File No.
 210741
 Committee Item No.
 1
 Board Item No.

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: <u>Budget & Finance Committee</u>

Date July 21, 2021

Board of Supervisors	Meeting
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Date	

Cmte Board

	Motion Resolution Ordinance Legislative Digest Budget and Legislat Youth Commission I Introduction Form Department/Agency MOU Grant Information For Grant Budget Subcontract Budget Contract/Agreement Form 126 – Ethics C Award Letter Application Public Corresponder	Report Cover Letter and/c orm ommission	
OTHER	(Use back side if add	litional space is ne	July 15, 2021
	by: Linda Wong by: Linda Wong	Date Date	July 13, 2021

ØĞŠÒÁÞUÈÁKGF€ÏIFÁ

ÀÓÓVVQTTUÔÀ QÀÖÓÖ⊲Ó EO À EDE DE TE À À U QÀÓÔ GEO QB DÖÜU

FÁ	Ž⁄æą̃^¦Áį,ÁŲ́^¦{ adĖŠã&^}•^Éæ) åÁÓ •ã,^••ÁÜ^*ã dæaąį}ÁØ^^•Á[¦Á <u>Ô^¦æaą́ Á</u> Þ^, ÁÙ{ a¢ Á
GÁ	Ó°•ąĨ^••∆ <u>•ÁŠ[&æaā]}•</u> áÅ
HÁ	Ordinance waiving certain first-year permit, license, and business registration fees for
١Á	businesses that <u>either (1) commence engaging</u> in business within the City from
ÍÁ	November 1, 2021 through October 31, 2022, have estimated first-year San Francisco
ÎÁ	gross receipts of \$2,000,000 or less, and have a registered business location that is for
ΪÁ	storefrontground floor commercial use and not formula retail uses, and have gross
ÌÁ	receipts in the next three tax years of \$10,000,000 or less, or (2) open a new business
JÁ	location for ground floor commercial use and not formula retail use, reported
F€Á	San Francisco gross receipts of \$2,000,000 or less on its most recent return, and have
FFÁ	gross receipts in the next three tax years of \$10,000,000 or less; and refunding any
FGÁ	waived fees paid to the City.
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1 and initial License Fees with respect to the new business location that is for ground floor

- 2 Commercial Use opened by that Qualified Business With New Location on or after
- 3 November 1, 2021 and on or before October 31, 2022. The waiver in this Section 3(b) shall
- 4 not apply to (1) any fees for the renewal of a license, and (2) any fees collected by the City on
- 5 <u>behalf of any federal, state, or other local government or agency.</u>
- 6 (c) (1) If the Tax Collector determines, based on any information in the Tax
- 7 <u>Collector's possession or that may come into the Tax Collector's possession, that a Person</u>
- 8 claiming a waiver under Section 3(a) or (3)(b) of this ordinance was not entitled to that waiver.
- 9 the Tax Collector shall issue a determination to such Person voiding the waiver, and
- 10 demanding payment of the unpaid Permit Fees, License Fees, and/or Business Registration
- 11 <u>Fee, plus penalties and interest accruing on such fees under Business and Tax Regulations</u>
- 12 Code Section 6.17-1.1, calculated based on the original due date of the applicable fee. Such
- 13 notice shall be issued under the rules in Section 6.11-2(b) and (c) of the Business and Tax
- 14 <u>Regulations Code.</u>
- 15 (2) Except in the case of fraud, or in the case of an intent to evade this
- 16 ordinance, the Business and Tax Regulations Code, or rules and regulations issued or
- 17 promulgated by the Tax Collector, in all of which cases there is no statute of limitations, every
- 18 <u>Tax Collector determination under Section 3(c)(1) shall be served within three years after the</u>
- 19 date that the Person claimed the waiver under Section 3(a) or (3)(b). The Person may agree
- 20 in writing to extend this three-year period for service of a notice of a determination.
- 21 (3) All Tax Collector determinations under this Section 3(c) shall be final and
- 22 are immediately due and payable to the Office of the Treasurer and Tax Collector. Any
- 23 Person that wishes to challenge a Tax Collector determination under this Section 3(c) must
- 24 pay the taxes, penalties, and interest due and file a claim for refund with the Controller under
- 25 Government Code Sections 900 et seq.

1	(d) (1) If a Qualified Business has more than \$10,000,000 in San Francisco Gross
2	Receipts in the calendar year of, or in any Tax Year during the three full-year Tax Years
3	following, the date the Qualified Business commenced business within San Francisco or
4	opened a new business location for ground floor Commercial Use, as applicable, any waiver
5	under Section 3(a) or Section 3(b) of this ordinance shall be revoked retroactively for that
6	Qualified Business.
7	(2) The Tax Collector shall issue a determination that the Qualified Business
8	exceeded the \$10,000,000 threshold in Section (3)(d)(1) of this ordinance, which
9	determination may be based on the Qualified Business's Gross Receipts Tax Return or any
10	other information in the Tax Collector's possession or that may come into the Tax Collector's
11	possession. Such notice shall be issued under the rules in Section 6.11-2(b) and (c) of the
12	Business and Tax Regulations Code.
13	(3) Except in the case of fraud, or in the case of an intent to evade this
14	ordinance, the Business and Tax Regulations Code, or rules and regulations issued or
15	promulgated by the Tax Collector, or in the case of failure to file a Gross Receipts Tax Return
16	for the Tax Year in which the Qualified Business exceeded the \$10,000,000 threshold, in all of
17	which cases there is no statute of limitations, every Tax Collector determination under this
18	Section 3(d) shall be served within three years after the date that a Gross Receipts Tax
19	Return was due for the Tax Year in which the Qualified Business exceeded the \$10,000,000
20	threshold or three years after that return was filed for that period, whichever is later. The
21	Qualified Business may agree in writing to extend this three-year period for service of a notice
22	of a determination.
23	(4) A Qualified Business may petition the Tax Collector for a redetermination of
24	the determination issued under this Section 3(d) under the rules in Business and Tax
25	Regulations Code Sections 6.13-1 through 6.13-6. The full amount of any Permit Fees.

1 License Fees, and/or Business Registration Fee waived under Section 3(a) or Section 3(b) 2 and revoked under this Section 3(d) shall be due and payable without interest by the Qualified 3 Business to the Office of the Treasurer and Tax Collector upon the later of the expiration of the period for filing a petition for redetermination under Business and Tax Regulations Code 4 5 Section 6.13-1, and the date the Tax Collector's decision on a timely filed petition for redetermination becomes final under Business and Tax Regulations Code Section 6.13-4. 6 7 (5) A Qualified Business that fails to pay the Permit Fees, License Fees, and/or 8 Business Registration Fee due and payable by the due date under Section 3(d)(4) shall be 9 treated as delinquent and subject to the penalties and interest in Business and Tax Regulations Code Section 6.17-1.1. calculated commencing on the payment due date under 10 11 Section 3(d)(4). 12 (b) No penalties shall be imposed on a Qualified New Business with respect to the 13 payment of any fees waived under Section 3(a). A misrepresentation or misstatement by any Person regarding eligibility for the waiver authorized by Section 3(a) that results in the 14 underpayment of any Permit Fees, License Fees, and/or the Business Registration Fee shall 15 be subject to the penalties applicable to those fees. 16 17 (ee) City Departments and the Tax Collector shall implement the waiver of fees under 18 Section 3(a) and Section 3(b) and the refunding of any fees under Section 4 of this ordinance. 19 20 Section 4. Refund of Waived Fees Paid to City. Any fee waived under Section 3(a) or Section 3(b) of this ordinance that has been 21 collected by the City shall be refunded, without interest, upon request of the payer of the fee. 22 23 Any refund request under this Section 4 must be filed in writing with the Tax Collector within one year of payment of the fee. 24 25

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Section 5. Effect of Fee Waiver.

(a) Notwithstanding Article 1 and Article 2 of the Business and Tax Regulations Code,
the failure of a Person to pay any Permit Fees and/or License Fees waived under Section 3(a)
<u>and Section 3(b)</u> of this ordinance shall not preclude the Person from continuing to do or
perform the act or carry on the business, trade, profession, or calling for which City law
requires the permit or license.

(b) The waiver of a Person's Business Registration Fee under Section 3(a) of this
ordinance shall not relieve a Person from the registration and other applicable requirements
under Articles 6 and 12 of the Business and Tax Regulations Code, except for the payment of
that Person's waived Business Registration Fee. If a Person satisfies the registration and
other applicable requirements under Articles 6 and 12 of the Business and Tax Regulations
Code, except for the payment of any waived Business Registration Fee, such Person shall be
treated for all purposes as if they had paid the Business Registration Fee.

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Section 6. Information Collection and Reporting.

The Tax Collector shall collect information on the number of Qualified New-Businesses by supervisorial district that received a waiver of one or more fees under Section 3(a) <u>and</u> <u>Section 3(b)</u> of this ordinance, the business activity codes under the North American Industry Classification System of those Qualified New-Businesses by supervisorial district, and the fees and total amounts waived in the aggregate. The Tax Collector shall submit a report to the Board of Supervisors no later than <u>April</u>June 15, 2022 on the information collected for the foursix-month period, November 1, 2021 through <u>February 28April 30</u>, 2022.

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1 Section 7. Severability.

2	If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any
3	application thereof to any person or circumstance, is held to be invalid or unconstitutional by a
4	decision of a court of competent jurisdiction, such decision shall not affect the validity of the
5	remaining portions or applications of this ordinance. The Board of Supervisors hereby
6	declares that it would have passed this ordinance and each and every section, subsection,
7	sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to
8	whether any other portion of this ordinance or application thereof would be subsequently
9	declared invalid or unconstitutional.
10	
11	Section 8. Effective Date. This ordinance shall become effective 30 days after
12	enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
13	ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
14	of Supervisors overrides the Mayor's veto of the ordinance.
15	
16	APPROVED AS TO FORM:
17	DENNIS J. HERRERA, City Attorney
18	By: /s/ KERNE H. O. MATSUBARA
19	Deputy City Attorney
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LEGISLATIVE DIGEST (Amended in Committee 7/14/2021)

[Waiver of Permit, License, and Business Registration Fees for Certain New Small Business Locations]

Ordinance waiving certain first-year permit, license, and business registration fees for businesses that either (1) commence engaging in business within the City from November 1, 2021 through October 31, 2022, have estimated first-year San Francisco gross receipts of \$2,000,000 or less, have a registered business location that is for ground floor commercial use and not formula retail use, and have gross receipts in the next three tax years of \$10,000,000 or less, or (2) open a new business location for ground floor commercial use and not formula retail use, reported San Francisco gross receipts of \$2,000,000 or less on its most recent return, and have gross receipts in the next three tax years of \$10,000,000 or less; and refunding any waived fees paid to the City.

Existing Law

Persons commencing business within the City must obtain a registration certificate from the Tax Collector and pay an initial registration fee covering the period from the commencement date through the next June 30th. They must annually renew their registrations and pay a registration renewal fee for the upcoming fiscal year beginning July 1. They pay fees for the application and/or issuance of various City permits, including, for example, building permits and permits that are required to operate their business. They also pay initial license fees to operate their business and pay license renewal fees that generally are due and payable to the Tax Collector on March 31 of each year.

Amendments to Current Law

This ordinance would waive initial registration fees, initial license fees, and permit fees for each qualified new business where the applications for the business registration certificate, initial license, or permit are filed by the qualified new business on or after November 1, 2021, and on or before October 31, 2022. A qualified new business is a business that: (1) applies for a registration certificate in accordance with Section 856 of Article 12 of the Business and Tax Regulations Code indicating its date of commencing business within the City on or after November 1, 2021 and on or before October 31, 2022; (2) has \$2,000,000 or less in estimated San Francisco gross receipts for the calendar year in which the business commences within the City; and (3) has a registered business location that is for one of the following ground floor commercial uses (excluding formula retail uses): retail sales and services; entertainment, arts, and recreation; or a social service or philanthropic facility.

This ordinance would also waive the initial license fees and permit fees for each qualified business with a new location where the applications for the initial license or permit are related to the new location and are filed by the qualified business with a new location on or after

November 1, 2021, and on or before October 31, 2022. A qualified business with a new location is a business that: (1) commenced business within the City before November 1, 2021 and holds a valid business registration certificate; (b) commences business at a new business location on or after November 1, 2021 and on or before October 31, 2022, that is for one of the following ground floor commercial uses (excluding formula retail uses): retail sales and services; entertainment, arts, and recreation; or a social service or philanthropic facility; and (c) reported \$2,000,000 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 registration certificate, or renewal of a registration certificate.

Fees charged for other than registration certificates, permits, and initial licenses (e.g., impact fees) are not subject to waiver under this ordinance. The waiver for qualified new businesses and qualified businesses with a new location also would not apply to: (1) any permit issued under the Places for People Program or, if adopted, the Shared Spaces Program, under Chapter 94A of the Administrative Code; (2) the renewal of any license or registration certificate; and (3) any fees collected on behalf of any federal, state, or other local government agency. This ordinance would refund any waived fees paid to the City, upon written request of the qualified new business filed within one year of payment of the fee.

If a business originally subject to waiver has more than \$10,000,000 in San Francisco gross receipts in the calendar year of, or in any calendar year during the three full-year calendar years following, the date the business commenced business in San Francisco or opened a new qualified business location in San Francisco, any waiver under this ordinance will be revoked retroactively, and the business will be required to remit to the City all waived amounts.

Committee Amendments

The amendments in committee on July 14, 2021, did the following:

- Expanded the locations qualifying for the waiver to include ground floor businesses that are not adjacent to a public right-of-way;
- Expanded the waivers to include certain existing small businesses that open a new qualified location, in addition to new small businesses;
- Limited the types of business locations qualifying for the waiver to the following uses (excluding formula retail uses): retail sales and services; entertainment, arts, and recreation; or a social service or philanthropic facility; and
- Added provisions revoking previously granted waivers for businesses with more than \$10,000,000 in San Francisco gross receipts in the calendar year of, or in any calendar year during the three full-year tax years following, the date the business commenced in San Francisco or opened a new qualified business location in San Francisco, and requiring such businesses to pay back any such previously waived fees.

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 (Continued from July 14 meeting) EXECUTIVE SUMMARY Legisl The proposed ordinance would waive permit fees for qualified businesses for October 2022. Qualified businesses are defined as b 	ative Objectives anew business registration, new licenses fees, and all for a one-year period between November 2021 and Key Points
 EXECUTIVE SUMMARY Legisl The proposed ordinance would waive permit fees for qualified businesses October 2022. Qualified businesses are defined as b 	new business registration, new licenses fees, and all for a one-year period between November 2021 and
 The proposed ordinance would waive permit fees for qualified businesses October 2022. Qualified businesses are defined as b 	new business registration, new licenses fees, and all for a one-year period between November 2021 and
 permit fees for qualified businesses for october 2022. Qualified businesses are defined as b 	for a one-year period between November 2021 and
Qualified businesses are defined as b	Key Points
receipts in San Francisco, and (c) hav The proposed waivers would not app fees collected by the City for other gov in gross receipts in any of the three f	usinesses that (a) obtain a new business registration and October 2022, (b) have \$2 million or less in gross e a registered business location that is ground floor. ly to renewals of licenses or business registrations or remments or if businesses have more than \$10 million following years. Formula retail businesses, which are or more establishments with standardized features,
Department will create a database of	to administer the proposed waiver program. The qualifying new businesses that will enable other City permit fees to validate eligibility for the proposed
F	iscal Impact
Treasurer-Tax Collector to be between between \$7.5 million and \$12.5 mil	roposed ordinance is estimated by the Controller and en \$12 million and \$17.4 million in FY 2021-22 and lion in FY 2022-23. The range of the estimate is a nalifying businesses, which is estimated to be between ss activity.
Supervisors (File 21-0643) includes a	and Appropriation Ordinance pending at the Board of \$12 million General Fund account for this program in <i>w</i> -end estimated cost of the program in that year. The nents that waive the proposed fees.
Rec	ommendation
Because funding for the program is ir Appropriations Committee, we recomme	ncluded in the budget approved by the Budget & nd approval of the proposed ordinance.

MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance, approved by a majority of the members of the Board of Supervisors.

BACKGROUND

A Budget & Legislative Analyst's March 2021 report estimated that San Francisco businesses had between \$174.1 million \$404.5 million in unpaid commercial rent during April 2020 to December 2020 related to COVID-19. The Controller's June 2021 Report on the Status of the Re-opening of the San Francisco Economy estimated that more than 45% of the small businesses remained closed. In response to the pandemic, the Board of Supervisors has approved legislation waiving or deferring payroll taxes, business registration, and license fees for certain existing businesses during FY 2019-20 through FY 2021-22 (Files 20-1260 and 20-1415). According to the proposed ordinance, waiving registration, permit, and license fees for new small businesses will support the City's equitable economic recovery from COVID.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would waive new business registration, new licenses fees, and all permit fees for qualified businesses for a one-year period between November 2021 and October 2022. Qualified businesses are defined as businesses that (a) obtain a new business registration certificate between November 2021 and October 2022, (b) have \$2 million or less in gross receipts in San Francisco, and (c) have a registered business location that is ground floor. The proposed waivers would not apply to renewals of licenses or business registration or fees collected by the City for other governments or if businesses have more than \$10 million in San Francisco gross receipts in any of the three following years. Formula retail businesses, which are defined in Section 303.1 of the Planning Code as business that have eleven or more establishments with standardized features, do not count as qualified businesses.

Implementation

According to Ms. Amanda Fried, Chief of Policy & Communications at Treasurer-Tax Collector, the Treasurer-Tax Collector plans to administer the proposed waiver program. The Department will create a database of qualifying new businesses that will enable other City departments that collect license and permit fees to validate eligibility for the proposed waivers. As noted below, a General Fund account has been established to credit departments for waived fees.

FISCAL IMPACT

Exhibit 1 below summarizes the fiscal impact of the proposed ordinance. As noted above, qualified businesses are defined as those having a new business registration issued between November 2021 and October 2022 so that the waived fees would occur in FY 2021-22 and in FY

SAN FRANCISCO BOARD OF SUPERVISORS

2022-23. Exhibit 1 below shows the estimated value of business registration, license, and permit fees waived by the proposed ordinance in each department.

	FY 2021-22			FY 2022-23		
	Low	Mid	High	Low	Mid	High
Planning	3.61	4.21	5.26	2.25	3.01	3.76
Building Inspection	4.42	5.15	6.44	2.76	3.68	4.60
Public Health	1.50	1.75	2.19	0.94	1.25	1.56
Fire	0.48	0.56	0.71	0.30	0.40	0.50
Police	0.52	0.61	0.76	0.33	0.44	0.55
Entertainment	0.44	0.52	0.65	0.28	0.37	0.46
Public Works	0.55	0.64	0.80	0.34	0.46	0.57
Public Utilities	0.03	0.04	0.05	0.02	0.03	0.04
Treasurer	0.27	0.32	0.40	0.17	0.23	0.28
Subtotal, Fees Waived	11.83	13.81	17.26	7.40	9.86	12.33
Treasurer-Tax Collector Administrative Costs	0.17	0.17	0.17	0.12	0.12	0.12
Total Cost	12.00	13.97	17.42	7.52	9.98	12.45

Exhibit 1: Value of Fees Waived by Proposed Ordinance (\$ million)

Source: Controller and Treasurer-Tax Collector

As shown above, the value of the fees waived by the proposed ordinance is estimated by the Controller and Treasurer-Tax Collector to be between \$12 million and \$17.4 million in FY 2021-22 and between \$7.5 million and \$12.5 million in FY 2022-23. The range of the estimate is a function of the number of assumed qualifying businesses, which is estimated to be between 968 and 1,613, based on 2019 business activity.

The FY 2021-22 – FY 2022-23 Budget and Appropriation Ordinance pending at the Board of Supervisors (File 21-0643) includes a \$12 million General Fund account for this program in FY 2021-22, which would cover the low-end estimated cost of the program in that year. The funding will be used to credit departments that waive the proposed fees. To the extent that actual waived revenues exceed this appropriation, revenue shortfalls may result, which may impact current and future fiscal year budgetary planning if other revenue forecasts do not perform above budgeted levels by a like amount. Because funding for the program is included in the budget approved by the Budget & Appropriations Committee, we recommend approval of the proposed ordinance.

RECOMMENDATION

Approve the proposed ordinance.

SAN FRANCISCO BOARD OF SUPERVISORS

ГШ	e 21-0741 Department: Treasurer-Tax Collector
EX	ECUTIVE SUMMARY
	Legislative Objectives
•	The proposed ordinance would waive new business registration, new licenses fees, and al permit fees for qualified businesses for a one-year period between November 2021 and October 2022.
	Key Points
•	Qualified businesses are defined as businesses that (a) obtain a new business registration certificate between November 2021 and October 2022, (b) have \$2 million or less in gross receipts in San Francisco, and (c) have a registered business location that is ground floor or a public right of way. The proposed waivers would not apply to renewals of licenses or business registrations or fees collected by the City for other governments. Formula retain businesses, which are defined as business that have eleven or more establishments with standardized features, do not count as qualified businesses.
•	The Treasurer-Tax Collector plans to administer the proposed waiver program. The Department will create a database of qualifying new businesses that will enable other City departments that collect license and permit fees to validate eligibility for the proposed waivers.
	Fiscal Impact
•	The value of the fees waived by the proposed ordinance is estimated by the Controller and Treasurer-Tax Collector to be between \$12 million and \$17.4 million in FY 2021-22 and between \$7.5 million and \$12.5 million in FY 2022-23. The range of the estimate is a function of the number of assumed qualifying businesses, which is estimated to be between 968 and 1,613, based on 2019 business activity.
•	The FY 2021-22 – FY 2022-23 Budget and Appropriation Ordinance pending at the Board o Supervisors (File 21-0643) includes a \$12 million General Fund account for this program in FY 2021-22, which would cover the low-end estimated cost of the program in that year. The funding will be used to credit departments that waive the proposed fees.
	Recommendation
	Recommendation

MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance, approved by a majority of the members of the Board of Supervisors.

BACKGROUND

A Budget & Legislative Analyst's March 2021 report estimated that San Francisco businesses had between \$174.1 million \$404.5 million in unpaid commercial rent during April 2020 to December 2020 related to COVID-19. The Controller's June 2021 Report on the Status of the Re-opening of the San Francisco Economy estimated that more than 45% of the small businesses remained closed. In response to the pandemic, the Board of Supervisors has approved legislation waiving or deferring payroll taxes, business registration, and license fees for certain existing businesses during FY 2019-20 through FY 2021-22 (Files 20-1260 and 20-1415). According to the proposed ordinance, waiving registration, permit, and license fees for new small businesses will support the City's equitable economic recovery from COVID.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would waive new business registration, new licenses fees, and all permit fees for qualified businesses for a one-year period between November 2021 and October 2022. Qualified businesses are defined as businesses that (a) obtain a new business registration certificate between November 2021 and October 2022, (b) have \$2 million or less in gross receipts in San Francisco, and (c) have a registered business location that is ground floor on a public right of way. The proposed waivers would not apply to renewals of licenses or business registration or fees collected by the City for other governments. Formula retail businesses, which are defined in Section 303.1 of the Planning Code as business that have eleven or more establishments with standardized features, do not count as qualified businesses.

Implementation

According to Ms. Amanda Fried, Chief of Policy & Communications at Treasurer-Tax Collector, the Treasurer-Tax Collector plans to administer the proposed waiver program. The Department will create a database of qualifying new businesses that will enable other City departments that collect license and permit fees to validate eligibility for the proposed waivers. As noted below, a General Fund account has been established to credit departments for waived fees.

Potential Amendment

According to the sponsor's office, amendments may be proposed in the July 14, 2021 Budget & Finance Committee meeting that include a revision to the definition of qualified businesses to exclude businesses that generate more than \$10 million in gross receipts in any of the three proceeding tax years.

FISCAL IMPACT

Exhibit 1 below summarizes the fiscal impact of the proposed ordinance. As noted above, qualified businesses are defined as those having a new business registration issued between November 2021 and October 2022 so that the waived fees would occur in FY 2021-22 and in FY 2022-23. Exhibit 1 below shows the estimated value of business registration, license, and permit fees waived by the proposed ordinance in each department.

	FY 2021-22			FY 2022-23		
	Low	Mid	High	Low	Mid	High
Planning	3.61	4.21	5.26	2.25	3.01	3.76
Building Inspection	4.42	5.15	6.44	2.76	3.68	4.60
Public Health	1.50	1.75	2.19	0.94	1.25	1.56
Fire	0.48	0.56	0.71	0.30	0.40	0.50
Police	0.52	0.61	0.76	0.33	0.44	0.55
Entertainment	0.44	0.52	0.65	0.28	0.37	0.46
Public Works	0.55	0.64	0.80	0.34	0.46	0.57
Public Utilities	0.03	0.04	0.05	0.02	0.03	0.04
Treasurer	0.27	0.32	0.40	0.17	0.23	0.28
Subtotal, Fees Waived	11.83	13.81	17.26	7.40	9.86	12.33
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The FY 2021-22 – FY 2022-23 Budget and Appropriation Ordinance pending at the Board of Supervisors (File 21-0643) includes a \$12 million General Fund account for this program in FY 2021-22, which would cover the low-end estimated cost of the program in that year. The funding will be used to credit departments that waive the proposed fees. To the extent that actual waived revenues exceed this appropriation, revenue shortfalls may result, which may impact current and future fiscal year budgetary planning if other revenue forecasts do not perform above budgeted levels by a like amount. Because funding for the program is included in the budget approved by the Budget & Appropriations Committee, we recommend approval of the proposed ordinance.

RECOMMENDATION

Approve the proposed ordinance.

SAN FRANCISCO BOARD OF SUPERVISORS



OFFICE OF SMALL BUSINESS REGINA DICK-ENDRIZZI, DIRECTOR

July 13, 2021

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. 210741: Waiver of Permit, License, and Business Registration Fees for New Small Businesses. Small Business Commission Recommendation to the Board of Supervisors: **Approve** This motion passed 5 to 0, with 2 absent.

Dear Ms. Calvillo,

On July 13, 2021, the Small Business Commission (SBC) conducted a duly noticed public hearing at a regularly scheduled meeting for BOS File No 210741: Waiver of Permit, License, and Business Registration Fees for New Small Businesses.

The SBC recommends the Board of Supervisor approve this ordinance. Incentivizing new businesses to open, particularly in ground floor commercial space will aid in San Francisco's rebuilding and economic recovery. These fee waivers will most definitely help to fill the vacancies that have resulted due to the pandemic, and it demonstrates the City's commitment in supporting equity owned businesses. The Small Business Commission thanks Supervisor Ronen, the Mayor and the full Board of Supervisors for securing \$12 million to fund the waivers.

The Small Business Assistance, in the Office of Small Business is now open to the public for walk-in business assistance and the majority of the counseling session are with individuals interested in opening a new business, with a significant number of sessions being conducted in Spanish and Chinese.

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

Sincerely,

AMDick Lidenzi

Regina Dick-Endrizzi Director, Office of Small Business

cc: Hillary Ronen, Member, Board of Supervisors, Sophia Kittler, Mayor's Liaison to the Board of Supervisors Lisa Pagan, Office of Economic and Workforce Development Linda Wong, Clerk of the Budget and Finance Committee President, District 10 BOARD of SUPERVISORS



City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102-4689 Tel. No. 554-6516 Fax No. 554-7674 TDD/TTY No. 544-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: 6/30/2021

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

	File N	0.	210741		Ronen (Primary Sponsor)		
	Title.	Waiver of Businesses		and Bu	siness Registration F	ees foi	r New S	mall
Χ	Transferr	ing (Board Ru	ule No 3.3)					
	File N	о.	210741		Ronen	<u></u>		
	Title.	Waiver of Businesses		and Bu	(Primary Spons siness Registration F		r New S	mall
	From:	From: Government Audit & Oversight						ittee
	To:	Budget &	Finance				Comm	
	Assigning Temporary Committee Appointment (Board Rule No. 3.1)							
	Superviso	or:		Rep	lacing Supervisor:			
	Fo							Meeting
	Start '		Date) End Tin	ne:	(Committee)			
	Temp	oorary Assi	gnment: 🔿 Par	rtial	O Full Meeting			
				/	Shamann Walton,		dent	1
					Board of Supervise	ors		

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp or meeting date

I hereby submit the following item for introduction (select only one):

1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment	t).
2. Request for next printed agenda Without Reference to Committee.	
3. Request for hearing on a subject matter at Committee.	
4. Request for letter beginning :"Supervisor	inquiries"
5. City Attorney Request.	
6. Call File No. from Committee.	
7. Budget Analyst request (attached written motion).	
8. Substitute Legislation File No.	
9. Reactivate File No.	
10. Topic submitted for Mayoral Appearance before the BOS on	
Please check the appropriate boxes. The proposed legislation should be forwarded to the follo	owing:
Small Business Commission Vouth Commission Ethics Co	mmission
Planning Commission Building Inspection Commission	ion
lote: For the Imperative Agenda (a resolution not on the printed agenda), use the Impera	tive Form.
Sponsor(s):	
Ronen; Haney	
Subject:	
[Waiver of Permit, License, and Business Registration Fees for New Small Businesses]	
The text is listed:	
Ordinance waiving certain first-year permit, license, and business registration fees for business	es that commence
engaging in business within the City from November 1, 2021 through October 31, 2022, have a	
San Francisco gross receipts of \$2,000,000 or less, and have a registered business location that	-
commercial use and not formula retail uses; and refunding any waived fees paid to the City.	

For Clerk's Use Only