

LEGISLATIVE DIGEST

[Business and Tax Regulations and Police Codes – Parking Tax Exemption for Special Parking Events Operated by Volunteers on SFUSD Property]

Ordinance amending Article 9 of the San Francisco Business and Tax Regulations Code by: 1) amending Section 604 and adding Section 608 to exempt a limited number of special parking events operated by the volunteers of non-profit organizations on SFUSD property for the sole benefit of San Francisco public schools and earning less than \$10,000 in gross revenue per event from Rent, from the requirement to pay parking tax and other requirements; and 2) amending the San Francisco Police Code by amending Section 1215 to exempt said organizations from the requirement to obtain a commercial parking permit, establishing an alternative permitting process, and establishing a sunset date.

Existing Law

Article 9 of 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 and County. The parking station operator must collect the tax from the occupant along with the rent for the parking space. (Section 604)

Under Article 6 of the Business and Tax Regulations Code the Operator is required to hold a Certificate of Authority ("COA") to collect the tax and must obtain a parking tax bond. (Section 6.6-1) The operator remits the tax to the Tax Collector monthly. (Section 6.9-3)

Article 22 of the Business and Tax Regulations Code imposes revenue control equipment ("RCE") requirements on all parking stations based on size and mode of operation. (Sections 2203-2211)

Article 17 of the Police Code requires that Operators obtain a commercial parking permit. (Section 1215)

Amendments to Current Law

This Ordinance will establish special school parking event permits ("School Parking Permits") to exempt from the parking tax a limited number of special parking events conducted on San Francisco Unified School District property by the volunteers of a 501(c)(3) organization. Organizations that qualify for School Parking Permits will also be relieved from the obligation to obtain a COA and bond.

The Chief of Police will issue School Parking Permits for parking activity that meets the following criteria:

- The event parking must be conducted by volunteers of a 501(c)(3) organization.
- The earnings must be for the sole benefit of San Francisco public schools.
- A maximum of 150 School Parking Permits will be issued annually.
- The event must comply with RCE requirements for small attended parking stations.
- Gross revenues from parking may not exceed \$10,000 for each parking event.

Organizations that are issued School Parking Permits will be required to report gross revenues on all permits annually to the Tax Collector. The exemption will sunset in 2015, unless extended by the Board of Supervisors or the voters.

Background Information

Many San Francisco schools hold special parking events on San Francisco Unified School District ("SFUSD") property. The parking events are operated by the volunteers of non-profit organizations, such as Parent Teacher Associations ("PTAs") and Parent Teacher Organizations ("PTOs"), to raise supplemental revenue for the schools to compensate for budget shortfalls. Currently, the San Francisco Business and Tax Regulations Code requires that the organizations collect parking tax on the rent charged for parking at these events. This imposes an financial burden on the fundraising activity, which is conducted for the sole benefit of SFUSD schools. Amending the existing law will allow the schools to reap the full benefit of their efforts and to better meet the needs of their students.