LEGISLATIVE DIGEST

[Administrative, Business and Tax Regulations, Fire, Health, and Police Codes - Business License Fees]

**Ordinance amending various sections of the San Francisco Business and Tax Regulations Code, Administrative Code, Fire Code, Health Code, and Police Code to:
1) establish March 31 as the date for the annual renewal of certain business licenses;
2) apply a schedule of penalties for failure to timely renew certain business licenses;
3) require Departments to post current business license fees on their website; and
4) to recategorize certain Health Code fees to reflect actual inspection costs.**

Existing Law

Under current law, annual license fees are due and payable either on the first day of January, April, July or October. In addition, licenses are provided by location. As a result, a licensee may receive several bills during the year, for various activities involved in conducting a single business. If the licensee owns more than one business or facility, he/she will receive numerous bills at each location at various times during the year.

A "permit" is the one-time authorization to perform an act or conduct a business activity. A "license" is an annual renewal of the permit. Currently, the Office of the Treasurer and Tax Collector bills and collects fees for some, but not all, license renewals based on information from regulatory departments. The departments that issue the permits collect other license fees.

Amendments to Current Law

This ordinance establishes March 31 as the due date for all license fees collected by the Office of the Treasurer and Tax Collector. The license fees subject to this ordinance are found in the Business and Tax Regulations Code, Administrative Code, Fire Code, Health Code, and Police Code. This ordinance does not create new fees.

The proposed changes will facilitate the administration of annual license renewals by establishing one mailing address based on licensee, rather than location, and establishing one billing period per year, so that one payment may be submitted for multiple licenses and/or multiple locations operated by a single licensee. The ordinance also clarifies the manner that penalties apply to delinquent accounts, without changing the amount of the penalties. It notifies licensees that the license fee may be adjusted for cost increases and requires departments to post the current amount of the fees that they administer on their websites. In addition, the ordinance updates outdated licensing provisions.

Background Information

The City regulates local business practices that impact the general welfare by issuing permits and requiring annual license renewals. Annual license fees allow the City to recover the cost of the inspections and verifications conducted by the various permitting departments.

The Business and Tax Regulations Code includes Article 1: Permit Procedures and Article 2: License Fees. However, regulations for permits and licenses are found in the Administrative Code, Fire Code, Health Code, and Police Code. The Office of the Treasurer and Tax Collector is responsible for billing and collecting most of the license fees authorized in the City's codes.

Currently, a single licensee with multiple locations and permitted uses receives several bills; one for each location and use. For example, a gas station with only one facility may receive bills for fuel tanks, gas distribution, candy and snack sales and tobacco product sales. Each of these licenses expires and renewal fees are due on a different month of the year.

The proposed amendment will enable the Office of the Treasurer and Tax Collector to issue a consolidated bill to each licensee. A consolidated license bill will facilitate administrative verification that licensees have complied with all City ordinances and that their licenses are current. The proposed amendments and accompanying administrative changes will result in easier compliance for licensees and enhanced enforcement for the City. Better management of delinquent accounts should increase fee collections.