



FOR IMMEDIATE RELEASE

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***** PRESS RELEASE *****

**MAYOR LONDON BREED PROPOSES LEGISLATION TO
ELIMINATE LICENSE FEES TO SUPPORT SMALL BUSINESSES**

Elimination of annual license fees will make operating, growing and opening a small business in San Francisco easier, saving 90% of restaurants and 87% of bars and nightclubs thousands of dollars in costly fees every year

San Francisco, CA — Today, Mayor London N. Breed, Treasurer José Cisneros, and Supervisor Rafael Mandelman introduced legislation that would eliminate annual license fees for small businesses, making it easier to operate, grow, and open a small business in San Francisco. The announcement builds on Mayor Breed's continued effort to remove barriers and fees to support small businesses citywide.

Drafted in partnership with the Office of Economic & Workforce Development (OEWD), its Office of Small Business (OSB), and small business stakeholders, the legislation, contingent on the passage of the Proposition M ballot measure, waives 49 annual license fees, providing \$10 million annually in relief to San Francisco small business owners.

"San Francisco has been working hard to remove years of built-up red tape to make it easier to thrive as a small business in our City," **said Mayor London Breed**. "I have remained committed to changing the narrative that San Francisco is a city of "No" to getting us to a place where we are a city of "Yes." I will continue to work with our departments to find creative ways to remove barriers and fees for our small business owners and ensure that we are building on the tangible progress we have made to bring our City back to life by making it more vibrant, social, and accessible as ever before."

Currently, small business owners pay thousands of dollars in annual fees to operate restaurants, food trucks, bars, and bakeries. There are individual charges for outdoor seating, having billiard tables, and extended hours, among others. A business even incurs an annual fee for things like a cash register or having candles in their establishment. These fees are charged by individual departments and combined on a unified license bill issued by the Office of the Treasurer & Tax Collector. Should this legislation pass, 91% of restaurants and 87% of bars and nightclubs will no longer receive this annual bill from the City.

"The elimination of numerous annual license fees will truly benefit small businesses in San Francisco," **said Laurie Thomas, Executive Director of the Golden Gate Restaurant Association**. "We are grateful to the Mayor, the Office of Economic & Workforce Development,



and everyone involved for recognizing the needs of our business community and taking action to help us to survive and thrive.”

The fees that are proposed to be eliminated have a disproportionate impact on small businesses. Most fees cost the same regardless of the size of the business incurring the cost, and these fees are generally only paid by smaller businesses, particularly restaurants. In contrast, business taxes are progressive – meaning that smaller businesses pay less than larger businesses.

“Saving small businesses \$10 million a year makes sense for small businesses and for the City,” **said Treasurer José Cisneros**, whose team led the analysis of the current system and the design of the proposed legislation. “This legislation will overhaul our current fee structure that places a disproportionate financial burden on restaurants and nightlife industry businesses,”

“The Office of Economic & Workforce Development is committed to strengthening and supporting our small business sector,” **said Sarah Dennis Phillips, Executive Director of the Office of Economic & Workforce Development**. “Removing the burden these flat fees impose on our small businesses is fully in alignment with the progressive nature of our tax structure. Our small-scale enterprises and entrepreneurs are driving ground floor revitalization across the City and we want them to thrive in San Francisco.”

“If this proposed legislation takes effect, it will be one of the City’s most significant reforms to reduce the cost of doing business in San Francisco,” **said Katy Tang, Director of the Office of Small Business**. “The benefits to small businesses will be meaningful and long lasting.”

Mayor Breed’s Work to Make Starting a Business Easier and Less Expensive

This legislation is one component of a broader strategy championed by Mayor Breed as part of her [Roadmap to San Francisco’s Future](#) to make it easier to start and grow a business in San Francisco. Her plan calls for creating transparency, streamlining processes, and improving systems to support new businesses opening in San Francisco.

Highlights from these initiatives include:

Cutting Red Tape

The passage of Prop H in 2020 and the Small Business Recovery Act in 2021 removed the requirement for projects to undergo neighborhood notification and allowed for most projects to be processed “over the counter,” allowing applicants to receive their permit immediately or within two business days.

- Since these changes took effect, nearly 5,600 commercial projects have been able to get their permits over the counter.
- In 2023, legislation that Mayor Breed sponsored took effect, which made over 100 changes to the Planning Code to ease business restrictions, including:
 - Allowing more business uses on the ground floor



- Lifting restrictions on bars and restaurants
- Incorporating new liquor license for music venues
- Removing certain public notice requirements (adding on to what Prop H did)
- Enabling priority processing for nighttime entertainment, bars, and restaurants
- On August 5, 2024, Mayor Breed introduced legislation to further simplify the permitting process by removing the requirement for businesses to submit architectural drawings for projects that involve no new construction and only a transition of one business type to another. This legislation will save businesses an average of \$10,000 and months of work to secure and pay for architectural drawings.
- On September 17, 2024, Mayor Breed introduced legislation to reduce costly business impact fees for commercial projects that locate in a former a Production, Distribution and Repair (PDR) space when there is no building expansion or additions.

Easing Permitting Costs and Time

- New Permit Center – Opened by Mayor Breed in 2021, the Permit Center consolidates the various permitting agencies in one place to more efficiently serve applicants.
- The First Year Free program, which passed in 2021, waives first-year permit, license and business registration fees for new and expanding businesses. This program was extended for a third time and will be in effect through June 30, 2025.
 - Since the program began, approximately 7,761 businesses have enrolled and over \$3.7 million in fees have been waived.
- Simplified event permits - Mayor Breed signed legislation that creates a new annual permit for special event food vendors, known as Temporary Food Facilities, which allows them to apply for a single permit to cover multiple events throughout the year.

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