

Annual Residential Rent Ordinance Fee
By William B. Kunzig

This annual fee has been in effect for a number of years and is covered in Chapter 37 A of the San Francisco Administrative Code, the Rent Stabilization and Arbitration Ordinance. The purpose of this fee is to sustain the operation of the Rent Board because the Rent Board does not receive any money from the City's General Fund. It is funded in a way that is similar to the funding of the Department of Building Inspection.

Owners of residential hotels and apartment buildings are reminded that this fee is required only for residential rooms and apartments in residential hotels, and of course, all apartments in apartment buildings. Transient or tourist rooms in residential hotels are covered by the Hotel Transient Tax.

The method of determining the fee paid for residential rooms and apartments has previously been determined annually by the Board of Supervisors. The Board has recently made a change in that method. Now, the Assessor and the Department of Building Inspection will determine the number of residential units, apartments and residential hotel rooms, in the City. These figures will be given to the City Controller, who will calculate the fee by July 31 of each year. A guest room in a residential hotel will be calculated as one-half of an apartment and will be charged half the fee of an apartment.

The owner may seek recovery of the fee from each tenant on November 1 of each year up to a maximum of 50% of the annual fee for each unit.

An owner seeking recovery of the fee shall deduct it from the next interest payment owed to a tenant, on the tenants security deposit, except that, where the interest has been paid annually, the owner may bill the tenant directly.

When the fee is not collected during the year in which the owner is first entitled to it, the owner may bank the fee and collect it in a future year. Only those fees that become due after the effective date of this Ordinance may be banked.

If there is no interest, or insufficient interest due the tenant, the owner may bill the tenant for any balance of the fee due the owner.

The billing must show the fee amount owed by the tenant, the purpose of the fee, which is to fund the Rent Board, and that the fee is due and payable within 30 days of the date of the bill.

The owner remains liable for full payment of the fee to the Tax Collector whether or not the owner seeks recovery, or in fact, does recover any portion from the tenant.

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