
Legislative Review: BOS File #230664 – Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses

Name: Mayor

Date Introduced: 6/6/2023

Date Referred: 6/6/2023

Scheduled for BOS Committee: Budget and Appropriations Committee

Legislative Intent/Overview:

This legislation extends the City’s First Year Program through June 30, 2028. The First Year Free Program waives certain business registration, initial license, and permit fees for new or expanding businesses with commercial uses. Businesses with residential uses, such as home-based businesses and short-term rentals, are not eligible for this program.

Amendments to Current Law

This legislation will expand the current First Year Program for five years and retroactively include new and expanding qualified businesses that open after July 2023 but before this ordinance is enacted to ensure there is no gap between the current First Year Free Program and this extension.

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?
 - First Year Free benefits all new and expanding business owners by reducing startup costs at a time when they are not yet producing revenue. This can be especially helpful to BIPOC businesses that have historically had less access to financing and capital.
- 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?
 - This legislation reflects ongoing support for and the success of the current First Year Free program.
 - Since the program started November 1, 2021, approximately 4,000 businesses have enrolled in this program. The City has waived more than \$1.48 million in fees since the program started.
- Is this proposal punitive or enforcement based? What are the other alternatives for proactive compliance?

- This program encourages proactive compliance with City regulations by providing a fee waiver incentive for permits required to start a new business or expand into an additional business location.
- Given the diversity of San Francisco, how would this policy play out in different cultural settings? How does it accommodate cultural norms?
 - This assists all new and expanding businesses.