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<b>Legislative Review:</b>	BOS File #240126 – Extending Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses
<b>Sponsor:</b>	Mayor, Supervisor Ronen
<b>Date Introduced:</b>	2/13/24
<b>Scheduled for BOS Committee:</b>	Budget and Finance Committee

**Legislative Overview:** This ordinance would extend the First Year Free Program through June 30, 2025. The First Year Free Program waives certain license, permit, and registration fees for new and existing small businesses.

#### **Amendments to Current Law**

This ordinance extends an existing program.

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

The First Year Free Program began in November 2021 to support and revive San Francisco small businesses as the City recovered from the pandemic. The program waives the cost of initial registration fees, initial license fees, first-year permit, and other applicable fees for qualifying businesses. Since it began, 6,572 businesses have benefitted from fee waivers. The City has waived \$2.92 million in fees since the program started (as of February 2024).

To qualify for First Year Free, a business must: have less than \$5 million in annual gross receipts and have a registered location that is for commercial use. Home based businesses and short-term rentals are not eligible to participate.

- 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 provides financial support for all new and expanding small businesses in commercial districts. It's a citywide program.
- 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 extends an existing program that was initially passed to support small business creation after the COVID-19 pandemic.
- 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?
  - First Year Free waivers are automatically applied to all qualifying new businesses.