

Committee Item No. 8  
Board Item No. 8

## AGENDA PACKET CONTENTS LIST

**Date** January 11, 2017

Date January 24, 2017

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input type="checkbox"/>	<input type="checkbox"/>	Resolution
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Ordinance
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

[illegible]

**Date** January 6, 2017

Date January 17, 2017

[Business and Tax Regulations Code - Revising Administrative Citation Rules]

**Ordinance amending the Business and Tax Regulations Code to limit the late fee on unpaid administrative penalties to 40% of the administrative penalty assessed; and to modify the methods by which an administrative citation may be served.**

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. The Business and Tax Regulations Code is hereby amended by revising Sections 6.19-4 and 6.19-6, to read as follows:

**SEC. 6.19-4. VIOLATIONS.**

**(a) Separate and Continuing Violations; Penalties Paid Do Not Cure Violations.**

Each ~~and every~~ day that a violation exists constitutes a separate and distinct offense. Each section violated constitutes a separate violation for any day at issue. If the person or persons responsible for a violation fail to correct the violation, subsequent administrative citations may be issued for the same violation(s). Payment of the penalty shall not excuse the failure to correct the violation nor shall it bar any further enforcement action by the City. If penalties and costs are the subject of administrative appeal or judicial review, then the accrual of such penalties and costs shall be stayed until the determination of such appeal or review is final.

**(b) Payments to City; Due Date; Late Payment Penalty.** All penalties assessed shall be payable to the City and County. Administrative penalties and costs assessed by

means of an administrative citation shall be due within 30 days from the date of the citation. The failure of any person to pay an administrative penalty and costs within that time shall result in the assessment of an additional late fee. The amount of the late fee shall be 10% ~~percent~~ of the total amount of the administrative penalty assessed for each month the penalty and any already accrued late payment penalty remains unpaid, up to a maximum of 40% of the total amount of the administrative penalty.

(c) **Collection of Penalties; Special Assessments.** The failure of any person to pay a penalty assessed by administrative citation within the time specified on the citation constitutes a debt to the City. The City may file a civil action, create and impose liens as set forth below, or pursue any other legal remedy to collect such money.

(d) **Liens.** The City may create and impose liens against any property owned or operated by a person who fails to pay a penalty assessed by administrative citation. The procedures provided for in Section 6.10-3 shall govern the imposition and collection of such liens.

#### **SEC. 6.19-6. ADMINISTRATIVE CITATION; SERVICE.**

Service of an administrative citation may be accomplished as follows:

(a) The enforcement officer may obtain the signature of the person responsible for the violation to establish personal service of the citation; or

(b) ~~—(1) The enforcement officer shall post the citation by affixing the citation to a surface in a conspicuous place on the property. Conspicuous posting of the citation is not required when personal service is accomplished or when conspicuous posting poses a hardship or is excessively expensive; and~~

~~(2) The enforcement officer may shall serve the citation on the person responsible for the violation by first-class mail, as follows:~~

1 ~~\_\_\_\_\_ (i) The administrative citation shall be mailed to the person responsible for the~~  
2 ~~violation~~ by first-class mail, postage prepaid, with a declaration of service under penalty of  
3 perjury; ~~and~~

4 ~~\_\_\_\_\_ (ii) A declaration of service shall be made by the person mailing the~~  
5 administrative citation, showing the date and manner of service by mail and reciting the name  
6 and address of the citation addressee; ~~and~~

7 ~~\_\_\_\_\_ (iii) Service of the administrative citation by mail in the~~ is manner ~~described~~  
8 ~~above~~ shall be effective on the date of mailing.

9  
10 Section 2. Effective Date. This ordinance shall become effective 30 days after  
11 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
12 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
13 of Supervisors overrides the Mayor's veto of the ordinance.

14  
15 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
16 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
17 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
18 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
19 additions, and Board amendment deletions in accordance with the "Note" that appears under  
20 the official title of the ordinance.

21 APPROVED AS TO FORM:  
22 DENNIS J. HERRERA, City Attorney

23 By:

  
24 SCOTT M. REIBER  
Deputy City Attorney

25 n:\egana\as2015\1600004\01146673.docx

**LEGISLATIVE DIGEST**

[Business and Tax Regulations Code - Revising Administrative Citation Rules]

**Ordinance amending the Business and Tax Regulations Code to limit the late fee on unpaid administrative penalties to 40% of the administrative penalty assessed; and to modify the methods by which an administrative citation may be served.**

Existing Law

Existing law imposes a late fee for failure to pay an administrative penalty assessed by means of an administrative citation issued by the Office of the Treasurer and Tax Collector equal to 10% of the administrative penalty per month.

Existing law permits the Office of the Treasurer and Tax Collector to serve an administrative citation in two ways: (1) obtaining the signature of the person responsible for the violation to establish personal service of the citation; and (2) posting the citation to a conspicuous place on the property (unless doing so poses a hardship or is excessively expensive) and then serving the citation by first-class mail.

Amendments to Current Law

This ordinance would limit the late fee for failure to pay an administrative penalty assessed by means of an administrative citation issued by the Office of the Treasurer and Tax Collector to 40% of the total amount of the administrative penalty, and would eliminate the requirement in the second method of service that the citation be posted to a conspicuous place on the property.

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Office of the Treasurer & Tax Collector  
City and County of San Francisco



José Cisneros, Treasurer

November 7, 2016

Angela Calvillo  
Clerk of the Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Attached please find an original and one copy of proposed ordinance for Board of Supervisors approval, which amends the Business and Tax Regulations Code to limit the late fee on unpaid administrative penalties to 40 percent of the administrative penalty assessed, and to modify the methods by which and administrative citation may be served.

If you have any questions on this matter, please contact me at (415) 554-0889, or [Amanda.fried@sfgov.org](mailto:Amanda.fried@sfgov.org).

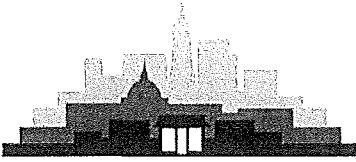
Thank you,

A handwritten signature in black ink, appearing to read "Amanda Kahn Fried", with a long, sweeping horizontal line extending to the right.

Amanda Kahn Fried

Policy and Legislative Manager

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2016 NOV -7 AM 11:38  
BY [signature]



**OFFICE OF SMALL BUSINESS**

CITY AND COUNTY OF SAN FRANCISCO  
EDWIN M. LEE, MAYOR

OFFICE OF SMALL BUSINESS  
REGINA DICK-ENDRIZZI, DIRECTOR

January 10, 2017

Ms. Angela Calvillo, Clerk of the Board  
City Hall Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

RE: BOS File No. 161226 [Business and Tax Regulations Code - Revising Administrative Citation Rules]

Small Business Commission Recommendation to the Board of Supervisors: **Approval**

Dear Ms. Calvillo,

On December 12, 2016, the Small Business Commission voted unanimously (6-0, 1 absent) to recommend that the Board of Supervisors approve BOS File No. 161226.

The Commission commends the Office of the Treasurer and Tax Collector for its receptiveness to feedback from the small businesses community's leadership and for its ensuing efforts to reduce burdensome fees and administrative requirements that create hardships for small businesses. Under existing law, the Office of the Treasurer and Tax Collector issues about 1,500 administrative citations annually to enforce violations of the Business and Tax Code, such as not posting a business registration certificate. A business has 30 days to remedy the citation, which includes administrative penalties and cost assessed in issuing the citation. Presently, when businesses do not pay within 30 days of the issuance of the citation, a late fee of 10 percent is applied to the total financial obligations of the citation, and an additional 10 percent continues to be assessed for each month the penalty goes unpaid, with no maximum. The proposed legislation limits the late fee to 40 percent of the total amount of the administrative penalty and modifies public noticing requirements. The Commission is supportive of this proposal to reduce excessive penalties and streamline procedures at the Office of the Treasurer and Tax Collector.

Thank you for considering the Commission's recommendation for approval. Please feel free to contact me should you have any questions.

Sincerely,

Regina Dick-Endrizzi  
Director, Office of Small Business

cc: Amanda Fried, Office of the Treasurer and Tax Collector  
Mawuli Tugbenyoh, Office of the Mayor  
Lisa Pagan, Office of Economic and Workforce Development  
Linda Wong, Budget & Finance Committee

