

LEGISLATIVE DIGEST

[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.

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**.
- \$631 permit fee and \$269 annual license fee for **car rental companies**.
- \$357 permit fee and \$40 annual license fee for **fortunetellers**.
- \$945 permit fee and \$454 annual license fee for **junk dealers**.
- \$775 permit fee and \$582 annual license fee for **mobile caterers**.
- \$73 permit fee for **transfer of a mobile caterer's stop**.
- \$763 permit fee and \$447 annual license fee for **pawnbrokers**.
- \$525 permit fee and \$624 annual license fee for **peddlers selling food for human consumption**.
- \$53 annual license fee for **antique shops**.
- \$408 annual license fee for **auto wreckers**.
- \$96 annual license fee for **funeral procession escorts**.
- \$128 annual license fee for **tour guides**.
- \$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**.
- \$41 annual license fee for a **mobile caterer's assistant**.
- \$624 annual license fee for **peddlers selling fish, vegetables, or fruit**, and \$139 annual license fee for **peddlers selling nonfood items**.
- \$22 annual license fee for **pedicab drivers**.
- \$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 certain revenues fees:

- 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.
- \$7,000 fee on **issuance of a mobile caterer permit**, and \$500 fee on **transfer of the permit**.
- \$6,000 fee on **issuance of a pawnbroker permit**, and \$6,000 fee on **transfer of the permit**.

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 fees on closing-out sales, mobile caterer permits, and pawnbroker permits, it could not re-impose those fees without voter approval, or at least any portion of those fees that would exceed the City's administrative and regulatory costs.