[Business and Tax Regulations Code - Extending Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses]

Ordinance amending the Business and Tax Regulations Code to extend~~, through June 30, 2027,~~ the waiver of certain first-year permit, license, and business registration fees for specified small businesses that newly form or that open a new location until the earlier of: July 1, 2027, or the date on which all funds appropriated to reimburse departments for the waived fees have been expended.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Article 2 of the Business and Tax Regulations Code is hereby amended by revising Section 76.3, to read as follows:

SEC. 76.3. WAIVER OF FIRST-YEAR PERMIT, LICENSE, AND BUSINESS REGISTRATION FEES.

(a) **Definitions**. Unless otherwise defined in this Section 76.3, the terms used in this Section shall have the meanings given to them in Article 6 of the Business and Tax Regulations Code, as amended from time to time. For purposes of this Section 76.3, the following definitions shall apply:

"Business Registration Certificate" means a "registration certificate," as defined in Section 852.2 of Article 12 of the Business and Tax Regulations Code, as may be amended from time to time.

"Business Registration Fee" means the tax imposed under Article 12 of the Business and Tax Regulations Code, as may be amended from time to time.

"City Departments" means the departments and agencies that issue any permit, license, or Business Registration Certificate, including but not limited to the Planning Department, Department of Building Inspection, Fire Department, Department of Public Works, Department of Public Health, Police Department, Entertainment Commission, Office of Cannabis, and Office of the Treasurer and Tax Collector.

"Commercial Use" means any non-residential use, other than a use at a business location operated from a home or other residential location or for a short-term residential rental use, as that term is defined in Section 41A.4 of Chapter 41A of the Administrative Code, as may be amended from time to time.

"Gross Receipts Tax Return" means the return reporting taxes imposed by Article 12-A-1 of the Business and Tax Regulations Code and filed in accordance with Article 6 of that Code.

"License Fees" means all license fees payable to the City, including but not limited to fees payable to the City under Section 76.1 of this Article 2, relating to the operation of a business at a location that is for Commercial Use, but not including fees for licenses under Chapter 94A of the Administrative Code, as may be amended from time to time.

"Permit Fees" means the fees payable to the City upon application for and issuance of any permit, including but not limited to permits subject to Article 1 of the Business and Tax Regulations Code, for the establishment, modification, and/or operation of a Commercial Use, but not including fees for permits under Chapter 94A of the Administrative Code, as may be amended from time to time.

"Qualified Business" means either a Qualified New Business or a Qualified Business With New Location.

"Qualified Business With New Location" means a person that (1) commences business at a new business location that is for Commercial Use, as reported to the Tax Collector, after commencing business within the City at a different location, and (2) reported $5,000,000 or less in annual San Francisco Gross Receipts or estimated San Francisco Gross Receipts on its most recently filed Gross Receipts Tax Return, application for a Business Registration Certificate, or renewal of a Business Registration Certificate.

"Qualified New Business" means a person that (1) applies for an initial Business Registration Certificate in accordance with Section 856 of Article 12 of the Business and Tax Regulations Code, (2) has $5,000,000 or less in estimated San Francisco Gross Receipts for the calendar year in which the person commences business within the City, and (3) has a registered business location that is for Commercial Use as reported on the person's application for a Business Registration Certificate or any update to that registration information provided to the Tax Collector. A "Qualified New Business" shall not include a continuing business that applies for a new Business Registration Certificate as a result of a change in its ownership or the form of how the business is held.

(b) **Waiver for Qualified New Businesses**. All Permit Fees, initial License Fees, and the initial Business Registration Fee shall be waived for each Qualified New Business as follows:

(1) Permit Fees and initial License Fees shall be waived, provided the Qualified New Business has filed the application for the permit or initial license on or after July 1, 2023 and during the one-year period beginning on the date the Qualified New Business

commenced business within the City, and the Qualified New Business has a Business Registration Certificate at the time it files the application for the permit or initial license. The waiver in this Section 76.3(b)(1) shall not apply to (A) any fees for the renewal of a license or (B) any fees collected by the City on behalf of any federal, state, or other local government agency.

(2) The initial Business Registration Fee shall be waived, provided the Qualified New Business has filed the application for an initial Business Registration Certificate in accordance with Section 856 of Article 12 of the Business and Tax Regulations Code, and that application was filed on or after July 1, 2023. The waiver in this Section 76.3(b)(2) shall not apply to any fees for the renewal of a Business Registration Certificate.

(c) **Waiver for Qualified Businesses With New Location**. All Permit Fees and initial License Fees shall be waived for each Qualified Business With New Location. The waiver in this Section 76.3(c) shall apply to applications for a permit or initial license filed by the Qualified Business With New Location on or after July 1, 2023, provided the Qualified Business With New Location (1) files the application during the one-year period beginning on the date the Qualified New Business With New Location commenced business at the new business location, and (2) has registered the new business location with the Tax Collector no later than the time it files the application for the permit or initial license. The waiver in this Section 76.3(c) shall apply only to Permit Fees and initial License Fees with respect to that new business location. The waiver in this Section 76.3(c) shall not apply to (1) any fees for the renewal of a license, and (2) any fees collected by the City on behalf of any federal, state, or other local government agency.

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(j) The waiver of fees provided by this Section 76.3 shall expire by operation of law on the earlier of: (1) ~~at the end of the day~~ ~~on June 30~~ July 1, 202*7*~~*6*~~, or (2) 30 days after the Office of the Treasurer and Tax Collector provides written notice to the Board of Supervisors that all funds appropriated to reimburse departments for the waived fees have been expended. No Permit Fees, initial License Fees, or Business Registration Fees shall be waived for applications for permits, licenses, or Business Registration Certificates filed on or after the date the fee waiver under this Section 76.3 expires as provided in the previous sentence. ~~July 1, 2027~~~~*6*~~. As of December 31, 202*8*~~*7*~~, the City Attorney is authorized to cause this Section 76.3 to be removed from the Business and Tax Regulations Code.

Section 2. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the “Note” that appears under the official title of the ordinance.

Section 3. Effective Date; Retroactivity.

(a) This ordinance shall become effective ~~at 12:00 a.m.~~ on the 31st day after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

(b) If the effective date of this ordinance is on or after July 1, 2026, this ordinance, upon its effective date, shall be retroactive to July 1, 2026.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: */s/ Bradley A. Russi*
BRADLEY A. RUSSI
Deputy City Attorney