

## LEGISLATIVE DIGEST

[Business and Tax Regulations Code – Police Code; Parking Stations - Revenue Control Equipment; License Regulations; Parking Tax Bonds; Administrative Citation Process.]

**Ordinance amending the San Francisco Business and Tax Regulations Code by 1) amending Article 6 (Common Administrative Provisions) to revise the bonding requirements for parking operators; revise the time to bring an action to collect tax; clarify the extent of a surety's liability; revise the administrative citation appeal process; and make other minor technical changes; 2) amending Article 22 (Parking Stations; Revenue Control Equipment) to clarify that non-City governmental entities operating parking stations are exempt from the revenue control equipment requirements; and 3) amending the San Francisco Police Code by amending Article 17 (Miscellaneous License Regulations) to clarify that governmental entities operating parking garages or parking lots are exempt from the permitting requirements applicable to other commercial parking garage and valet operations.**

### Existing Law

The City imposes a “parking space occupancy tax” on the occupancy of parking space in “parking stations,” and defines an “operator” for purposes of collecting and remitting the tax on behalf of the occupants subject to the tax. Existing law generally requires that an operator of a parking station 1) hold a certificate of authority issued by the Tax Collector; 2) file with the Tax Collector a bond in the annual amount of \$20,000 to \$800,000 based on gross receipts from a parking station to secure payment of parking tax deficiencies and related administrative costs; and 3) install and maintain specified “revenue control equipment.” Existing law also provides for an administrative process to appeal administrative citations for violation of the parking tax law.

An operator of a parking garage or parking lot must generally hold a commercial parking permit issued by the Chief of Police. An operator of a valet parking operation must generally hold a valet parking permit issued by the Chief of Police.

### Amendments to Current Law

This legislation would require the Tax Collector to notify the Chief of Police that it has revoked any person’s certificate of authority, refused to issue a new certificate of authority, suspended a certificate of authority, or determined that the person is not in compliance with the parking tax. In such instances, this legislation further requires the Tax Collector to 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 Section 1215.3.(b) of the Police Code.

This legislation would increase the number of gross receipts increments in the existing bond amounts. It would provide that a person that has demonstrated compliance with the parking tax law may apply to the Tax Collector for a reduced bond amount of between \$10,000 and \$400,000, which reduction could be granted and renewed on an annual basis at the discretion of the Tax Collector.

This legislation would clarify that the obligation of a surety under a bond is limited to the face value of the bond(s) in effect during the period for which a parking tax deficiency is assessed and make minor changes in the process for appealing an administrative citation.

Governmental entities except the City and County of San Francisco that operate parking garages and parking lots would be exempt from the requirement to install and maintain revenue control equipment. Governmental entities that operate parking garages and parking lots on their own property would be exempt from the requirement to hold a commercial parking permit. Governmental entities that use their own employees to perform valet parking operations would be exempt from the requirement to obtain a valet parking permit.

#### Background Information

This legislation would ensure that the Chief of Police is aware of the parking tax status of applicants for commercial parking and valet parking permits issued by him or her; make technical changes to certain administrative appeals procedures; provide an incentive for ongoing compliance with the requirements of the parking tax law through reduced bonding obligations; and clarify the application of certain parking tax laws and permitting requirements to governmental entities.