

File No. 100008

Committee Item No. 4

Board Item No. 17

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

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

Board of Supervisors Meeting Date 04/20/10

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 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 13</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.

| 7 | TYPE OF PERMIT | FILING FEE |
|----|--------------------------------------|-------------------------|
| 8 | Amusement Park | \$ <u>0 310</u> |
| 9 | Antique Shop | <u>0 53</u> |
| 10 | Auto Wrecker | 408 |
| 11 | Ball or Ring Throwing Games | <u>0 136</u> |
| 12 | Balloon and Kite Advertising | <u>0 75 per quarter</u> |
| 13 | Billiard Parlor | |
| 14 | First Table | 125 |
| 15 | Each Additional Table | 12 |
| 16 | Bingo Game | <u>0 66</u> |
| 17 | Circus | <u>0 275 per day</u> |
| 18 | Dance Hall Keeper | 354 |
| 19 | Dealer in Firearms and/or Ammunition | 378 |
| 20 | Discharge of Cannon | 41 per day |
| 21 | Distributor of Advertising | |
| 22 | Class A | 112 |
| 23 | Class B | 29 |
| 24 | Driverless Auto Rental | 269 |
| 25 | 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.~~

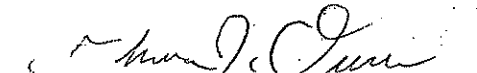
4 ~~(a) Notwithstanding any other provision of law, it is the intent of the Board of Supervisors that~~
5 ~~the following fee not only pays for the costs of processing the permit and regulating this activity, but~~
6 ~~also generates revenue. The Board of Supervisors finds that this fee has, in the past, 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.~~

18
19 / / /
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.

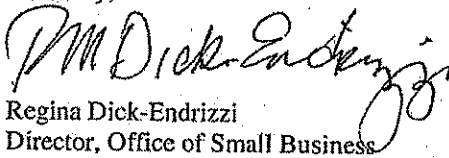
Small Business Commission Recommendation: **Approval**

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