

LEGISLATIVE DIGEST

[Business and Tax Regulations Code - Parking Tax Exemption for Certain Parking Events on School District Property]

Ordinance amending the Business and Tax Regulations Code to exempt, from the parking tax and certain other requirements, a limited number of special parking events operated by volunteer-led non-profit organizations on School District property for the benefit of San Francisco public schools and earning less than \$10,000 per event from Rent; establishing Special School Parking Event Permits issued by the Tax Collector; and establishing a sunset date.

Existing Law

The Business and Tax Regulations Code imposes a tax on the rent of every occupancy of parking space in a parking station in the City. The parking station operator must collect the tax from the occupant along with the rent for the parking space, and remits the tax to the City. Revenue control equipment ("RCE") requirements apply to all parking stations. The Police Code requires that Operators obtain a commercial parking permit. (Section 1215)

The Business and Tax Regulations Code formerly provided an exemption from the parking tax and associated requirements for a limited number of special parking events operated by volunteer led non-profit organizations on San Francisco Unified School District property for the sole benefit of San Francisco public schools and earning less than \$10,000 in gross revenue per event. The exemption sunsetted on December 31, 2015.

Amendments to Current Law

This Ordinance will reenact the expired exemption, through 2025. This ordinance shall be retroactive to January 1, 2016. The Tax Collector will issue School Parking Permits for parking events that meet the following criteria:

- The parking event must be conducted on School District property.
- The parking event must be conducted by volunteers of an entity that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.
- Earnings from the parking event must be for the sole benefit of one or more San Francisco public schools.
- Gross revenue from the parking event may not exceed \$10,000.
- A maximum of 150 permits for such parking events will be issued annually.

Organizations that are issued School Parking Permits will be required to report gross revenues on all permits annually to the Tax Collector.

Background Information

Many San Francisco schools hold special parking events on School District property. The parking events are operated by the volunteers of non-profit organizations, such as Parent Teacher Associations, to raise supplemental revenue for the schools to compensate for budget shortfalls. Exempting such events from the parking tax will allow public schools to reap the full benefit of these volunteer fundraising events.

n:\legana\as2016\1600361\01077188.docx