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Ordinance amending Chapters 6.04, 6.08, 6.12, and 6.16 of the South San Francisco Municipal Code modernizing business licensing procedures, related definitions, and tax rates.

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WHEREAS, the City of South San Francisco maintains a comprehensive system for licensing businesses operating in the City and levying a tax on licenses for the privilege of transacting and carrying on business in the City. The business licensing procedures, definitions, and tax rates are codified in Chapters 6.04, 6.08, 6.12, and 6.12 of the South San Francisco Municipal Code; and

WHEREAS, the City recognized in its 2024-25 budget that it is facing a potential structural deficit that must be addressed through a broad approach that includes both cost savings and enhanced revenue; and

WHEREAS, the potential structural deficit threatens the City's ability to maintain its current levels of service, including fire protection and paramedic emergency response; neighborhood police patrols and services; pothole, street and road maintenance; parks and recreation programs; and library programs and services; and

WHEREAS, revenue from the business license tax contributes to the maintenance of those services; and

WHEREAS, the business license tax was last updated in 2008 to increase the rates on some large businesses and implement a cap on the total amount of business license tax that any business pays annually. The business licensing procedures and tax rates have not been substantially updated to reflect changes in the business types or growth of some business sectors in the City; and

WHEREAS, to ensure that large businesses contribute to the services and facilities in the City and to protect small businesses from increased costs, the City is proposing to modernize and simplify the current business license tax; and

WHEREAS, the proposed changes to the business license tax are designed to attract, retain, and encourage business growth and job creation in South San Francisco; simplify oversight and compliance; and generate approximately \$5.2 million in annual funding for local services and facilities; and

WHEREAS, the proposed changes to the business license tax would not impact South San Francisco residents who do not own or operate a business in the City; and

WHEREAS, locally controlled funding from the business license tax could be used to maintain its current levels of service, including fire protection and paramedic emergency response;

neighborhood police patrols and services; pothole, street and road maintenance; parks and recreation programs; and library programs and services; and

WHEREAS, the proposed measure includes fiscal accountability protections to ensure funds are spent properly, including required public disclosure of all spending and mandatory annual audits; and

WHEREAS, all funds from the measure must stay in South San Francisco for local services and infrastructure and no funds may be taken away by the State; and

WHEREAS, the City now desires to adopt an Ordinance to modernize the business license tax by amending the licensing procedures, definitions, and tax rates; varying rates with the size of the business; and generating local revenue for local services and facilities, including fire protection and paramedic emergency response; neighborhood police patrols and services; pothole, street and road maintenance; parks and recreation programs; and library programs and services.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF SOUTH SAN FRANCISCO DO HEREBY ORDAIN AS FOLLOWS.

**SECTION 1.**            **Findings**

The People of South San Francisco find that the foregoing recitals are true and correct and are incorporated into the Ordinance by this reference.

**SECTION 2.**            **Amendment of Chapters 6.04, 6.08, 6.12, and 6.16 of the South San Francisco Municipal Code**

The specified sections of Chapters 6.04, 6.08, 6.12, and 6.16 of the South San Francisco Municipal Code are hereby amended as set forth in Exhibit A (with text in ~~strikeout~~ indicating deletion and underlined text indicating addition).

**SECTION 3.**            **Amendments by the City Council**

The following amendments to the provisions of the Municipal Code affected by this Ordinance must be approved by the Voters of the City: increasing the tax rate or revising the methodology for calculating the tax such that a tax increase would result or imposing the tax on a class of businesses not previously subject to the tax. The City Council may otherwise amend the provisions of the Municipal Code affected by this Ordinance without submitting the amendment to the Voters for approval. The Voters of the City affirm that the following actions shall not constitute an increase of the rate of a tax:

A. The restoration of the rate of the tax to a rate that is no higher than that set by this Ordinance if the City Council has acted to reduce the rate of the tax;

B. An action that interprets or clarifies the methodology of the tax or any definition applicable to the tax so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Ordinance;

C. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception other than the discontinuation of an exemption or exception specifically set forth in this Ordinance; or,

D. The collection of the tax imposed by this Ordinance, even if the City had for some period of time failed to collect the tax.

#### **SECTION 4.**            **Compliance with the California Environmental Quality Act.**

The approval of this Ordinance is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., “CEQA,” and 14 Cal. Code Reg. §§ 15000 et seq., “CEQA Guidelines”). This Ordinance imposes a general tax that can be used for any legitimate governmental purpose; it is not a commitment to any particular action. As such, under CEQA Guidelines section 15378(b)(4), the Ordinance is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have such effect, the City would undertake the required CEQA review for that particular project at the earliest feasible time prior to the approval of the project. Therefore, pursuant to CEQA Guidelines section 15060, CEQA analysis is not required.

#### **SECTION 5.**            **Severability.**

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed the Ordinance, and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of this Ordinance would be subsequently declared invalid or unconstitutional.

#### **SECTION 6.**            **Publication and Effective Date**

Pursuant to the provisions of Government Code Section 36933, the City Attorney shall prepare a summary of this Ordinance. At least five (5) days prior to the Council meeting at which this Ordinance is scheduled to be adopted, the City Clerk shall (1) publish the Summary, and (2) post in the City Clerk’s Office a certified copy of this Ordinance. Within fifteen (15) days after the adoption of this Ordinance, the City Clerk shall (1) publish the summary, and (2) post in the City Clerk’s Office a certified copy of the full text of this Ordinance. If this Ordinance is approved by a majority of the voters voting on the issue at the November 5, 2024, election, pursuant to Elections Code Section 9217, this Ordinance shall become effective ten (10) days after the Council declares the results of the election.

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## **EXHIBIT A**

### **6.04.055                   Exemptions—Engaging in Business for One Day with Gross Receipts of \$500 or Less.**

A business engaging in business in the City for a single day with estimated gross receipts of less than five hundred dollars (\$500) shall be exempt from the payment of business license tax but shall be required to obtain a business license and pay any applicable fees.

### **6.04.090           Collector—Enforcement.**

A.       It shall be the duty of the collector, and he is directed to enforce each and all of the provisions of this chapter and Chapters 6.08 through 6.16, and the chief of police shall render such assistance in the enforcement as may from time to time be required by the collector or the city manager.

B.       The collector, in the exercise of the duties imposed upon him under this chapter, and acting through his deputies or duly authorized assistants, shall examine or cause to be examined all places of business in the city to ascertain whether the provisions of this chapter and Chapters 6.08 through 6.16 have been complied with.

C.       The collector and each and all of his assistants and any police officer shall have the power and authority, upon obtaining an inspection warrant therefor, to enter, free of charge, and at any reasonable time, any place of business required to be licensed under this chapter and Chapters 6.08 through 6.16 and demand an exhibition of its license. Any person having such license theretofore issued, in his possession or under his control, who willfully fails to exhibit the same on demand, shall be guilty of an infraction and subject to the penalties provided for in this chapter and Chapters 6.08 through 6.16.

### **6.04.123           General business license tax rate.**

Unless specified otherwise, the annual business license tax shall consist of the following base rates and per employee rates based upon the average number of employees, including contract employees, employed by the business in the prior year:

[TABLE TO BE INSERTED BASED ON COUNCIL DIRECTION]

### **6.04.125           Annual cap on amount of business license tax.**

A.       The annual business license tax per business shall not exceed XXXXXXXX dollars (“annual cap”). If a business has multiple locations within the city and is required to obtain a separate business license for each location, as provided for in Section 6.12.040, then the annual cap shall apply separately to the license tax levied on each license.

### **6.04.126           Tax rates subject to annual adjustment by cost index.**

A.       Commencing January 1, 2026 and each January 1st thereafter, each of the tax items listed in subsection (D) below shall be adjusted by the same percentage as the change in the Consumer

Price Index for Urban Wage Earners and Clerical Workers ("CPI-W") for the San Francisco Bay Area published by the U.S. Bureau of Labor Statistics during the previous calendar year. The collector shall calculate the change in each tax rate and component, rounding to the nearest quarter dollar. The percentage change shall be calculated by comparing the CPI-W for the most recent month of June with that of June of the prior year. If the time period for measurement of CPI-W changes, the collector shall determine a revised time period and apply that revised time frame consistently.

B. In the event that the CPI-W is discontinued or renamed by the Bureau of Labor Statistics or its successor agency, the collector shall select a reasonable successor index.

C. Unless otherwise specified, the CPI-W adjustment shall not apply to any portion of a business license tax that is calculated based on gross receipts or construction value.

D. Annually, as described in subsection (A), the following tax items shall be adjusted administratively::

1. The base rates and per employee rates, as defined in Section 6.04.123.
2. The per employee rates, as defined in Section 6.04.123.
3. Each rate established in Chapter 6.16.
4. The annual cap, as defined in Section 6.04.125.

E. In lieu of an annual administrative adjustment described above, the City Council may, by resolution, adjust any or all of the tax items listed in subsection (D) by an amount less than CPI-W. If the City Council adjusts the tax items listed in subsection (D) by less than CPI-W for one year, the administrative adjustment shall be implemented the following year, unless the City Council adopts a resolution adjusting the tax items by a lower amount.

#### **6.04.190 Citizens' Oversight and Annual Audit.**

Each year, as part of the audit of the city's financial statements, the City's independent auditors shall complete a report reviewing the collection, management, and expenditure of revenue from the tax levied by this chapter. The report shall be reviewed by the City Council Budget Standing Committee or successor entity designated by the City Council as part of its review of the City's budget. Review of the report shall be a separate item of business on the agenda for the meeting at which the Budget Standing Committee receives and reviews the report. Any public comments on the report shall be forwarded to the City Council for consideration.

#### **6.08.010 Average number of persons employed.**

"Average number of persons employed" or "average number of employees" means the number of employees determined in accordance with one of the following methods:

A. The number of employees shall be the average whole number of employees as reported for worker's compensation, unemployment compensation, disability, income tax (including an Internal Revenue Service Form 1099), insurance, benefit, or social security or other retirement benefit purposes covering the twelve-month period closest to the date of application for a license or renewal

B. Where a formal payroll, budget or cost accounting system is employed, the whole number of employees shall be derived by ascertaining the total number of hours of service performed by all employees during the previous year and dividing such total hours by the number of hours of service constituting a year's work of one full-time employee according to the customs or laws governing such employment.

C. A method of computation which is substantially equivalent to subsections A or B of this section approved by the collector. If any provision of this chapter, Chapters 6.04, or 6.16 requires that a license tax computation include “per employee,” “each employee,” or similar designation as a factor, the collector shall use one of the methods stated in this section to make the number of employee determination. All methods, including an alternative method, should include all employees, as defined in Section 6.08.050, for the purpose of calculating the average number during the preceding year.

D. For any method used, only employees working in the business in the City of South San Francisco should be counted. An employee is considered working in the business in the City of South San Francisco if they:

1. Work in the business an average of at least one day per week (excluding vacations, holidays, and sick days) while physically present in the City.
2. Are designated or assigned by the business as working in a business location in the City, regardless of whether they physically work in the business from a remote location.

**6.08.020 Business.**

“Business” includes professions, trades, and occupations and all and every kind of calling whether or not carried on for profit, including without limitation renting, leasing, or otherwise making a unit real property available for occupancy in exchange for payment.

**6.08.050 Employee.**

For the purpose of calculating a business’s license tax, “employee” means all persons engaged in the operation of conduct of the business, whether as owner, any member of the owner’s family, partner, or manager and any and all other persons employed or working in the business. “Employee” includes, without limitation, a person designated as a co-employee, non-employee, independent contractor, or any other classification, so long as the person is working in the business. A person who receives an Internal Revenue Service Form 1099 from a business is an employee of the business.

**6.08.115 Unit.**

For the purposes of calculating a business’s business license tax, “unit” means a component of real property offered for rent, lease, or occupancy. If the owner or manager of real property offers a component of real property for rent or lease, that component of real property counts as a unit for the purpose of calculating license tax.

**6.12.020 Application—First license.**

A. Upon a person making application for the first license to be issued under this chapter or for a newly-established business, such person shall furnish to the collector a sworn declaration, upon a form provided by the collector, including but not limited to the following information:

1. The exact nature or kind of business for which a license is requested;
2. The place where such business is to be carried on and, if the same is not to be carried on at any permanent place of business, the place of residences of the owners of same;
3. In the event that application is made for the issuance of a license to a person doing business under a fictitious name, the application shall set forth the names and places of residences of those owning said business;

4. In the event that the application is made for the issuance of a license to a corporation or a partnership, the application shall set forth the names and places of residences of the officers or partners thereof;

5. In all cases where the amount of license tax to be paid is measured by gross receipts, the application shall set forth such information as may be therein required and as may be necessary to determine the amount of the license tax to be paid by the applicant.

6. In all cases where the amount of license tax to be paid is measured in whole or in part by the number of employees, the applicant shall set forth such information as may be therein required and as may be necessary to determine the amount of the license tax to be paid by the applicant;

7. If the application is for a business regulated by the Contractor's License Law of the State of California, the applicant shall include in the declaration or furnish separately, as required by the collector, the class of license issued by the state, date of issuance, number and effective date; if the business is exempt, the applicant shall furnish proof thereof;

8. Any further information which the collector may require to enable him or her to issue the type of license applied for and determine the license tax to be paid.

B. If the amount of the license tax to be paid by the applicant is measured by gross receipts, or in whole or in part by a number of people, vehicles, or other things, the applicant shall estimate the gross receipts or the number of people, vehicles, or other things for the period to be covered by the license to be issued. The applicant shall use the methods described in Section 6.08.010 to estimate the number of employees. Such estimate, if accepted by the collector as reasonable, shall be used in determining the amount of license tax to be paid by the applicant; provided, however, the amount of the license tax so determined shall be tentative only, and such person shall, within thirty days after the expiration of the period for which such license was issued, furnish the collector with a sworn statement, upon a form furnished by the collector, showing the actual gross receipts or number of employees during the period of such license, and the license tax for such period shall be finally ascertained and paid in the manner provided by this chapter and Chapters 6.04 and 6.16, after deducting from the payment found to be due, the amount paid at the time such first license was issued.

C. The collector shall not issue to any such person another license for the same or any other business, until such person has furnished to him or her the sworn declaration and paid the license tax as required.

#### **6.12.150 Delinquent payments—Penalty.**

A. For failure to pay a license tax when due, the collector shall add a penalty of ten percent of said license tax on the first day of each month after the due date thereof (excluding penalties previously accrued) up to a total penalty of 100 percent of the license tax amount

B. No license or sticker, tag, plate, or symbol shall be issued, nor one which has been suspended or revoked shall be reinstated or reissued, to any person, who at the time of applying therefor, is indebted to the city for any delinquent license taxes, unless such person, with the consent of the collector, enters into a written agreement with the city, through the collector, to pay such delinquent taxes, plus seven percent simple annual interest upon the unpaid balance, in monthly installments, or oftener, extending over a period of not to exceed one year.

C. In any agreement so entered into, such person shall acknowledge the obligation owed to the city and agree that, in the event of failure to make timely payment of any installment, the whole amount unpaid shall become immediately due and payable and that his current license shall be revocable by the collector upon thirty days' notice. In the event legal action is brought by the city to



enforce collection of any amount included in the agreement, such person shall pay all costs of suit incurred by the city or its assignee, including a reasonable attorney's fee. The execution of such an agreement shall not prevent the prior accrual of penalties on unpaid balances at the rate provided in this section, but no penalties shall accrue on account of taxes included in the agreement, after the execution of the agreement, and the payment of the first installment and during such time as such person shall not be in breach of the agreement.

**6.16.020      (Reserved).**

**6.16.030      (Reserved).**

**6.16.035      (Reserved).**

**6.16.047 Commercial parking facility.**

(a) Commercial Parking Facility Defined. "Commercial parking facility" means any privately owned or operated facility which provides, for any form of consideration, parking or storage for motor vehicles, motorcycles, trailers, bicycles or other similar means of conveyance for passengers or property. Privately owned or operated facilities, which would otherwise be within the foregoing definition of "commercial parking facility," are excluded from that definition when rented appurtenant to the rental of residential-dwelling units which are not otherwise required to be licensed pursuant to this chapter.

(b) "Operator" means any person who, as owner, lessee, employee, agent or otherwise, operates, maintains, manages, keeps, permits or allows to be operated, maintained, managed or keep any commercial parking facility in or upon any premises owned, leased, managed, operated or controlled by such person within the city.

(c) The license tax payable by operator shall be eight percent of the gross receipts received from facilities operated within South San Francisco without deduction therefrom.

(d) Pursuant to Chapter 4.22 of this Code, a commercial parking facility shall be subject either to the tax imposed by this section or the commercial parking tax imposed by Chapter 4.22, but not both. Whenever the commercial parking tax is being imposed, and the business license tax on commercial parking facilities in this section is not being imposed, commercial parking facilities shall be subject to the business license tax provided for in Section 6.16.240.

**6.16.050 Construction contractor.**

(a) "Construction contractor" means a person conducting or carrying on a business and who undertakes to, or offers to undertake to, or purports to have the capacity to undertake to, or submits bids to, or does him or herself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation or other structure, project, development or improvement, including excavation and moving of earth, rock, sand and similar materials or filling and grading of land, or to do any part thereof, including the erection of scaffolding or other structures or work in connection therewith, acting as a general contractor, prime contractor, subcontractor or specialty contractor.

(b) Every person conducting or carrying on a business who is licensed as a contractor by the state of California and who undertakes to, or offers to undertake to, or purports to have the capacity to undertake to, or submits bids to, or does himself or herself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation or other structure project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith, is defined as a contractor. The term contractor as used in this section also includes subcontractor and specialty contractor. Every contractor shall pay a business tax of one dollar and eighty cents (\$1.80) for each one thousand dollars (\$1,000.00) of construction value as reported on the building permit submitted and to the City and be paid by each general or prime contractor and each subcontractor doing business in the City.

(c) The license tax shall be paid to the City prior to the issuance of each building permit and said business license shall run for the duration of the construction project and, notwithstanding any other provision of Chapter 6.04, 6.08, 6.12, or 6.16, is applicable only to the building project authorized by that permit.

**6.16.060 Junk collector/recycler.**

(a) Each business or person that operates as a junk collector or recycler within South San Francisco shall pay an annual business license tax equal to the greater of two hundred dollars or four percent of the gross receipts derived from the collection of recyclable/salvageable materials within South San Francisco ("junk collector/recycler rate"). A recyclable/salvageable material shall be as defined in Section 6.56.010 and Section 8.28.020.

(b) All junk collectors who are issued a junk collectors permit to conduct a junk collectors business involving the collection of recyclable/salvageable materials shall submit quarterly reports and an annual report to the city's finance director for purposes of compliance with this section.

(c) The following information shall be furnished by each junk collector permitted by the city in its quarterly reports:

- (1) The number of accounts that the junk collector has in the city;
- (2) The total revenue received from charges for the collection of recyclable/salvageable materials from accounts within the city;
- (3) A calculation of four percent of gross receipts earned during that quarter from the collection of recyclable/salvageable materials within the city;
- (4) Total tonnage of recyclable/salvageable material collected by the junk collector from sources in South San Francisco;
- (5) Total tonnage of each type of recyclable/salvageable material collected by the junk collector from sources in South San Francisco.

The quarterly reporting periods shall be from January 1st through March 31st, April 1st through June 30th, July 1st through September 30th, and October 1st through December 31st.

(d) Each junk collector permitted by the city shall furnish the following information in its annual report: the business name, address, telephone number and contact person of each account which is serviced by the junk collector; the date that the account service began and ended as applicable and the total annual charge to the account for service, and total annual revenue derived from service charges for the calendar year.

(e) Failure to produce a quarterly or annual report may result in revocation or suspension of the junk collector's permit pursuant to Section 6.56.070 of this code.

**6.16.080 (Reserved).**

**6.16.110 Peddler or solicitor.**

(a) "Peddler" means any person going from house to house, place to place, or in or along the streets within the city selling and making immediate delivery or offering for sale and immediate delivery, any goods, wares, merchandise, or anything of value, in possession of the peddler, except such goods, wares and merchandise to manufacturers, wholesalers, jobbers or retailers, for the purpose of resale.

(b) "Solicitor" means a person who engages in the business of going from house to house, place to place, or in or along the streets within the city selling or taking orders for, or offering to sell or take orders for, goods, wares, merchandise or other things of value for future delivery or for the services to be performed in the future.

(c) The license tax is two hundred fifty dollars per vehicle plus an amount equal to the average number of employees multiplied by the applicable per employee rate(s) stated below ("peddler/solicitor rate"):

Number of Employees	Per Employee Rates
0-4	\$30
5-9	\$35
10-19	\$50
20-49	\$60
50-99	\$75
100-249	\$80
250-499	\$90
500-999	\$100
1,000+	\$150

(d) All peddlers and solicitors shall comply with the requirements set forth under Chapter 6.90 of this code and shall obtain a vending permit issued pursuant to that chapter. Such permit shall be displayed or carried on the permittee's person at all times as required by Chapter 6.90.

(e) Every person engaged in the business of soliciting shall first pay to the department of finance the license tax specified in this section and, thereafter, prior to receiving such license or permit, or renewal thereof, shall report to the police department of the city and furnish said department with all the following information:

(1) Permanent residence address and telephone number of applicant, together with his or her regular mailing address;

(2) Up-to-date medical certificates (not more than ten days old), issued by a licensed physician and establishing that neither the applicant nor any of the persons intended to be employed by him or her for the purpose of soliciting within the city, including any and all partners, agents, servants, or crew members, is afflicted with a communicable disease of any type or description; each person so afflicted shall be denied a license or permit until such time as he or she shall present a medical certificate showing him or her to be free from any such communicable disease;

(3) Each applicant and all partners, agents, employees, servants, or crew members shall submit to fingerprinting by the police department for identification purposes; it shall be the duty of the police department to check all of said fingerprints with the Federal Bureau of Investigation and the California Criminal Intelligence Bureau. If the police department ascertains that the applicant, or any of said persons, has a criminal record, or is of undesirable character, it shall be the duty of the chief of police to report such matter, at the earliest possible date, to the city council, with his or her recommendation, and, in the meantime, no license or permit, as the case may be, shall be issued to such person, pending action by the city council. If, upon the police report, such person is denied a license or permit, or if he or she withdraws his or her application after the police department has commenced its investigation, he or she shall be entitled to a refund of the tax paid to the collector as specified in this section; provided, however, that there shall be deducted therefrom the sum of fifty dollars to be retained by the city as reimbursement for the cost of making each investigation;

(4) The provisions of this section with respect to fingerprinting, health certificates, and police investigation shall apply to all persons soliciting within the confines of the city whether such

person is subject to the payment of a business license fee or not. All persons exempt from the payment of such business license fee shall, nevertheless, be required to carry a card containing the same information and data as specified in this section, and shall pay to the collector the sum of fifty dollars annually for the purpose of defraying the expense of fingerprinting, police investigation, and preparation of license or permit card, which must be renewed each year;

(5) It is unlawful for any person to solicit:

(A) At any time at any building where there is a posted sign stating "no solicitors," or words to that effect, unless the occupant has previously granted permission,

(B) At any time at any building between the hours of nine p.m. and nine a.m.,

(C) In a congested area where the solicitation impedes the public. For the purpose of this section, the judgment of a police officer, exercised in good faith, shall be deemed conclusive as to whether the area is congested or the public impeded.

**6.16.120 Professional-semiprofessional related business.**

(a) "Business" means a person engaged in each of the following or any combination thereof:

(1) Accountant, acupuncturist, advertising, analyst, appraiser, architect, artist, assayer, attorney;

(2) Bacteriologist, bail bond broker, broker, business opportunity broker, business and safety consultant;

(3) Cemetery broker, chemist, chiropodist, chiropractor, collection agency or mercantile agency, commercial artist, commission merchant;

(4) Dentist, designer or decorator, discount finance company, drugless practitioner (provided, however, that this section shall not apply to persons who treat the sick through prayer or spiritual means);

(5) Electrologist, engineer, entomologist, finance company;

(6) Geologist;

(7) Herbalist (prescriber);

(8) Illustrator or show card writer, insurance adjuster or claims adjuster, insurance broker, investment and investment trust;

(9) Laboratory, landscape architect, lapidary;

(10) Map maker or cartographer, mineralogist, moneylender or money broker, mortician;

(11) Naprapath and naturopath;

(12) Oculist, oil and gas broker, optometrist, osteopath;

(13) Physician, psychiatrist, psychologist;

(14) Real estate broker;

(15) Stock and bond broker, surveyor;

(16) Tax counselor, taxidermist;

(17) Veterinarian;

(18) Design professional, including computer or graphic design;

(19) Computer programmer;

(20) Planner or architect;

(21) Surveyor, inspector, or map professional.

(b) The license tax is as follows:

(1) One natural person conducting such a business, a tax of two hundred seventy-five dollars;

(2) Two or more natural persons conducting such a business as an association, partnership, or professional corporation, a tax of two hundred seventy-five dollars plus two hundred seventy-five dollars for each natural person participating as an associate, partner or member of the professional corporation ("professional/semi-professional rate").

**6.16.130 Public utilities.**

(a) "Public utilities" means public utilities operating within the city except those which pay a city tax pursuant to a franchise.

(b) Unless otherwise prohibited by law, the license tax is seven thousand five hundred forty four dollars and seventy-five cents ("public utility rate").

**6.16.140 (Reserved).**

**6.16.150 Rental of real property.**

(a) "Rental of real property" means the leasing or letting out of or otherwise making available for occupancy land, buildings, or other components of real property to tenants in exchange for payment, typically but not exclusively rent. Rental of residential real property includes operating a hotel, motel, apartment house, or short-term vacation rental, as well as rental of a single residential unit of any kind .

(b) The license tax is as follows:

(1) For rental of residential real property that does not require payment of transient occupancy tax: fifty dollars (\$50) per unit.

(2) For rental of residential real property that requires payment of transient occupancy tax: one hundred fifty dollars (\$150) plus ten dollars (\$10) per unit.

(3) For rental of nonresidential real property: the base rates and per employee rates, as defined in Section 6.04.123.

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**6.16.190 Temporary vendor.**

(a) "Temporary vendor" means any person who engages in temporary or transient business in the city, selling goods, wares, merchandise or any other thing of value with the intention of conducting such business in the city for a period of less than six months and who, for the purpose of carrying on such business, hires, leases or occupies any room, vacant lot, building or other place for the exhibition or sale of goods, wares, merchandise or other thing of value for a period of less than six months; provided, however, that this section shall not apply to sample rooms for the display and taking orders for goods at wholesale.

(b) The license tax is one hundred and fifty dollars per day ("temporary vendor rate").

**(Reserved).**

**6.16.210 Transportation of persons.**

(a) "Transportation of persons" means the carrying of persons in the city by a person not otherwise licensed by this chapter. This section shall not apply to public transit agencies such as SamTrans, BART, their successor agencies, or any other public transit agencies, but shall apply to private carriers who have an office or commercial garage or warehouse in the city and rent out their vehicles for a fee to public transportation companies.

(b) The license tax is three hundred seventy-seven dollars and twenty-five cents per vehicle plus an amount equal to the average number of employees multiplied by the applicable per employee rate(s) stated below ("transportation of persons rate"):

Average number of employees	Per Employee Rates
0-4	\$30
5-9	\$35
10-19	\$50
20-49	\$60
50-99	\$75
100-249	\$80
250-499	\$90
500-99	\$100
\$1,000+	\$150

**6.16.220 Warehousing.**

(a) "Warehousing" means any business operation where the principal business activity involves the storage and warehousing of goods, merchandise, packages, mail, or household furniture or goods in the city. Warehousing includes the temporary storage or processing of mail or packages for purposes of sorting or preparing for redelivery.

(b) A business subject to the Warehousing Activities Rate may be exempt if it is a carrier of household goods or owns or operates motor vehicles in the transportation of property for hire and therefore engages in intercity transportation business within the meaning of Household Goods Carriers Uniform Business License Tax Act (Cal. Pub. Util. Code Sections 5325 et seq.). A business claiming such an exemption must follow the procedure prescribed in Sections 6.04.040 and 6.04.050 of this code.

(c) A business operation that has a warehousing component, but which has retail or wholesale sales, research and development, or manufacturing as its principal business activity within the city, shall be classified as another business type for the purposes of calculating the business license tax, as provided for in Section 6.04.110 of this code. In determining the proper category for a business with a warehousing component, the collector shall consider whether the business uses its warehouse space for any of the following:

(1) The manufacture of products, including food or beverage products at the same location by that same company.

(2) The internal use of a stored commodity to be consumed primarily by that business itself, such as the following items when used by the business in the course of transacting its own business: office supplies, lab equipment, automotive parts or supplies, or chemical or testing products.

(3) Servicing the retail, wholesale, or manufacturing activities of that same business within the city.

(4) Wholesale sales. "Wholesale sales" means sale of goods, wares, or merchandise for the purpose of resale in the regular course of business by a person not otherwise licensed by this chapter.

(D) The license tax is as defined in Section 6.04.123.

**6.16.230 (Reserved).**