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<b>Legislative Review:</b>	BOS File #240926 Fee Elimination and Administrative Provisions
<b>Sponsor:</b>	Mayor London Breed
<b>Date Introduced:</b>	9/24/2024
<b>Scheduled for BOS Committee:</b>	Budget and Finance Committee

### **Legislative Overview:**

This legislation makes the following two major changes if voters approve Proposition M on the November 5 ballot:

- A variety of annual fees that impact small businesses will be waived starting in 2026, including fees for live music permits, display merchandise fees, certain health permit fees, etc.
- The annual gross receipts threshold to qualify for fee reductions for curbside Shared Spaces in 2026 will be raised from \$2.5 million to \$5 million.

Regardless if Proposition M passes on the November 5 ballot, this legislation will make the following changes:

- Extend indefinitely the waiver of business location and device fees for businesses with taximeter devices
- Extend indefinitely the suspension of the registration certificate and fee requirements for taxi drivers and drivers for transportation network companies
- Include additional license fees on the unified license bill to simplify billing cycles
- Amend the delinquency date and penalty provisions and add interest provisions relating to license fees collected on the unified license bill

### **Amendments to Current Law**

This proposal could waive many annual fees that affect small businesses, especially restaurants and nightlife venues that use numerous licenses. It could also lower costs for curbside Shared Spaces permit holders.

If Proposition M does not pass, this legislation will still waive certain fees for businesses with taximeter devices, and it will simplify annual billing for businesses by consolidating fees into the annual license bill.

### **Background, Issues, and Considerations**

- Who benefits from or will be burdened by your proposal (geographically, ethnically, linguistically)? What are your strategies for advancing racial equity or mitigating unintended consequences?

This legislation addresses the significant regulatory burden that small businesses pay in the form of license and permit fees. Although many small businesses receive a small business tax exemption, they are still charged a considerable amount for the various license and permit fees they need. This will benefit small businesses, and in particular, restaurants, bars, and entertainment venues that require multiple licenses and permits.

- What was the development process of this proposal? Whose input have you sought out? What feedback did you hear and did you incorporate it into this proposal? If not, why not?

The Office of the Treasurer and Tax Collector worked with other City Departments to identify licenses and fees that would support small businesses and reduce regulatory fees.

- Is this proposal punitive or enforcement based? What are the other alternatives for proactive compliance?

This proposal is not punitive.

- Given the diversity of San Francisco, how would this policy play out in different cultural settings? How does it accommodate cultural norms?

The goal of this legislation is to broadly support businesses and economic activity throughout the City.