

1 [Administrative Code - Collection of Rent Board Fee]

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3 **Ordinance amending the Administrative Code to require the Rent Board to collect the**
4 **Rent Board fee through invoices rather than through the property tax bill; to impose**
5 **penalties in the event of non-payment of the fee; and to clarify existing law regarding**
6 **the procedures for landlords to recover a portion of the fee from their tenants.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
9 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
10 **Board amendment additions** are in double-underlined Arial font.
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.
12 **Asterisks (* * * *)** indicate the omission of unchanged Code
13 subsections or parts of tables.

11

12 Be it ordained by the People of the City and County of San Francisco:

13

14 Section 1. Chapter 37A of the Administrative Code is hereby amended by revising
15 Sections 37A.1, 37A.4, 37A.5, 37A.6, 37A.7, and 37A.8 to read as follows:

16 **SEC. 37A.1. SCOPE.**

17 This Chapter 37A is applicable to all residential units in the City and County of San
18 Francisco, including residential units which are exempt from the rent increase limitation
19 provisions (but not other provisions) of Chapter 37 pursuant to the Costa-Hawkins Rental
20 Housing Act (*California* Civil Code §§ 1954.50. et seq.) and/or San Francisco Administrative
21 Code Section 37.3(d). For purposes of this Chapter 37A, "residential units" are dwelling units
22 and guest rooms as those terms are defined in Sections 400 and 401 of the San Francisco
23 Housing Code. The term shall not include:

24 * * * *

25

1 (f) Any dwelling unit which is occupied by an owner of record on either a full-time or
2 part-time basis and which is not rented at any time, provided that the owner file with the Rent
3 Board Tax Collector an affidavit so stating.

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5 **SEC. 37A.4. IMPOSITION OF THE FEE.**

6 The owner of each residential unit in San Francisco shall pay annually to the City and
7 County of San Francisco a Residential Rent Stabilization and Arbitration fee to be calculated
8 by the Controller as provided in Section 37A.2(d) above. The Executive Director of the Rent
9 Board or the Executive Director's designee Tax Collector shall bill the fee to the owners of all
10 residential units ~~on the property tax bill.~~ Fees shall be paid by March 1 of each year. The Rent Board
11 shall add a 5% penalty to the amount of the fee if the fee has not been paid by March 1, an additional
12 5% if the fee has not been paid by April 1, and an additional 5% if the fee has not been paid by May 1.
13 If the fee remains outstanding as of June 1, the Rent Board shall refer the matter to the Bureau of
14 Delinquent Revenues. The Rent Board shall provide owners written notice of any late payments and
15 penalties consistent with Section 37A.8. ~~All laws applicable to the collection and enforcement of ad~~
16 ~~valorem property taxes shall be applicable to the collection and enforcement of the Residential Rent~~
17 ~~Stabilization and Arbitration fee, except that any lien arising from nonpayment of the fee shall have the~~
18 ~~force, effect and priority of a judgment lien.~~

19
20 **SEC. 37A.5. RESIDENTIAL RENT STABILIZATION AND ARBITRATION FUND.**

21 All fees collected under this Chapter 37A shall be deposited in the Residential Rent
22 Stabilization and Arbitration Fund as provided in Chapter 10, Article XIII, Section 10.117-88 of
23 the ~~San Francisco~~ Administrative Code. All funds so collected shall be used solely for the
24 purpose of funding the Rent Board plus related administrative costs pursuant to Section
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1 10.194 of this Code including, but not limited to, costs pertaining to the imposition and collection
2 of the fee~~the Tax Collector and Controller.~~

3
4 **SEC. 37A.6. RECOVERY OF THE FEE, LIMITATIONS.**

5 ~~The~~An owner who has paid the fee in full may seek recovery of the fee (exclusive of any
6 penalties that had been added to the fee under Section 37A.4) from the tenant(s) in occupancy of
7 each residential unit on November 1~~st~~, up to a maximum of 50% of the annual fee for each
8 unit, as follows:

9 (a) An owner seeking recovery of the fee shall deduct it from the next interest
10 payment owed on the tenant's security deposit pursuant to Chapter 49 of this Code, except
11 that where the interest has been paid annually the owner may bill the tenant directly as
12 provided in subsection 37A.6(c); or

13 (b) When the fee is not recovered from the tenant ~~collected~~ during the year in which
14 the owner is first entitled to it, the owner may bank the fee and collect it from that tenant in a
15 future year. Only those fees that become due after July 25, 1999 (the effective date of
16 Ordinance No. 178-99) may be banked. A banked fee may only be collected as a deduction
17 against security deposit interest due the tenant, except that where no interest or insufficient
18 interest exists (due to no deposit or low amount of deposit) the owner may bill for any balance
19 owing as provided in subsection 37A.6(c). The billing statement must specifically show the fee
20 amount owed by the tenant for each year, and the amount of interest due the tenant (if any)
21 for each year owing.

22 (c) To the extent provided in subsections 37A.6(a) and (b), the owner may bill the
23 tenant directly for the fee. The bill shall state the amount for that unit, that the purpose of the
24 fee is to fund the Rent Board and related administrative costs under Chapter 37A of the San
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1 Francisco Administrative Code, and that the fee is due and payable within 30 days of the date
2 of the bill.

3 (d) The owner remains liable for full payment of the fee to the Rent Board Tax
4 ~~Collector~~ whether or not the owner seeks any recovery under one of the above methods or in
5 fact does recover any portion from the tenant.

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7 **SEC. 37A.7. RULES AND REGULATIONS.**

8 The Executive Director of the Rent Board or their designee~~Tax Collector~~ may adopt such
9 rules, regulations, and administrative procedures as the Executive Director or designee ~~he or she~~
10 deems necessary to implement this Chapter 37A.

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12 **SEC. 37A.8. MANNER OF GIVING NOTICE.**

13 Any notice required to be given herein by the Rent Board Tax Collector to an owner
14 shall be sufficiently given or served upon the owner for all purposes if personally served upon
15 the owner; or if deposited, postage prepaid, in a post office letter box addressed in the name
16 of the owner either at the official address of the owner maintained by the Tax Collector for the
17 mailing of property tax bills, or at such other address that is on file with the Rent Board. This Section
18 37A.8 shall not preclude the Rent Board from supplementing the above procedures by developing
19 procedures to issue invoices and collect payments electronically through the online housing inventory
20 to be established under Section 37.15.

21
22 Section 2. Effective Date. This ordinance shall become effective 30 days after
23 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
24 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
25 of Supervisors overrides the Mayor's veto of the ordinance.



City and County of San Francisco

Tails Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 210657

Date Passed: July 27, 2021

Ordinance amending the Administrative Code to require the Rent Board to collect the Rent Board fee through invoices rather than through the property tax bill; to impose penalties in the event of non-payment of the fee; and to clarify existing law regarding the procedures for landlords to recover a portion of the fee from their tenants.

June 16, 2021 Budget and Appropriations Committee - RECOMMENDED

July 13, 2021 Board of Supervisors - CONTINUED ON FIRST READING

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

July 20, 2021 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Ronen, Safai, Stefani and Walton
Noes: 1 - Preston

July 27, 2021 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Ronen, Safai, Stefani and Walton
Noes: 1 - Preston

File No. 210657

I hereby certify that the foregoing Ordinance was **FINALLY PASSED** on 7/27/2021 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

8/4/21

Date Approved