

LEGISLATIVE DIGEST

[Business and Tax Regulations, Planning, and Police Codes - Renting Parking Spaces at Residential Properties to Non-Residents]

Ordinance amending the Business and Tax Regulations, Planning, and Police Codes to change the limits of Parking Tax Occupancy Simplification for Residential Properties by increasing, from five to 10, the number of parking spaces residential buildings may rent to non-residents and increasing the gross revenue they may earn from rent from \$4,000 to \$12,000 per quarter and from \$15,000 to \$40,000 annually; and making environmental findings and findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1.

Existing Law

Current law provides 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 are relieved of the requirements to obtain a certificate of authority and a commercial parking permit, make prepayments, and pay the Revenue Control Equipment Compliance Fee. The owner or manager may rent no more than five 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. Gross revenue from renting parking space to individuals who do not live in the building may not exceed \$4,000 per quarter or \$15,000 annually. The Tax Collector must approve the application for parking tax simplification.

A building owner or manager that registered between January 1, 2013 and June 30, 2013 and was approved for Parking Tax Simplification is eligible for amnesty from liability for penalties, interest and fees due prior to June 30, 2013 and from all parking taxes due for periods ending before April 1, 2011.

Under the Planning Code, a building owner or manager is permitted to rent up to five 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.

Amendments to Current Law

This ordinance will increase the number of parking spaces that property owners and managers of residential buildings may rent to non-residents under the Parking Tax Simplification program from five spaces to 10 spaces. The ordinance will increase the amount of gross receipts that the owner or manager may earn renting parking spaces to non-residents from \$4,000 per quarter to \$12,000 per quarter and from \$15,000 annually to \$40,000 annually.

Background Information

In 2012, the City established parking space occupancy tax simplification for residential properties. Its purpose was to encourage small property owners to register with the City and to begin collecting and remitting parking tax. For the purposes of simplification, the City considered small property owners those who rented five parking spots or fewer and earned less than \$4,000 per quarter and \$15,000 per year. Many small property owners rent up to 10 parking spaces.