

BOARD of SUPERVISORS



City Hall
1 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: Jose Cisneros, Treasurer, Office of the Treasurer and Tax Collector

FROM: Linda Wong, Assistant Clerk
Budget and Finance Committee

DATE: February 22, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Mayor London N. Breed:

File No. 210138

Ordinance extending the deadline for certain businesses to pay the business registration fee for the fiscal year ending June 30, 2022, to November 1, 2021.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: linda.wong@sfgov.org.

c: Amanda Kahn Fried, Office of the Treasurer and Tax Collector

1 [Business Registration Fee - Extension of Deadline for Payment]

2
3 **Ordinance extending the deadline for certain businesses to pay the business**
4 **registration fee for the fiscal year ending June 30, 2022, to November 1, 2021.**
5

6 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
7 **Additions to Codes** are in *single-underline italics Times New Roman font*.
8 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.
9 **Board amendment additions** are in Arial font.
10 **Board amendment deletions** are in ~~Arial font~~.
11 **Asterisks (* * * *)** indicate the omission of unchanged Code
12 subsections or parts of tables.

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

14 Section 1. Background, Findings, and Purpose.

15 (a) On February 25, 2020, Mayor London Breed proclaimed a state of emergency in
16 response to the COVID-19 pandemic. On March 3, 2020, the Board of Supervisors concurred
17 in the February 25 Proclamation.

18 (b) On March 16, 2020, to mitigate the spread of COVID-19, the Local Health Officer
19 issued Order No. C19-07, which has been amended and replaced by subsequent orders,
20 directing San Franciscans to “shelter in place” beginning on March 17, 2020. These orders,
21 which are now known as “stay-safer-at-home” orders, generally require individuals to stay in
22 their homes to the extent possible, and require businesses to cease all non-essential
23 operations at physical locations in the City, with some limited exceptions. Over the course of
24 the COVID-19 pandemic, restrictions on the operations of different types of businesses in the
25 City have fluctuated, but unquestionably a large number of businesses, and many types of
businesses, have faced and continue to face severe restrictions.

1 (c) The COVID-19 outbreak has caused significant negative impacts on businesses in
2 the City. While the exact course of the pandemic cannot be predicted, it is expected to
3 continue to pose serious public health concerns in San Francisco for months to come, and will
4 continue to have serious negative impacts on businesses during that time. This ordinance is
5 intended to mitigate those impacts by extending to November 1, 2021 the deadline for most
6 businesses to pay the business registration fee for the fiscal year ending June 30, 2022.

7
8 Section 2. Definitions.

9 For purposes of this ordinance, the following terms shall have the following meanings:

10 "Business Registration Certificate" means a "registration certificate," as defined in
11 Section 852.2 of Article 12 of the Business and Tax Regulations Code.

12 "Business Registration Fee" means the tax imposed under Article 12 of the Business
13 and Tax Regulations Code.

14 "City" means the City and County of San Francisco.

15 "Combined Group" has the meaning described in Section 956.3 of Article 12-A-1 of the
16 Business and Tax Regulations Code.

17 "Newly Established Business" has the meaning set forth in Section 852.1 of Article 12
18 of the Business and Tax Regulations Code.

19 "Person" has the meaning set forth in Section 6.2-15 of Article 6 of the Business and
20 Tax Regulations Code.

21 "Registration Year" has the meaning set forth in Section 852.4 of Article 6 of the
22 Business and Tax Regulations Code.

23 "Tax Collector" has the meaning set forth in Section 6.2-19 of Article 6 of the Business
24 and Tax Regulations Code.

1 Section 3. Extension of Deadline to Pay Business Registration Fees.

2 (a) Business Registration Renewals. The deadline under Articles 6 and 12 of the
3 Business and Tax Regulations Code for a Person or Combined Group with a Business
4 Registration Certificate for the Registration Year ending June 30, 2021 to apply for renewal of
5 its Business Registration Certificate (or Business Registration Certificates, if a Combined
6 Group) and pay the Business Registration Fee for the Registration Year ending June 30, 2022
7 shall be extended from May 31, 2021 to November 1, 2021, and no penalty shall be assessed
8 if such Person or Combined Group files and pays that Business Registration Fee by
9 November 1, 2021. Business Registration Certificates issued for the Registration Year ending
10 June 30, 2021, shall continue to be valid through November 1, 2021, for all purposes.

11 (b) New Businesses Without a Business Registration Certificate Commencing
12 Business On or After January 1, 2021 and Before July 1, 2021. For Newly Established
13 Businesses commencing business in the City on or before June 30, 2021, that do not yet have
14 a Business Registration Certificate for the Registration Year ending June 30, 2021, the
15 deadline to pay the Business Registration Fee for the Registration Year ending June 30, 2022
16 shall be extended to November 1, 2021, and no penalty shall be assessed if such Newly
17 Established Business pays that Business Registration Fee by November 1, 2021. This
18 subsection (b) shall not relieve a Newly Established Business from the requirement to timely
19 apply for a Business Registration Certificate (or Business Registration Certificates, if a
20 Combined Group) and timely pay the prorated Business Registration Fee for the Registration
21 Year ending June 30, 2021. A Newly Established Business subject to this subsection (b) that
22 applies for a Business Registration Certificate (or Business Registration Certificates, if a
23 Combined Group) and pays the prorated Business Registration Fee, plus any applicable
24 penalties and interest, for the Registration Year ending June 30, 2021, shall be issued a
25 Business Registration Certificate (or Business Registration Certificates, if a Combined Group)

1 for the Registration Year ending June 30, 2021, which shall continue to be valid through
2 November 1, 2021, for all purposes.

3 (c) New Businesses Commencing Business On or After July 1, 2021. For Newly
4 Established Businesses commencing business in the City on or after July 1, 2021, the
5 deadline for payment of the Business Registration Fee for the Registration Year ending
6 June 30, 2022 shall be extended to November 1, 2021, and no penalty shall be assessed if
7 such Newly Established Business pays that Business Registration Fee by November 1, 2021.
8 This subsection (c) shall not relieve a Newly Established Business from the requirement to
9 timely apply for a Business Registration Certificate (or Business Registration Certificates, if a
10 Combined Group) for the Registration Year ending June 30, 2022. A Newly Established
11 Business subject to this subsection (c) shall not receive a Business Registration Certificate (or
12 Business Registration Certificates, if a Combined Group) until it has paid its Business
13 Registration Fee for the Registration Year ending June 30, 2022, but:

14 (1) all requirements in the San Francisco Municipal Code that a Business
15 Registration Certificate be posted shall be waived for such Newly Established Business for all
16 purposes through November 1, 2021; and

17 (2) such Newly Established Business shall receive a business account number
18 (or numbers, if a Combined Group) reflecting its registration with the Tax Collector, and shall
19 not be reflected as being delinquent in the records of the Tax Collector until
20 November 2, 2021, on account of not paying its Business Registration Fee for the Registration
21 Year ending June 30, 2022.

22 (d) A Newly Established Business that does not have a certificate of authority for the
23 collection of third-party taxes under Section 6.6-1 of Article 6 of the Business and Tax
24 Regulations Code, shall not be permitted to obtain such a certificate of authority until it has
25 paid its Business Registration Fee for the Registration Year or Years to which it is subject,

1 and shall not be permitted to engage in any business that requires it to collect the tax on
2 transient occupancy of hotel rooms in Article 7 of the Business and Tax Regulations Code or
3 the tax on occupancy of parking spaces in parking stations in Article 9 of the Business and
4 Tax Regulations Code without first paying its Business Registration Fee for the Registration
5 Year or Years to which it is subject.

6 (e) Persons or Combined Groups that cease business between July 1, 2021 and
7 November 1, 2021 shall still pay the Business Registration Fee for the Registration Year
8 ending June 30, 2022 and file any necessary forms to accompany that payment, except that
9 such payment deadline shall be extended to November 1, 2021.

10 (f) The Tax Collector shall timely issue Business Registration Certificates to all
11 Persons that choose to pay the Business Registration Fee for the Registration Year ending
12 June 30, 2022 prior to November 1, 2021.

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14 Section 4. Severability.

15 If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any
16 application thereof to any person or circumstance, is held to be invalid or unconstitutional by a
17 decision of a court of competent jurisdiction, such decision shall not affect the validity of the
18 remaining portions or applications of this ordinance. The Board of Supervisors hereby
19 declares that it would have passed this ordinance and each and every section, subsection,
20 sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to
21 whether any other portion of this ordinance or application thereof would be subsequently
22 declared invalid or unconstitutional.

1 Section 5. Effective Date. This ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4 of Supervisors overrides the Mayor's veto of the ordinance.

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

8 By: /s/
9 KERNE H. O. MATSUBARA
Deputy City Attorney

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