

LEGISLATIVE DIGEST

[Business and Tax Regulations, Police, Planning Codes - Parking Tax Simplification for Residential Properties]

Ordinance: 1) amending the San Francisco Business and Tax Regulations Code by adding Section 609 to establish Parking Tax Simplification for Residential Properties to relieve residential property owners and managers renting five or fewer parking spaces in Parking Stations physically attached to or otherwise associated with the building from the requirement to: (a) obtain a certificate of authority, (b) make monthly tax prepayments, (c) obtain a parking tax bond, and (d) providing amnesty from parking taxes, interest, penalties and fees owed for tax periods more than 24 months prior to the effective date of the Ordinance; 2) amending the Business and Tax Regulations Code Section 2219.7 to exempt property owners and managers registered pursuant to Section 609 from the requirement to pay the Revenue Control Equipment compliance fee; 3) amending the Planning Code Section 204.5 to allow as an accessory use up to five dwelling unit parking spaces to be leased to persons living off-site anywhere in the City; 4) making conforming changes to the Planning Code Section 150(d); 5) amending the Police Code Section 1215 to eliminate the requirement to hold a commercial parking permit for property owners and managers registered pursuant to Section 609 of the Business and Tax Regulations Code; and 6) making environmental findings and findings of consistency with the general plan.

Existing Law

Currently, any person who rents parking space in a Parking Station, as defined in Article 9 of the Business and Tax Regulations Code, is required to collect the tax from the individual parking the car and remit it to the City. The operator of a Parking Station must also:

- Obtain a certificate of authority from the Tax Collector (Article 6, Section 6.6-1(a).), including executing a parking tax bond. (Section 6.6-1(h).)
- Make monthly tax prepayments and remittances to the Tax Collector. (Article 6, Section 6.9-3(a)(1).)
- Pay an annual Revenue Control Equipment ("RCE") Compliance Fee. (Article 22, Section 2219.5.)
- Apply for and maintain a commercial parking permit. (Police Code, Section 1215(b).)
- Timely collect, report, and remit any tax imposed by the Business and Tax Regulations Code. (Article 6, Section 6.6-1(f).)

Under the Planning Code, accessory parking facilities for a dwelling in a residential district are limited to off-street parking, rented for a term of no less than one month, to serve a dwelling

unit on the same lot, or on a different lot, within 1,250 feet of such parking space. (Planning Code, Section 204.5(b)(1).)

Amendments to Current Law

This Ordinance will amend the current law to establish simplified parking tax reporting for the owner or manager of a residential building, who operates a Parking Station that is a part of the residential building, is on the same parcel, or is located within 50 feet of the property line of the building. Residential building owners and managers shall be relieved of the requirements to obtain a certificate of authority and a commercial parking permit, make prepayments, and pay the RCE Compliance Fee. The owner or manager may rent no more than 5 spaces in the Parking Station to individuals who do not reside at the residential property and must meet all of the qualifications stated in the Ordinance. The Tax Collector must approve the application for parking tax simplification.

The building owner or manager that registers prior to March 30, 2013 and is approved for Parking Tax Simplification will also be eligible for amnesty from liability for delinquent parking taxes, penalties, interest and fees for tax periods more than 24 months prior to the effective date of the Ordinance.

The Planning Code is amended to permit a building owner or manager to rent up to 5 parking spaces, in a Parking Station that has been approved for Parking Tax Simplification, to anyone that lives in the City, in addition to the parking that is currently permitted under the Code.

The text of certain provisions of Section 1215, not affected by this Ordinance, have been updated to reflect the changes made to Section 1215 by Ordinance 87-12, effective June 13, 2012.

Background Information

Current City law treats large commercial operators of garages and small property owners the same for the purposes of the parking tax. Many small property owners rent at least one parking space to non-residents, but do not register with the City or collect and remit parking tax, possibly because they are not aware of the requirements. In order to encourage residential property owners to come forward, to register with the City, and to start collecting parking tax, this Ordinance will simplify the process for collecting and reporting parking tax and forgive taxes for tax periods 24 months prior to the effective date of the Ordinance.