing, processing, retail selling, or packaging of bakery products. It includes all rooms of a  
21 bakery in which bakery products or ingredients are stored or handled. It does not, however,  
22 include any Food Preparation and Service Establishment as defined in Section 451.

23 (d) **"Certified Farmers Market"** means a location approved by the San Francisco  
24 Agricultural Commissioner where agricultural products are sold by producers or certified producers  
25 directly to consumers or to individuals, organizations, or entities that subsequently sell or distribute the

1 products directly to end users. A certified farmers' market may only be operated by one or more  
2 certified producers, by a nonprofit organization, or by a local government agency and must meet the  
3 requirements of San Francisco Administrative Code Chapter 9A, or any successor provisions.

4 (e) "Farm Stand" means a location at or near the point of production of a community or  
5 urban garden where their fresh produce, shell eggs and non-potentially hazardous processed  
6 agricultural products made with ingredients produced on or near the community or urban garden are  
7 sold. The community or urban garden must be deemed an approved source by the Director of  
8 Environmental Health or the County Agricultural Commissioner. "Near" is defined as "within San  
9 Francisco City Limits".

10 (f) "Food Preparation Station" means a preparation area where separate equipment  
11 and/or facilities are used by designated trained staff for a specific type of food conveyance, including,  
12 but not limited to, meat, fish, bakery, prepared foods, or confection.

13 (g) "Retail Food Vendor at Farmers Market" means a vendor who sells prepackaged  
14 food items that are processed, packaged and labeled from and approved permitted food facility, and  
15 has an individual permit that is specific to that market.

16 (h) "Supermarket" means a food product and marketing establishment that sells a variety  
17 of food and is greater than 20,000 square feet.

18 (i) "Wholesale Food Market with retail" means a food market which predominantly  
19 specializes in buying produce, bakery, meat, fish, processed food, confection and other food items for  
20 resale to retail outlets, but retains a retail space within the establishment to sell the aforementioned  
21 items to the public.

22 (d)(j) It shall be unlawful for any person, persons, firm or corporation to maintain  
23 or operate within any room, building, vehicle or place or portion thereof a Food Product and  
24 Marketing Establishment within the City and County of San Francisco, without having first  
25

1 obtained a permit issued and signed by the Director of Public Health of said City and County  
2 to do so.

3 Said permit when issued shall be kept displayed in a prominent place on the  
4 premises of the establishment, vehicle or cart for which or whom it is issued.

5  
6 **SEC. 451. FOOD PREPARATION AND SERVICE ESTABLISHMENT.**

7 (a) **"Bar or tavern"** means any food preparation and service establishment which  
8 primarily prepares and/or serves alcoholic beverages.

9 (b) **"Bed and breakfast establishment"** means a "restricted food service facility"  
10 as defined in Health and Safety Code Section 113893.

11 (c) **"Boardinghouse"** means any building or portion thereof occupied or  
12 intended, arranged or designed for occupation by six or more but less than 35 guests where  
13 sleeping rooms and meals are provided to the guests for compensation and includes all  
14 private institutional type homes where inspection is made by the San Francisco Department of  
15 Public Health.

16 (d) **"Caterer"** means a person who is in the business of providing food,  
17 beverages, and sometimes service, at social gatherings. The caterer prepares the food at a  
18 location separate from the social gathering, though the caterer may engage in limited food  
19 preparation at the location where the caterer serves the food. A caterer is not a private chef or  
20 chef for hire who prepares food in a private home.

21 (e) **"Catering facility"** means any food preparation and service establishment  
22 where a caterer prepares food for service at another location.

23 (f) **"Commissary"** means any food establishment in which food, containers,  
24 equipment, or supplies are stored or handled for use in vehicles, mobile food preparation  
25 units, food carts, or vending machines.

1 (g) **"Director"** means the "Director of Public Health of the City and County of San  
2 Francisco" or his or her designee. "Inspectors" shall mean the "Inspectors of the Department  
3 of Public Health," administered by said Director. The Director shall be responsible for the  
4 administration and enforcement of Sections 451 to 456, inclusive, of this Article and the rules  
5 and regulations relating thereto. The Director shall, after a public hearing, prescribe the rules  
6 and regulations relating thereto. Said rules and regulations shall be issued in pamphlet form.  
7 All such food preparation and service establishments shall be operated, conducted and  
8 maintained in accordance therewith.

9 (h) **"Employee Cafeteria"** means a food facility located within business premises where  
10 the business employees are provided or sold food on a regular basis. Food and drink are not regularly  
11 served to the public and the food establishment is not subject to tax. The operators of the food facility  
12 are either employees of the business or are contracted by that business.

13 ~~(h)~~(i) **"Food demonstrations"** means any food preparation and/or service facility  
14 operating out of temporary facilities approved by the Director of Public Health for a period of  
15 time not to exceed seven consecutive days for purposes of demonstrating food preparation or  
16 equipment.

17 ~~(h)~~(j) **"Food preparation and service establishment"** means and includes any  
18 restaurant, mobile food facility, guest house, boardinghouse, special events, school food  
19 concessions, bar or tavern, take-out establishment, fast food establishment, caterer, catering  
20 facility, temporary facility, food demonstration, commissary, pushcart, stadium concession,  
21 vending machine, bed and breakfast establishment, employee cafeteria, private school  
22 cafeteria, hospital kitchen, and licensed health care facility, as those terms are defined herein.

23 ~~(h)~~(k) **"Guest house"** means any building or portion thereof occupied or intended,  
24 arranged, or designed for occupation by 35 or more guests where sleeping rooms and meals  
25

1 are provided to the guests for compensation and shall include "guest house," "residence  
2 club," "lodge," "dormitory," "residence cooperative" and any of its variants.

3 ~~(L)~~ **"Hospital kitchen"** means any food preparation and service facility  
4 operating within a hospital that serves food to staff or the general public, but not to patients.

5 ~~(L)~~ **"Licensed Health Care Facility"** means all of the following health facilities  
6 with 16 or more beds designated for the diagnosis, care, prevention, and treatment of human  
7 illness, physical or mental, including convalescence, rehabilitation, and care during and after  
8 pregnancy, to which persons are admitted for a 24-hour stay or longer:

9 (1) General Acute Care Hospital as defined in Cal. Health and Safety Code  
10 Section 1250(a) or any successive statutes;

11 (2) Acute Psychiatric Hospital as defined in Cal. Health and Safety Code  
12 Section 1250(b) or any successive statutes;

13 (3) Skilled Nursing Facility as defined in Cal. Health and Safety Code Section  
14 1250(c) or any successive statutes;

15 (4) Intermediate Care Facility as defined in Cal. Health and Safety Code  
16 Section 1250(d) or any successive statutes;

17 (5) Special Hospital as defined in Cal. Health and Safety Code Section 1250(f)  
18 or any successive statutes;

19 (6) Intermediate Care Facility/Developmentally Disabled as defined in Cal.  
20 Health and Safety Code Section 1250(g) or any successive statutes;

21 (7) Chemical Dependency Recovery Facility as defined in Cal. Health and  
22 Safety Code Section 1250.3 or any successive statutes;

23 Any of the facility types listed above that are operated by the State of California  
24 Departments of Mental Health, Developmental Services, Corrections, or Youth Authority are  
25 not included in this definition.

1            ~~(m)~~(n)    **"Mobile Food Facility"** means any vehicle or pushcart used in conjunction  
2 with a commissary or other permanent food facility upon which food is sold or distributed at  
3 retail. Mobile Food Facilities may be located on private or public property. Mobile Food Facility  
4 does not include a "Transporter" used to transport packaged food from a food facility or other  
5 approved source to the consumer. There are five categories of Mobile Food Facilities for  
6 licensing and fee payment purposes under San Francisco Business and Tax Regulations  
7 Code Section 249.1 as set forth below. For purposes of this Section, the term "potentially  
8 hazardous food" shall have the same meaning as set forth in California Health and Safety  
9 Code Section 110005 or any successor provisions, the term "limited food preparation" shall  
10 have the same meaning set forth in California Health and Safety Code Section 113818 or any  
11 successor provisions, and the term "prepackaged" shall have the same meaning as set forth  
12 in California Health and Safety Code Section 113876 or any successor provisions.

13            (1)    **"Mobile Food Facility 1"** means a Mobile Food Facility where a Mobile  
14 Food Facility Vendor handles prepackaged and non-potentially hazardous foods, including but  
15 not limited to, pastries, bagels, donuts, popcorn, chips, candies, sodas, or bottled drinks.

16            (2)    **"Mobile Food Facility 2"** means a Mobile Food Facility where a Mobile  
17 Food Facility Vendor handles prepackaged and potentially hazardous foods, including but not  
18 limited to, cold sandwiches, salads, pasta, or cold noodles.

19            (3)    **"Mobile Food Facility 3"** means a Mobile Food Facility where a Mobile  
20 Food Facility Vendor handles non-prepackaged and non-potentially hazardous foods,  
21 including but not limited to, churros, salted bagels, cotton candy, lemonade, or tea.

22            (4)    **"Mobile Food Facility 4"** means a Mobile Food Facility where a Mobile  
23 Food Facility Vendor engages in limited food preparation.

24            (5)    **"Mobile Food Facility 5"** means a Mobile Food Facility where a Mobile  
25 Food Facility Vendor engages in full food preparation or any food preparation not covered by

1 Mobile Food Facility Categories 1-4, including but not limited to, tacos, burritos, crepes, or  
2 falafel.

3 ~~(#)~~(o) **"Mobile Food Facility Vendor"** means any person engaged in the  
4 business of operating a Mobile Food Facility within the City and County of San Francisco.

5 ~~(o)~~(p) **"Owner"** or **"owners"** mean those persons, partnerships, or corporations  
6 who are financially interested in the operation of a food preparation and service  
7 establishment.

8 ~~(p)~~(q) **"Operator"** means any person engaged in the dispensing of or in assisting  
9 in the preparation of food, or a person otherwise employed in a food preparation and service  
10 establishment.

11 ~~(q)~~(r) **"Private school cafeteria"** means any food preparation and service facility  
12 serving food to faculty and/or students of a school not operated by the San Francisco Unified  
13 School District.

14 ~~(r)~~(s) **"Restaurant"** means any coffee shop, cafeteria, short-order cafe,  
15 luncheonette, cocktail lounge, sandwich stand, soda fountain, public school cafeteria or eating  
16 establishment, in-plant or employee eating establishment and any other eating establishment,  
17 organization, club, including Veterans' Club, boardinghouse, bed and breakfast  
18 establishments, or guest house, which gives, sells or offers for sale, food to the public, guests,  
19 patrons, or employees as well as kitchens or other food preparation areas in which food is  
20 prepared on the premises for serving or consumption on or off the premises, and requires no  
21 further preparation and also includes manufacturers of perishable food products that prepare  
22 food on the premises for sale directly to the public. The term "restaurant" shall not include  
23 mobile food facilities, cooperative arrangements made by employees who purchase food or  
24 beverages for their own consumption and where no employee is assigned full time to care for  
25 or operate equipment used in such arrangement, or private homes; nor shall the term

1 "restaurant" include churches, church societies, private clubs or other nonprofit associations  
2 of a religious, philanthropic, civic improvement, social, political, or educational nature, which  
3 purchase food, food products, or beverages, or which receive donations of food, food  
4 products, or beverages for service without charge to their members, or for service or sale at a  
5 reasonable charge to their members or to the general public at occasional fundraising events,  
6 for consumption on or off the premises at which the food, food products, or beverages are  
7 served or sold, if the service or sale of such food, food products or beverages does not  
8 constitute a primary purpose or function of the club or association, and if no employee or  
9 member is assigned full-time to care for or operate equipment used in such arrangements.

10 ~~(s)~~(t) **"School food concessions"** means any food preparation, food service or  
11 food products intended for consumption by students attending or participating in activities  
12 within a school facility.

13 ~~(t)~~(v) **"Special events"** means any organized collection of food purveyors  
14 operating individually or collaboratively out of approved temporary or mobile food facilities at a  
15 fixed location for a period of time not to exceed 25 days in a 90-day period in conjunction with  
16 a single, weekly, or monthly community event as defined in the California Health and Safety  
17 Code Section 113755.

18 ~~(w)~~(w) **"Stadium concession"** means any food preparation and/or service facility  
19 operating within a stadium, arena, or auditorium with a seating capacity of 25,000 or more.

20 ~~(x)~~(x) **"Take-out establishment"** means any food preparation and service  
21 establishment which primarily prepares food for consumption off premises.

22 ~~(y)~~(v) **"Temporary facility"** means any food preparation and service facility  
23 operating out of temporary facilities approved by the Director of Public Health at a fixed  
24 location for a period of time not to exceed 25 days in any 90-day period in conjunction with a  
25 single event or celebration.

1            ~~(b)~~(2) **"Vending machine"** means any self-service device, which upon insertion of  
2 money or tokens, dispenses food without the necessity of replenishing the device between  
3 each vending operation.

4            Section 4. Effective Date. This ordinance shall become effective 30 days from the  
5 date of passage.

6            Section 5. In enacting this Ordinance, the Board intends to amend only those words,  
7 phrases, paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams,  
8 or any other constituent part of the San Francisco Park Code that are explicitly shown in this  
9 legislation as additions, deletions, Board amendment additions, and Board amendment  
10 deletions in accordance with the "Note" that appears under the official title of the legislation.

11            Section 6. Severability. If any section, subsection, sentence, clause, or phrase of this  
12 ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of  
13 competent jurisdiction, such decision shall not affect the validity of the remaining portions of  
14 the ordinance. The Board of Supervisors hereby declares that it would have passed this  
15 ordinance and each and every section, subsection, sentence, clause, or phrase not declared  
16 invalid or unconstitutional without regard to whether any portion of this ordinance would be  
17 subsequently declared invalid or unconstitutional.

18  
19  
20 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

21 By:   
22 VIRGINIA DARIO ELIZONDO  
23 Deputy City Attorney

FILE NO.

## **LEGISLATIVE DIGEST**

[Business & Tax Regulations and Health Codes- Food Product and Marketing Establishment License Fees]

**Ordinance amending 1) the San Francisco Business & Tax Regulations Code by amending Sections 248 and 249.1; and 2) the San Francisco Health Code by amending Sections 440 and 451 relating to fees for food product and marketing establishment licenses issued by the Department of Public Health.**

### **Existing Law**

The Department of Public Health issues licenses for facilities defined in San Francisco Health Code Section 440, food product and marketing establishments, and Section 451, food preparation and service establishments. San Francisco Business and Tax Regulations Code Sections 248 and 249.1 set the various fees for these licenses, to cover program costs as required by Section 10.19-3 of the San Francisco Administrative Code.

### **Amendments to Current Law**

These amendments: 1) define new categories of food facilities, 2) add or increase the fees for the regulatory licenses to ensure that the Department of Public Health can recover the full costs of implementing the programs, and 3) reflect the annual cost of living increases, authorized by Business and Tax Regulations Code Section 35(h), since the last time these sections were amended.

### **Background Information**

The Health Commission has approved the proposed fees as part of the budget process.

The Budget and Legislative Analyst Reports for the Mayor's Fiscal Year 2012-2013 to Fiscal Year 2013-2014 Budget for the following files are located in Board of Supervisors **File No. 120591:**

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BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

**MEMORANDUM**

TO: Planning Department  
Environmental Review Officer

FROM: Angela Calvillo, Clerk of the Board *ly yz*

DATE: June 7, 2012

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Budget and Finance Committee

The Board of Supervisors Budget and Finance Committee has received the following, which is being referred to the Planning Department for determination as to whether the proposed fee increase will impact the environment.

**Please provide your findings within 10 days from the date of referral.**

**File No. 120638**

Ordinance amending 1) the San Francisco Business & Tax Regulations Code Sections 248 and 249.1; and 2) the San Francisco Health Code Sections 440 and 451 relating to fees for food product and marketing establishment licenses issued by the Department of Public Health.

Please return this cover sheet with the Commission's response to **Victor Young, Clerk, Budget and Finance Committee.**

c: Joy Navarrete, Major Environmental Analysis  
Monica Pereira, Major Environmental Analysis

\*\*\*\*\*

RESPONSE FROM PLANNING DEPARTMENT - Date: June 7, 2012

No Comment  
 Recommendation Attached

*Statutory exemption. CEQA Section 15273 Rates, Tolls, Fees, and Charges*  
*[Signature]*  
Bill Wycko, Environmental Review Officer

# CALIFORNIA NEWSPAPER SERVICE BUREAU

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Victor Young  
S.F. BD OF SUPERVISORS (OFFICIAL NOTICES)  
1 DR CARLTON B GOODLETT PL #244  
SAN FRANCISCO, CA 94102

### COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE  
Ad Description: vy Fee Ad File No. 120638 Public Health Food product

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO CHRONICLE. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the Clerk of the Board. Publication date(s) for this notice is (are):

06/09/2012 , 06/15/2012

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#### NOTICE OF PUBLIC HEARING BUDGET AND FINANCE COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN THAT the Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Thursday, June 21, 2012

Time: 10:00 a.m.

Location: Legislative Chamber, Room 250 located at City Hall.

1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: File No. 120638. Ordinance amending 1) the San Francisco Business & Tax Regulations Code Sections 248a and 249.1; and 2) the San Francisco Health Code Sections 440 and 451 relating to fees for food product and marketing establishment licenses issued by the Department of Public Health.

If the Ordinance passes, it would authorize an increase to the current fees or establish a new fee as follows:

Food Product and Marketing Establishments, (Section 248)

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.

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 from \$569 to \$647;

Class A-2. 5,001 square feet to 10,000 square feet from \$748 to \$847;

Class A-3. 10,001 square feet to 20,000 square feet from \$934 to \$1,054;

Class A-4. Greater than 20,000 square feet from \$1,135 to \$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 from \$610 to \$693;

Class B-2. 5,001 square feet to 10,000 square feet from \$794 to \$898;

Class B-3. 10,001 square feet to 20,000 square feet \$968 to \$1,091;

Class B-4. Greater than 20,000 square feet ("Supermarket") with:

1 Food Preparation Station will be \$1,235;

2 to 3 Food Preparation Stations will be \$1,390;

4 or more Food Preparation Stations will be \$1,544.

Class C. Retail bakeries - without food preparation from \$625 to \$753; with food preparation from \$645 to \$1,290.

Class D.F arm Stand from \$629 to \$309.

Class E. Certified farmers market from \$635 to \$1,039.

Class F. Wholesale food markets with retail from \$610 to \$645.

Class G. Food manufacturing or processing from \$629 to \$714.

Food Preparation and Service Establishments, (Section 249.1)

Every person, firm or corporation engaged in the business of operating food preparation and service establishments, as defined in Section 451 of the San Francisco Health Code, that require

permits from the Health Department shall pay an annual license fee to the Tax Collector as follows:

Class A. Food preparation and service establishments with a total square footage of:

Less than 1000 square feet from \$777 to \$879;

1000 square feet to 2,000 square feet from \$1,028 to \$1,158;

Greater than 2,000 square feet from \$1,179 to \$1,236.

Class B. Bar or tavern:

Without food preparations shall be \$750; With food preparation shall be \$950.

Class C. Take-out establishment from \$932 to \$1,051.

Class D. Fast food establishments from \$1,056 to \$1,189.

Class E. Catering facility from \$908 to \$1,025.

Class F. Temporary facility from \$145 to \$176.

Class G. Commissary from \$884 to \$998.

Class H. Mobile Food Facilities:

Class H-1. Mobile Food Facility 1 from \$181 to \$195;

Class H-2. Mobile Food Facility 2 from \$271 to \$292;

Class H-3. Mobile Food Facility 3 from \$181 to \$195;

Class H-4. Mobile Food Facility 4 from \$724 to \$778;

Class H-5. Mobile Food Facility 5 from \$724 to \$778.

Class I. Stadium concessions from \$625 to \$710.

Class J. Vending machine companies from \$177 to \$211 plus \$5.56 per machine.

Class K. Bed and breakfast establishments from \$999 to \$1,126;

Class L. Boarding house from \$241 to \$283;

Class M. Private school cafeteria from \$284 to:

Without food preparation \$342;

With food preparation \$527.

Class N. Hospital kitchen, with food service to the general public and staff only from \$940 to \$1,060.

Class O. Licensed Health Care Facility from \$1,050 to \$1,169.

Class P. Caterer from \$350 to \$376.

Class Q. Employee Cafeteria:

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In accordance with Section 67.7-1 of the San Francisco Administrative Code,

persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public record in this matter, and shall be brought to the attention of the Members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton Goodlett Place, San Francisco, 94102. Information relating to the proposed fee is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available on June 9, 2012.

Angela Calvillo, Clerk of the Board



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Angela Calvillo, Clerk of the Board

DATED: June 8, 2012

POSTED: June 9, 2012

PUBLISHED: June 9 and 15, 2012



# City and County of San Francisco

## Office of the Controller

Controller's Discussion of the Mayor's FY 2012-13 and 2013-14 Proposed Budget

June 14, 2012

Charter Section 9.102 requires that the Controller provide the Board of Supervisors with an opinion regarding the accuracy of economic assumptions underlying the revenue estimates in the Mayor's Proposed Budget and the reasonableness of such estimates. On May 31, 2012, Mayor Edwin Lee submitted his FY 2012-13 and FY 2013-14 Proposed Budget to the Board of Supervisors. An overview of the revenues is provided in Table 1.

**Overall, the proposed two-year budget appears to be reasonable given the information currently available.** The proposed budget reduces the City's recent reliance on one-time revenues and includes a gradual rebuilding of reserves, reducing prospective budgetary shortfalls, provided that the current economic recovery is sustained and potential future reductions in State revenues remain manageable.

### Overview

As shown in Table 1, the Proposed Budget for FY 2012-13 of \$3.5 billion General Fund and \$7.3 billion All Funds represents a 7% increase from the FY 2011-12 original budget. The Proposed Budget for FY 2013-14 represents a further 3% increase in both General Fund and All Funds. Highlights include:

- **Local tax revenue estimates are reasonable given current economic assumptions but will continue to be monitored.** The proposed budget reflects the prevailing economic consensus in assuming a steady economic recovery through FY 2012-13 and FY 2013-14, with regular revenues increasing by \$220 million over the FY 2011-12 budget (representing \$92 million above the revised FY 2011-12 revenue outlook in the Controller's Nine Month Budget Status Report), and FY 2013-14 revenues increasing by a further \$109 million. However, San Francisco's economy is vulnerable to national and international economic developments that could cause changes to the currently favorable trends in job growth, property values and tourism. Any significant economic slowdown would require the Mayor's Office and Board to adjust the budget to reflect reduced revenues. The Controller's Office will monitor local tax receipts and the overall economic outlook carefully and provide revenue projection updates throughout the budget years.



# City & County of San Francisco

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## Master Fee Schedule of Budget Submissions

for

**FY 2012-13 and FY 2013-14 Budget Deliberations**

**Controller's Office  
April 2012**

\*\* Complete copy of document is  
located in

File No. 120591