



December 10, 2010

NOTICE OF NEW REQUIREMENTS FOR PARKING OPERATORS

The Board of Supervisors and the Mayor of San Francisco have approved amendments to Articles 6, 9 and 22 of the San Francisco Business and Tax Regulations Code ("BTRC"), which become effective on December 18, 2010. The full text of the BTRC can be accessed on the City's website at www.sftreasurer.org/btrcode.

San Francisco parking operators should be aware of the following changes:

1. Beginning in 2011, the Certificate of Authority ("COA") will be issued annually. All parking operators are required to complete a new COA application for 2011, for each parking station and renew it thereafter on an annual basis. Please complete the enclosed COA application form and return it to our office by December 31, 2010.
2. A Revenue Control Equipment Compliance Fee of \$500 is due and payable no later than January 31, 2011. We will send a bill to operators via mail in December 2010.
3. New parking tax bond amounts have been established as set forth below. The amount of the bond is based on annual (or, for a new parking station, estimated) gross receipts at the specific location that is subject to the COA. Operators will need to amend their bonding amounts accordingly no later than December 31, 2010.

If the annual gross receipts for the parking station are:	Then the bond amount shall be:
Less than \$100,000	\$20,000
\$100,000 - \$250,000	\$50,000
\$250,000.01 - \$500,000	\$100,000
\$500,000.01 - \$750,000	\$150,000
\$750,000.01 - \$1,000,000	\$200,000
\$1,000,000.01 - \$2,000,000	\$400,000
\$2,000,000.01 - \$4,000,000	\$800,000

Bonds must be kept current and in full force and effect during the entire period that the operator conducts a parking business in the City and County of San Francisco.

4. Operators should notify their surety that the term for new bonds and bonds that are being renewed is to include the twelve month period from January 1st through December 31st. Moreover, new or renewed bonds must be issued (or reissued) in the form of the sample bond that is enclosed with this letter. A Certification of Continuation is required from the surety for an annual renewal.
5. When a deficiency or jeopardy determination is issued against an operator, it will also be issued against the operator's surety. The operator and the surety will be notified of the determination and will have the right to a hearing of the matter with the Tax Collector. The Tax Collector may consolidate the hearings. The surety is obligated to pay the Tax Collector's determination at the time it becomes final; however, the surety's liability is limited to the face value of the bond(s).
6. Parking operators are required to maintain and utilize Revenue Control Equipment in compliance with Article 22. All lots may be inspected for compliance by our staff without further notice.
7. Penalty amounts have increased for failure to timely file a tax return and for other violations of the BTRC. The Tax Collector may impose penalties and use all enforcement actions against a surety that may be used against an operator or any other person who owes tax to the City.
8. Monthly reporting and remittances to the Tax Collector shall be based on actual, not estimated, parking tax collections, beginning with the month of January 2011. Non-filers will receive a determination statement setting forth an estimate plus penalties, interest, and fees. Those that fail to comply will be subject to further enforcement action.

The above list is intended to summarize some of the changes to the law. Please consult the San Francisco Municipal Code for the specific requirements. Failure to comply with of the San Francisco Municipal Code governing parking operations may subject an operator to enforcement action, which may negatively affect an operator's credit rating.

We will conduct a telephone conference on December 21, 2010 to answer general questions. Two informational sessions will be held at 9am and 10am by calling toll free at 1-877-213-9444, participant code: 689399. Please call in if you are interested.

Thank you for your continued cooperation.

Encls: COA Application
Sample bond