

1 [Submission of Parking Tax Increase and Tax on Valet Services to Voters]

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3 **Motion ordering submitted to the voters an ordinance authorizing the " Ordinance**
4 **amending Sections 602 and 602.5 of Article 9 of the Business and Tax Regulations**
5 **Code (Tax on Occupancy of Parking Space in Parking Station) to increase the tax rate**
6 **from 15 percent to 25 percent, making the total tax rate, including the existing**
7 **surcharge, 35 percent; amending Section 601 to clarify the definition of "Operator" and**
8 **"Occupant" and to add a new definition of "Valet Parking Service Provider"; and adding**
9 **Section 602B to impose an additional tax of 35 percent on gross receipts from valet**
10 **parking services" at an election to be held on November 2, 2010.**

11

12 MOVED, That the Board of Supervisors hereby submits the following ordinance to the
13 voters of the City and County of San Francisco, at an election to be held on November 2,
14 2010.

15

16 **Ordinance amending Sections 602 and 602.5 of Article 9 of the Business and Tax**
17 **Regulations Code (Tax on Occupancy of Parking Space in Parking Station) to increase**
18 **the tax rate from 15 percent to 25 percent, making the total tax rate, including the**
19 **existing surcharge, 35 percent; amending Section 601 to clarify the definition of**
20 **"Operator" and "Occupant" and to add a new definition of "Valet Parking Service**
21 **Provider," and adding Section 602B to impose an additional tax of 35 percent on gross**
22 **receipts from valet parking services.**

23 NOTE: Additions are *single-underline italics Times New Roman*;
24 deletions are ~~*strike-through italics Times New Roman*~~.

25

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

1 Section 1. Pursuant to Article XIIC of the Constitution of the State of California, this
2 ordinance shall be submitted to the qualified electors of the City and County of San Francisco,
3 at the November 2, 2010 consolidated general election and shall become operative only if
4 approved by the qualified electors at that election.

5 Section 2. The San Francisco Business and Tax Regulations Code is hereby amended
6 by amending Sections 601, 602, and 602.5 and by adding Section 602B to read as follows:

7 SEC. 601. ADDITIONAL DEFINITIONS.

8 When used in this Article the following terms shall mean or include:

9 (a) "Operator." Any person operating a ~~parking station~~ Parking Station in the City and
10 County of San Francisco, including but not limited to, the owner or proprietor of such
11 premises, lessee, sublessee, mortgagee in possession, licensee, a valet parking service, or any
12 other person otherwise operating such ~~parking station~~ Parking Station. A person who otherwise
13 qualifies as an ~~operator~~ Operator as herein defined shall not, by reason of the fact that he was
14 exempt from the tax herein imposed, be exempted from the obligations of an ~~operator~~ Operator
15 hereunder.

16 (b) "Occupant." A person who, for a consideration, uses, possesses or has the right to
17 use or possess any space for the parking of a ~~motor vehicle~~ Motor Vehicle in a ~~parking station~~
18 Parking Station under any lease, concession, permit, right of access, license to use or other
19 agreement or otherwise, including a person who delivers a Motor Vehicle to a valet parking service
20 for parking.

21 (c) "Occupancy." The use or possession or the right to the use or possession of any
22 space for the parking of a ~~motor vehicle~~ Motor Vehicle in a ~~parking station~~ Parking Station.

23 (d) "Parking Station." The term "~~parking station~~ Parking Station" shall include, but is not
24 limited to:

1 (1) Any outdoor space or uncovered plot, place, lot, parcel, yard or enclosure, or
2 any portion thereof, where ~~motor vehicles~~ Motor Vehicles may be parked, stored, housed
3 or kept, for which any charge is made;

4 (2) Any building or structure, or any portion thereof in which ~~motor vehicles~~ Motor
5 Vehicles may be parked, stored, housed or kept, for which any charge is made.

6 (e) "Motor Vehicle." The term "~~motor vehicle~~ Motor Vehicle" includes every self-propelled
7 vehicle operated or suitable for operation on the highway.

8 (f) "Rent." The consideration received for ~~occupancy~~ Occupancy valued in money,
9 whether received in money or otherwise, including all receipts, cash, credits and property or
10 services of any kind or nature, and also the amount for which credit is allowed by the ~~operator~~
11 Operator to the ~~occupant~~ Occupant without any deduction therefrom whatsoever.

12 (g) "Parking Meter." Any device which, when the recording device thereof is set in
13 motion, or immediately following the deposit of any coin, shall register the period of time that
14 any ~~motor vehicle~~ Motor Vehicle may be parked adjacent thereto.

15 (h) "Valet Parking Service Provider." A business that offers valet parking services, such as
16 parking, storing or retrieving Motor Vehicles.

17 SEC. 602. - IMPOSITION AND RATE OF TAX.

18 Subject to the provisions of this Article, there is hereby imposed a tax of ~~15~~25 percent
19 for the ~~rent~~ Rent of every ~~occupancy~~ Occupancy of parking space in a ~~parking station~~ Parking
20 Station in the City and County.

21 SEC. 602.5. - IMPOSITION OF A ~~10~~ 10 PERCENT SURCHARGE.

22 There shall be an additional tax of 10 percent on the ~~rent~~ Rent of every ~~occupancy~~
23 Occupancy of parking space in a ~~parking station~~ Parking Station in the City and County of
24 San Francisco on and after July 1, 1980. The total tax on the ~~rent~~ Rent of every ~~occupancy~~
25 Occupancy after ~~the effective date of this surcharge~~ January 1, 2011 shall be ~~25~~35 percent.

1 When ~~rent~~Rent is paid, charged, billed or falls due on either a weekly, monthly or other
2 term basis, the ~~rent~~Rent so paid, charged, billed or falling due shall be subject to the tax of
3 15 percent herein imposed to the extent that it covers any portion of the period prior to July 1,
4 1980, ~~and~~ to the tax of 15 percent herein plus the amount of surcharge imposed to the extent
5 that it covers any portion of the period on and after July 1, 1980, and to the tax of 25 percent
6 herein plus the amount of surcharge imposed to the extent that it covers any portion of the period on
7 and after January 1, 2011, and such payment, charge, bill or ~~rent~~Rent due shall be apportioned
8 on the basis of the ratio of the number of days falling within said periods to the total number of
9 days covered thereby. Where any tax has been paid hereunder upon any ~~rent~~Rent without any
10 right of ~~occupancy~~Occupancy therefor, the Tax Collector may by regulation provide for credit or
11 refund of the amount of such tax upon application therefor as provided in this Code.

12 The surcharge tax so collected shall be deposited in the General Fund subject to
13 appropriation pursuant to the budget and fiscal provisions of the Charter.

14 By adopting this ordinance the People of the City and County of San Francisco do not
15 intend to limit or in any way curtail any powers the Board of Supervisors may exercise as to
16 the subject matter of this ordinance, including, but not limited to, raising the rate of taxation or
17 surcharge, lowering the rate of taxation or surcharge, eliminating the tax or surcharge, or
18 creating or defining new categories of taxpayers under this ordinance.

19 SEC. 602B. ADDITIONAL TAX ON VALET PARKING SERVICES.

20 (a) In addition to the tax on the use or Occupancy of parking space, there is hereby imposed on
21 Valet Parking Service Providers a tax of 35 percent of gross receipts that a Valet Parking Service
22 Provider receives from all charges for valet parking services, including but not limited to any fee or
23 charge, on either an hourly rate, flat fee or other basis for services that a Valet Parking Service
24 Provider provides to park, store or retrieve Motor Vehicles, regardless of who arranges for the services
25 or at what venue the valet parking service offers the services and regardless of whether the valet

1 parking service charges the fee to the person in possession of the vehicle or to someone else. Charges
2 that a parking facility open to the public makes, whether on a transaction by transaction, monthly or
3 other basis, where the vehicle owner drives the vehicle to the entrance of a parking facility and the
4 attendant parks the vehicle are rent for occupancy of parking space and are not charges for valet
5 parking services.

6 (b) The Valet Parking Service Provider shall remit the tax to the Tax Collector in the same
7 manner that it remits the Tax on the Occupancy of Parking Space. The Valet Parking Service Provider
8 may deduct from the tax due on the Occupancy of parking space, any tax that it pays on the Occupancy
9 of parking space in a Parking Station, provided it proves to the satisfaction of the Tax Collector, that
10 the tax deducted has been reported and remitted to the Tax Collector by the Parking Station Operator.

11 Section 3. The operative date of this ordinance will be January 1, 2011.

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13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

15 By: _____
16 JEAN H. ALEXANDER
17 Deputy City Attorney