

**TEXT OF PROPOSED ORDINANCE**  
**PROPOSITION Q**  
**RATES OF PAYROLL EXPENSE TAX AND BUSINESS TAX**

AMENDING SECTION 903 OF ARTICLE 12-A OF PART III, MUNICIPAL CODE (PAYROLL EXPENSE TAX ORDINANCE) TO CONTINUE OR INCREASE RATES OF PAYROLL EXPENSE TAX, SUBJECT TO THE POWERS OF THE BOARD OF SUPERVISORS; AMENDING ARTICLE 12-B OF PART III, MUNICIPAL CODE (BUSINESS TAX ORDINANCE) BY AMENDING SECTIONS 1004.01, 1004.02, 1004.03, 1004.04, 1004.05, 1004.06, 1004.07, 1004.08, 1004.09, 1004.10, 1004.11, 1004.12, 1004.13, AND 1004.15, CONTINUING OR INCREASING RATES OF BUSINESS TAX, SUBJECT TO THE POWERS OF THE BOARD OF SUPERVISORS; AND PROVIDING FOR EFFECTIVE DATE OF JULY 1, 1980.

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

Section 1, Article 12-A of Part III, Municipal Code (Payroll Expense Tax Ordinance) is hereby amended by amending Section 903 thereof to read as follows:

Sec. 903. **Imposition of Payroll Expense tax.** A tax for general revenue purposes is hereby imposed upon every person who, in connection with his business, engages, hires, employs or contracts with one or more individuals as Commission Merchant or Employee, to perform work or render services in whole or in part within the City and County of San Francisco.

The amount of such tax for persons other than Associations shall be one (1%) percent of the payroll expense of such person; provided, that such tax shall be levied only upon that portion of payroll expense which is attributable to the City and County of San Francisco as set forth in Section 4; provided further that the amount of such tax com-

mencing January 1, 1977 shall be one and one-tenth (1-1/10th%) percent of the payroll expense of such person; provided further that during the period commencing April 1, 1980 and ending June 30, 1980 the amount of such tax shall be one and one-half (1½%) percent of the payroll expense of such person; provided further that commencing July 1, 1980 the amount of such tax shall be one and one-half (1½%) percent of the payroll expense of such person.

The amount of such tax for Associations shall be one (1%) percent of the payroll expense of such Association, plus one (1%) percent of the total distributions made by such Association by way of salary to those having an ownership interest in such Association; provided, that such tax shall be levied only upon that portion of association distributions (computed in the same manner as if such association distributions were definable as payroll expense) and that portion of payroll expense which are attributable to the City and County of San Francisco as set forth in Section 4; provided further that the amount of such tax commencing January 1, 1977, shall be one and one-tenth (1-1/10th%) percent of the payroll expense of such Association, plus one and one-tenth (1-1/10th%) percent of the total distributions made by such Association by way of salary to those having an ownership interest in such Association; provided further that during the period commencing April 1, 1980 and ending June 30, 1980 the amount of such tax shall be one and one-half (1½%) percent of the payroll expense of such Association, plus one and one-half (1½%) percent of the total distribution made by such Association by way of salary to those having an ownership interest in such Association; pro-

*(Continued on Page 85)*

vided further that commencing July 1, 1980 the amount of such tax shall be one and one-half (1½%) percent of the payroll expense of such Association, plus one and one-half (1½%) percent of the total distribution made by such Association by way of salary to those having an ownership interest in such Association.

This ordinance shall not be construed as requiring any license whatsoever, nor shall payment of this tax be a condition precedent to engaging in any business within the City and County of San Francisco. This tax is imposed for general revenue purposes and in order to require commerce and the business community to carry a fair share of the costs of local government in return for the benefits, opportunities and protections afforded by the City and County of San Francisco.

Section 2, Article 12-B of Part III, Municipal Code (Business Tax Ordinance) is hereby amended by amending Sections 1004.01, 1004.02, 1004.03, 1004.04, 1004.05, 1004.06, 1004.07, 1004.08, 1004.09, 1004.10, 1004.11, 1004.12, 1004.13, and 1004.15, thereof to read as follows:

## **Sec. 1004.01. Commission Merchant or Broker.**

(a) For every person engaged in the business of a commission merchant or broker, the tax shall be \$16.00 per year or fractional part thereof for the first \$4,000 or less of gross receipts, plus \$4.00 per year for each additional \$1,000 of gross receipts, or fractional part thereof in excess of \$4,000. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediate-

ly following the month in which the Controller reports to the Board of Supervisors that, in his opinion, the proceeds derived from the levy of the Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet appropriations made by the Board of Supervisors, at which time the tax shall be \$8.00 per year or fractional part thereof for the first \$4,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$4,000; provided, however, that commencing January 1, 1977, the tax shall be \$11.00 per year or fractional part thereof for the first \$5,000 or less of gross receipts, plus \$2.20 per year for each additional \$1,000 of gross receipts, or fractional part thereof in excess of \$5,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$15.00 per year or fractional part thereof for the first \$5,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period in excess of the first \$5,000; provided further that commencing July 1, 1980 the tax shall be \$15.00 per year or fractional part thereof for the first \$5,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period in excess of the first \$5,000.

(b) For the purpose of this section, the business of commission merchant or broker shall be deemed to include the buying and selling of goods, wares or merchandise by a person to the extent that the person (1) does not engage in

*(Continued)*

**(Proposition Q, Continued)**

the business of manufacturing, refining, fabricating, milling, treating or other processing of the goods, wares or merchandise bought and sold, and does not cause said goods, wares or merchandise to be manufactured, refined, fabricated, milled, treated or otherwise processed; (2) does not obtain or retain title to said goods, wares or merchandise except in one or more of the following situations: while such may be in transit, or for short periods of time before transportation commences or after it ceases; and (3) does not store or warehouse such goods, wares or merchandise except during one or more of the following situations: while such goods, wares or merchandise are actually in transit, or for short periods of time before transportation commences or after it ceases.

(c) "Gross receipts" shall mean, for the purpose of this section, all commissions charged or received, all receipts, cash, credits and property of any kind or nature received for the performance of any service, act or employment as a commission merchant or broker, or in connection with the business of being a commission merchant or broker, and all trading profits, without any deduction therefrom on account of trading losses, labor or service costs or other costs of engaging in business, or any other expense whatever.

**Sec. 1004.02. Contractor.**

(a) For every person engaged in business as a contractor, the tax shall be as follows: (i) with respect to gross receipts from contracts on which the contractor submitted a bid prior to August 17, 1968, there shall be no tax whatsoever; (ii) with respect to gross receipts from contracts on which the contractor submitted a bid between the dates of August 17, 1968, and August 17, 1970, the tax shall be \$24 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; (iii) with respect to gross receipts from contracts on which the contractor submitted a bid between the dates of August 18, 1970, and June 30, 1971, the tax shall be \$48 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$4.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; (iv) with respect to gross receipts from contracts on which the contractor submitted a bid between July 1, 1971, and September 30, 1975, the tax shall be \$24 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; (v) with respect to gross receipts from contracts on which the contractor submitted a bid on or after October 1, 1975, the tax shall be \$22.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts, plus \$2.20 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$10,000; however, (vi) with respect to gross receipts from contracts on which the contractor submitted a bid during the period commencing April 1, 1980 and ending June 30, 1980, the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period in excess of the first \$10,000; provided further that for the period commencing July 1, 1980 the tax shall be \$30.00 per year or fractional part thereof, for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period in excess of the first \$10,000.

(b) The term "contractor" as used herein means any person (except an owner who contracts for a project with another person who is licensed by the State of California as a contractor or architect or registered civil engineer acting solely in his professional capacity) who in any capacity other than as an employee of another with wages as the sole compensation, undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through others construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, railroad, excavation, or other structure, project, development or improvement, or

to do any part thereof, including the erection of scaffolding, or other structures or works in connection therewith. The term "contractor" does not include any person engaged in business as an architect or engineer.

(c) The meaning of the term "gross receipts" as used herein shall be that set forth in Section 1002.6; provided that such term shall include the total contract price for the work performed under the contract to which the contractor is a party, without deduction for subcontracts, and irrespective of whether the contract is one on a fixed price or on a cost-plus basis or one under the terms of which the contractor acts as agent for the owner. The term "gross receipts," however, shall include only receipts from contracts which cover jobs or projects with construction sites located within the city limits of the City and County.

(d) The term "bid" as used herein means the execution of any contract or any bid for a contract, whichever occurs first.

**Sec. 1004.03. Hotel, Apartment, etc.**

(a) Subject to the limitations stated therein, for every person engaged in the business of conducting or operating a hotel, rooming house, boarding house, apartment house, lodging house, house court or bungalow court, and every person engaged in the business of renting or letting rooms, apartments or other accommodation for dwelling, sleeping or lodging in any such place, the tax shall be \$30.00 per year or fractional part thereof for the first \$15,000 or less of gross receipts derived from such business or businesses, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$15,000. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediately following the month in which the Controller reports to the Board of Supervisors, that, in his opinion, the proceeds derived from the levy of the Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet appropriations made by the Board of Supervisors, at which time the tax shall be \$15.00 per year or fractional part thereof for the first \$15,000 or less of gross receipts, plus \$1.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$15,000; provided, however, that commencing January 1, 1977, the tax shall be \$11.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts, plus \$1.10 per year for each additional \$1,000 of gross receipts, or fractional part thereof in excess of \$10,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$15.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$1.50 for each additional \$1,000, or fractional part thereof, of gross receipts during the period in excess of the first \$10,000; provided further that commencing July 1, 1980 the tax shall be \$15.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$1.50 for each additional \$1,000, or fractional part thereof, of gross receipts during the period in excess of the first \$10,000.

(b) Nothing in this section shall be construed to require that a registration certificate be obtained or a tax paid by any person engaged in the business of renting or letting apartments in a structure consisting of less than four units.

(c) At the time the tax provided for herein is remitted, the Tax Collector may require the registrant to furnish a statement of the number of such businesses conducted by him, giving the street address of each location, number of units at each location, and the amount of gross receipts attributable to each location.

(d) The Tax Collector may require a person engaged in any business taxed by this section to furnish such information as may be necessary in order for the Tax Collector to determine the nature of the ownership of the business, and the amount of interest which parties to the ownership of the business claim or possess. Notice of such determination made by the Tax Collector shall be served on the persons or parties affected by his determination in the same manner as notices of deficiency determination are served under the provisions of subsection (f) of Section 1010.

*(Continued)*

**(Proposition Q, Continued)**

**Sec. 1004.04. Laundry, Cleaning and Dyeing, Agent, Collector, Linen Supply.** For every person engaged in the business of washing, ironing, drying, cleaning, dyeing, sizing, blocking or pressing any clothing, wearing apparel, garment, linen, fabric or similar material, or similar article of personal property, whether accomplished by hand, machine or any coin operated machine operated by such person, his employee or any customer, or furnishing or letting the use of any towels, linen, aprons, bedding, napkins, table covers, or other article of a similar nature, or collecting or delivering any such article as an agency or otherwise, for a fee or charge, the tax shall be \$30.00 per year or fractional part thereof for the first \$15,000 or less of gross receipts plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$15,000; provided that a person engaged in a business subject to tax under this section, who, at the same location is also engaged in any business subject to tax under Section 1004.08 of this ordinance, or, at the same location makes minor alterations or repairs to the clothing, wearing apparel, garments, linens, fabrics or similar material being washed, ironed, dried, cleaned, dyed, sized, blocked or pressed, in lieu of paying a separate business tax and obtaining separate registration certificates under this ordinance for the conduct of each such business may combine the gross receipts of all such businesses at the location and upon the basis of that computation pay a combined business tax and obtain a single registration certificate under this section for all such businesses. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediately following the month in which the Controller reports to the Board of Supervisors that, in his opinion, the proceeds derived from the levy of the Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet appropriations made by the Board of Supervisors, at which time the tax shall be \$15.00 per year or fractional part thereof for the first \$15,000 or less of gross receipts, plus \$1.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$15,000; provided, however, that commencing January 1, 1977, the tax shall be \$11.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts, plus \$1.10 per year for each additional \$1,000 of gross receipts, or fractional part thereof in excess of \$10,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$15.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$1.50 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000 and provided that commencing July 1, 1980 the tax shall be \$15.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$1.50 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000.

**Sec. 1004.05. Lending Money, etc.**

(a) Subject to the exceptions stated hereafter, for each person engaged in the business of lending money, advancing credit, or lending credit or arranging for the loan of money or advancing of credit or lending of credit for and on his own behalf or on behalf of any other person as principal, agent or broker, whether security of any kind is taken for such loan or advance or not; or purchasing or discounting or arranging for the purchase or discounting of any obligation or evidence of money due or to become due, whether such obligation or evidence is secured, guaranteed or not, and whether the person so purchasing or arranging for the purchase of the items aforesaid acts as principal, agent or broker, the tax shall be \$600 per year. Effective October 1, 1973, said tax shall be due and payable annually on or before the last day of the month of February next succeeding each respective annual period as provided in Section 9(a) herein; provided, however, that proportional amounts of the payments made pursuant to the due date of October 1, 1972, shall be credited against the tax due for the calendar year 1973; provided, however, that for persons engaged in such business during the period commencing April 1, 1980,

and ending June 30, 1980, whether or not subject to such tax prior to April 1, 1980, said tax, for the calendar year 1980, shall instead be \$800.00; provided, however, that for persons engaged in such business during the period commencing July 1, 1980, and ending December 31, 1980, whether or not subject to tax prior to July 1, 1980, said tax, for the calendar year 1980, shall instead be \$800.00; provided, however, that no such taxpayer shall be subject to tax under this section in excess of \$800.00 for the calendar year 1980; provided, however, that for calendar years following the calendar year 1980 said tax shall be \$800.00 per year.

(b) The tax imposed under the provisions of subsection (a) shall not apply to the business of lending money or advancing credit or arranging for the loan of money or the advancing of credit as principal or agent, where the obligation to repay the money lent or debt incurred or to compensate for the advance of credit is secured by a lien on real property, or some interest in real property, nor shall the provisions of this section apply to the business of purchasing, either as principal or agent, any debt or evidence of debt secured by any lien upon real property; nor shall the provisions of this section apply to any transaction involving the purchase or sale of real property. Further, the tax imposed under the provisions of subsection (a) shall not apply to a business all of which or substantially all of which consists of the purchase of unsecured accounts receivable without recourse. All persons engaged in businesses such as are described in this subsection shall be subject to tax under Section 1004.07. Persons covered by Section 1276.1 of the Police Code shall pay tax on their interest income under Section 1004.07 and shall pay tax on their retail sales under Section 1004.08.

(c) The tax imposed under the provisions of subsection (a) shall not apply to a person who, in the conduct of another business in the City and County, engages in a business of the kind described in subsection (a) solely with customers or suppliers of that other business; nor shall the tax apply to a person engaged in such a business, whether or not the relation of customer or supplier exists, when the person confines such business dealing to other persons who either stand in the relation of parent or subsidiary to him, or are so constituted as to have substantially common ownership with him; provided however, if said other business is subject to a tax under this ordinance measured by gross receipts, all interest and other charges received as a result of the activity described in subsection (a) shall be included in the gross receipts, by which the tax elsewhere imposed by this ordinance is measured; and if said other business is not subject to a tax measured by gross receipts, it shall pay a tax under the provisions of Section 1004.07 for engaging in the kind of activity described in subsection (a). If a person described in this subsection as exempt from the tax imposed under subsection (a) engages in the business there taxed with respect to persons other than those described in this subsection, the exemption shall not apply.

**Sec. 1004.06. Personal Property Rental.**

For every person engaged in the business of leasing or renting any tangible personal property and not specifically taxed by other provisions of this ordinance, the tax shall be \$48.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$4.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediately following the month in which the controller reports to the Board of Supervisors that, in his opinion, the proceeds derived from the levy of Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet appropriations made by the Board of Supervisors, at which time the tax shall be \$24.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; provided, however, that commencing January 1, 1977, the tax shall be \$22.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts, plus \$2.20 per year for each additional \$1,000 of gross receipts, or frac-

(Continued)

**(Proposition Q, Continued)**

tional part thereof in excess of \$10,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period in excess of the first \$10,000; provided, however, that commencing July 1, 1980, the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000.

For the purpose of this section "tangible personal property" shall mean personal property which may be seen, weighed, measured, felt or touched, or which is in any other manner perceptible to the senses.

Nothing in this section of this ordinance shall be construed to require the inclusion of the amount received for the leasing or renting of tangible property, or for the leasing or renting of mobile transportation equipment for use in for-hire transportation of property such as railroad locomotives, trucks, truck tractors, freight cars, truck trailers, dollies, bogies, chassis, and cargo shipping containers, the entire use of which is made wholly outside the State of California.

**Sec. 1004.07 Other Businesses.**

(a) For every person engaged in any business, trade, calling, occupation, vocation, profession or other means of livelihood, and not as an employee of another, and not specifically taxed by other provisions of this ordinance, the tax shall be \$48.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts plus \$4.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediately following the month in which the Controller reports to the Board of Supervisors that, in his opinion, the proceeds derived from the levy of the Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet the appropriations made by the Board of Supervisors, at which time the tax shall be \$24.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; provided, however, that commencing January 1, 1977, the tax shall be \$22.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts, plus \$2.20 per year for each additional \$1,000 of gross receipts, or fractional part thereof in excess of \$10,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000; provided, however, that commencing July 1, 1980, the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000.

(b) A person engaged in more than one trade, calling, occupation, vocation, profession or other means of livelihood embraced within this section shall consolidate all gross receipts and shall be issued one registration certificate covering all such activities. Any person engaged in any activities embraced within this section, in addition to activities covered by any other section of this ordinance, shall obtain separate registration certificates for the activities covered by such other sections.

**Sec. 1004.08 Retail Sales.**

(a) For every person manufacturing and selling any goods, wares or merchandise at retail, or selling any goods, wares or merchandise at retail, and not otherwise specifically taxed by other provisions of this ordinance, the tax shall be \$30 per year or fractional part thereof for the first \$15,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess

of \$15,000; provided that blind persons need not include the first \$15,000 of gross receipts in the computation of the amount of tax due hereunder nor to be required to pay the minimum tax. This exemption shall not subject such blind persons to the provisions of Section 1004.07 of this ordinance. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediately following the month in which the controller reports to the Board of Supervisors that, in his opinion, the proceeds derived from the levy of the Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet appropriations made by the Board of Supervisors, at which time the tax shall be \$15 per year or fractional part thereof for the first \$15,000 or less of gross receipts, plus \$1.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$15,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$15.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$1.50 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000; provided, however that commencing July 1, 1980, the tax shall be \$15.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$1.50 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000.

(b) For the purpose of this section, a retail sale or sale at retail means a sale of goods, wares or merchandise for any purpose other than resale in the regular course of business.

(c) Whenever a person engages at the same location in two or more businesses of the kind taxed in this section, a joint registration certificate shall be issued for all such businesses and the tax shall be measured by the sum of the gross receipts of all such businesses so conducted.

(d) A blind person, within the meaning of this section, shall mean a person having not more than ten percent visual acuity in the better eye, with correction. Such blindness shall be certified by a licensed physician and surgeon who specializes in diseases of the eye, or by the Bureau of Vocational Rehabilitation of the Department of Education of the State of California, and the exemption provided by this section shall not apply until a certificate as to such blindness shall be furnished to the Tax Collector.

(e) As used in this section, the term "manufacturing and selling" shall be deemed to include the activities of "handling and selling," "storage, handling and selling," "assembling and selling," and "processing and selling."

Nothing in this section contained shall be construed to require the inclusion in the computation of the amount of the tax due thereunder the gross receipts of the sales of goods which are shipped to the purchasers of such goods by the seller to points outside the State of California.

**Sec. 1004.09. Storage, Freight Forwarding.**

(a) "Freight forwarding" shall mean the business of collecting or consolidating for shipment in carload lots or less, or truckload lots or less, any goods, wares or merchandise as agent or bailee for any person where a fee is charged for such service.

(b) For every person engaged in the business of freight forwarding or maintaining any storage or warehouse for the storage of goods, wares or merchandise of any kind, the tax shall be \$48.00 per year, or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$4.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediately following the month in which the Controller reports to the Board of Supervisors that, in his opinion, the proceeds derived from the levy of the Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet appropriations made by the Board of Supervisors, at which time the tax shall be \$24.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; provided, however, that commencing January 1,

*(Continued)*

**(Proposition Q, Continued)**

1977, the tax shall be \$22.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts, plus \$2.20 per year for each additional \$1,000 of gross receipts, or fractional part thereof in excess of \$10,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000; provided, however, that commencing July 1, 1980, the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000.

**Sec. 1004.10. Telephone, Gas, Electric and Steam Service.**

(a) For every person engaged as a public utility in the business of furnishing railroad, telephone, gas, electric or steam services, the tax shall be \$32.00 per year or fractional part thereof for the first \$20,000 or less of gross receipts, plus \$1.60 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$20,000. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediately following the month in which the Controller reports to the Board of Supervisors, that, in his opinion, the proceeds derived from the levy of the Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet the appropriations made by the Board of Supervisors, at which time the tax shall be \$16.00 per year or fractional part thereof for the first \$20,000 or less of gross receipts plus \$.80 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$20,000; provided, however, that commencing January 1, 1977, the tax shall be \$18.00 per year or fractional part thereof for the first \$20,000 or less of gross receipts, plus \$.90 per year for each additional \$1,000 of gross receipts or fractional part thereof, in excess of \$20,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$24.00 per year or fractional part thereof for the first \$20,000 or less of gross receipts in the year, plus \$1.23 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$20,000; provided, however, that commencing July 1, 1980, the tax shall be \$24.00 per year or fractional part thereof for the first \$20,000 or less of gross receipts in the year, plus \$1.23 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$20,000.

(b) For the purposes of this section, "gross receipts" shall have the same meaning as in Section 1002.6, except that only those receipts derived from providing services within the City and County shall be included, and further excepting that, with respect to telephone services, only receipts resulting from intrastate telephone service shall be included.

**Sec. 1004.11. Transporting Persons for Hire.**

**(a) Definitions.**

1. Operator. The term "operator" includes:

(i) Any person engaging in the transportation of persons or property for hire or compensation by or upon a motor vehicle upon any public highway in this State, either directly or indirectly.

(ii) Any person who for compensation furnishes any motor vehicle for the transportation of persons or property under a lease or rental agreement when such person operates the motor vehicle furnished or exercises any control of, or assumes any responsibility for the operation of the vehicle irrespective of whether the vehicle is driven by such person or the person to whom the vehicle is furnished, or engages either in whole or in part in, the transportation of persons or property in the motor vehicle furnished.

2. Not An Operator. The term "operator" does not include any of the following:

(i) Any person transporting his own property in a motor vehicle owned or operated by him unless he makes a specific charge for the transportation. This subdivision does

not in any way limit any other exemption granted by this section.

(ii) Any farmer, resident of this State, who occasionally transports property for other farmers, or who transports his own farm products, or who transports laborers to and from farm work incidentally in his farming operations.

(iii) Any nonprofit agricultural cooperative association, organized and acting within the scope of its own powers under Chapter 4 of Division 6 of the Agricultural Code of the State of California to the extent only that it is engaged in the transporting of its own property or the property of its members.

(iv) Any person whose sole transportation of persons or property for hire or compensation consists of the transportation of children to or from any public or nonprofit private school and whose total compensation from all sources for providing such transportation does not exceed one hundred dollars (\$100) in any calendar month.

(v) Any person engaged in the business of operating a hearse or other vehicle in a procession to a burial ground or place of interment and from the burial ground or place of interment to a garage or place of storage.

(vi) Any registered owner of a pleasure vehicle who, while operating the vehicle, transports persons to his work or to a place through which he passes on the way to his work, whether for or without compensation, if he is not in the business of furnishing such transportation.

(vii) Any person engaged in the business of collecting and disposing of garbage, rubbish or waste, and who transports any such matter in a motor vehicle owned or operated by him, unless he makes a separate or specific charge for transportation. It is hereby declared that any such business is one substantially affecting the public health and welfare.

3. Transportation for Hire. The term "transportation for hire" shall be deemed to include transportation for gain or profit, direct or indirect.

4. Motor Vehicle. The term "motor vehicle" includes any automobile, truck, tractor, or other self-propelled vehicle used for the transportation of persons or property upon the public highways, otherwise than upon fixed rails or tracks, and any trailer, semitrailer, dolly, or other vehicle drawn thereby.

**(b) Tax Imposed.**

1. Every person whose business in whole or in part is that of operator, as defined herein, of any motor vehicle for the transportation of persons for hire, and who in the course of that business uses the public streets and highways in this City and County for the purpose of such business, shall pay a business tax measured by gross receipts derived from the transportation of passengers as provided in this section. This tax is imposed for the privilege of using the public streets and highways in the City and County of San Francisco for the purpose of such business, employing or loaning capital on property, or maintaining an office in the City and County of San Francisco. No person shall engage in such business or perform any act required to be taxed under this section during any tax period without first obtaining a registration certificate.

2. The business taxed under the provisions of this section shall be the transportation of persons by an operator:

- (i) Wholly within the City and County;
- (ii) From a place or places outside the City and County (including a place or places outside the State of California) to a place or places within the City and County;
- (iii) From a place or places within the City and County to a place or places outside the City and County (including a place or places outside the State of California);
- (iv) From a place or places within the City and County to a place or places also within the City and County even though such transportation involves going outside the City and County (including a place or places outside the State of California) in the course thereof.

**(c) Measure of Tax.**

For every person whose business in whole or in part is that of operator, as defined herein, of any motor vehicle for the transportation of persons for hire, and who in the

*(Continued)*



**(Proposition Q, Continued)**

course of that business uses the public streets and highways in this City and County for the purpose of such business, the tax shall be \$48.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$4.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediately following the month in which the Controller reports to the Board of Supervisors that, in his opinion, the proceeds derived from the levy of the Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet the appropriations made by the Board of Supervisors, at which time the tax shall be \$24.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; provided, however, that commencing January 1, 1977, the tax shall be \$22.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts, plus \$2.20 per year for each additional \$1,000 of gross receipts, or fractional part thereof in excess of \$10,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000; provided, however, that commencing July 1, 1980, the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000.

**(d) Apportionment; Interstate Commerce.**

Whenever an operator engages in the transportation of passengers partly within and partly without the City and County of San Francisco, the tax imposed by this section shall apply exclusively to the portion of the gross receipts attributable to operations within the City and County of San Francisco. For purpose of this section, gross receipts attributable to operations within the City and County of San Francisco shall mean that percentage of an operator's total gross receipts, including gross receipts from the transportation of persons to and from a place or places outside the State of California, which is equal to that percentage which the mileage operated with the City and County of San Francisco bears to the entire mileage over which the operations extend.

**(e) Exemption for Certain School Buses.**

No tax hereunder shall be required for the operation of any motor vehicle for any day or fraction thereof when such vehicle is operated exclusively on any day to transport students or members of bona fide youth organizations, and their supervising adults to and from public or private schools, school events or other youth activities, without regard to the manner or source of compensation to the operator. This exemption shall not subject such operation to the provisions of Section 1004.07 of this ordinance.

**Sec. 1004.12. Trucking — Hauling.**

**(a) Definitions.**

1. **Operator.** The term "operator" is used in this section as defined in the Motor Vehicle Transportation License Tax Act of California, with reference only, however, to persons engaging in the transportation of property for hire or compensation.

2. **Motor Vehicle.** The term "motor vehicle" is used in this section as defined in the Motor Vehicle Transportation License Tax Act of California.

3. **Tractor.** The term "tractor" as used herein shall mean "truck tractor" as defined in the Vehicle Code of California.

(b) **Tax Imposed.** Every person whose business in whole or in part is that of operator, as defined herein, of any motor vehicle for the transportation of property for hire or compensation, and who in the course of that business uses the public streets and highways in the City and County for the purpose of such business, shall pay a business tax as provided in this section.

(c) **Measure of Tax; Reporting Period.** The tax required

to be paid by this section shall be reported and paid annually. Every person engaged in the business subject to tax under this section shall pay a minimum tax of \$12.50 per year. The tax required to be paid under this section shall be measured as follows:

1. For each motor vehicle, other than a tractor, trailer, semitrailer, or dolly, used to receive or discharge, pick up or deliver property within this City and County, the tax shall be as follows:

Where the unladen weight thereof is 4000 lbs. or less, the tax shall be \$.04 for each day or fraction thereof of its operation as specified in subsection (b); provided however, that commencing January 1, 1977, the tax shall be \$.05 for each day or fraction thereof of its operation as specified in subsection (b); provided however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$.07 for each day or fraction thereof of its operation as specified in subsection (b); provided however, that commencing July 1, 1980, the tax shall be \$.07 for each day or fraction thereof of its operation as specified in subsection (b);

Where the unladen weight thereof is over 4,000 lbs., and not more than 8,000 lbs., the tax shall be \$.10 for each day or fraction thereof of its operation as specified in subsection (b); provided, however, that commencing January 1, 1977, the tax shall be \$.11 for each day or fraction thereof of its operation as specified in subsection (b); provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$.15 for each day or fraction thereof of its operation as specified in subsection (b); provided, however, that commencing July 1, 1980, the tax shall be \$.15 for each day or fraction thereof of its operation as specified in subsection (b);

Where the unladen weight thereof is over 8,000 lbs., the tax shall be \$.11 for each day or fraction thereof of its operation as specified in subsection (b); provided, however, that commencing January 1, 1977, the tax shall be \$.12 for each day or fraction thereof of its operation as specified in subsection (b); provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$.16 for each day or fraction thereof of its operation as specified in subsection (b); provided, however, that commencing July 1, 1980, the tax shall be \$.16 for each day or fraction thereof of its operation as specified in subsection (b).

2. For each tractor which is so used to haul one or more trailers or semitrailers, the tax shall be \$.11 for each day or fraction thereof of its operation as specified in subsection (b); provided, however, that commencing January 1, 1977, the tax shall be \$.12 for each day or fraction thereof of its operation as specified in subsection (b); provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$.16 for each day or fraction thereof of its operation as specified in subsection (b); provided, however, that commencing July 1, 1980, the tax shall be \$.16 for each day or fraction thereof of its operation as specified in subsection (b).

**(d) Method of Reporting.**

1. No person shall engage in such business or perform any act required to be taxed under this section during any tax period without first obtaining a registration certificate.

2. At the close of each tax period such person shall file a statement with the Tax Collector showing the tax due and setting forth a summary of the vehicles of each graduation specified in subsection (c) above used during such preceding tax period and the number of days or fractions thereof of such use, and shall pay on or before the last day of February in the next subsequent tax period any (additional) tax that may be due hereunder for such preceding tax period.

3. In making such statement, the person may at his option elect to compute such summary and pay such tax on a "test week" basis, by separately computing the tax which would be due for each of the four test weeks specified in subsection (d)4 hereof, dividing the total of the tax due for the four test weeks by four to ascertain the average weekly tax, and multiplying the said average weekly tax by the number of weeks of the tax period during which he con-

*(Continued)*

*(Proposition Q, Continued)*

ducted operations subject to tax under this section. If the person elects to compute the tax imposed hereunder on a test week basis such election shall be irrevocable and conclusive as to the tax period for which such election is made. Any person electing to compute such tax on a test week basis shall retain the records used for such computation for a period of two years from the date of filing such report. Upon the failure of any person electing to compute such tax on a test week basis to retain such records, the Tax Collector may determine the amount of any additional tax estimated to be due from such person in the manner provided by Section 1010.

4. The test weeks which may be used by a person in computing the tax imposed under this section are the second full week in January, the second full week in April, the second full week in July and the second full week in October. If a person does not conduct operation subject to tax under this section in any one or more of such test weeks, then he may use the next succeeding week following such test week in which he does conduct such operations in the place of such test weeks; provided, however, that if a person does not conduct operations subject to tax under this section during each of the four test weeks which may, under this subsection, be used in computing the tax, such person may not elect to compute his tax on a test week basis without prior written application to and prior written approval of the Tax Collector as to what alternate test period or periods may be used.

5. In the event the business is discontinued, dissolved or otherwise terminated before the close of such tax period, the statement required by subsection (d)2 hereof shall thereupon be filed and any additional tax due hereunder shall be paid within 45 days following date of such discontinuance, dissolution or termination.

(c) **Exemption for Vehicles Operated Exclusively in Interstate Commerce.** No tax hereunder shall be required for the operation of any motor vehicle for any day or fraction thereof when such vehicle is operated exclusively between points within this City and County and points without this State.

(f) **Exemptions and Exceptions.** No tax hereunder shall be required for the operation of any motor vehicle or equipment along the streets of this City and County if such operation is merely occasional and incidental to a business conducted elsewhere; provided that no operation shall be deemed merely occasional if trips or hauls are made beginning or ending at points within this City and County upon an average more than once a week in any quarter, and a business shall be deemed to be conducted within this City and County if an office or agency is maintained here or if transportation business is solicited here.

**Sec. 1004.13. Wholesale Sales.**

(a) For every person manufacturing and selling any goods, wares or merchandise at wholesale, or selling any goods, wares or merchandise at wholesale not otherwise specifically taxed by other provisions of this ordinance, the tax shall be \$32.00 per year or fractional part thereof for the first \$20,000 or less of gross receipts, plus \$1.60 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$20,000; provided that blind persons need not include the first \$20,000 of gross receipts in the computation of the amount of tax due hereunder nor be required to pay the minimum tax. This exemption shall not subject such blind person to the provisions of Section 1004.07 of this ordinance. The rate of the tax set forth hereinabove shall remain in effect until the first day of the month immediately following the month in which the Controller reports to the Board of Supervisors that, in his opinion, the proceeds derived from the levy of the Payroll Expense Tax imposed by Ordinance No. 275-70, are legally available to meet appropriations made by the Board of Supervisors, at which time the tax shall be \$16.00 per year or fractional part thereof for the first \$20,000 or less of gross receipts, plus \$0.80 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$20,000; provided, however, that commencing January 1, 1977, the tax shall be \$18.00 per year or fractional part

thereof for the first \$20,000 or less of gross receipts, plus \$0.90 per year for each additional \$1,000 of gross receipts, or fractional part thereof in excess of \$20,000; provided, however, that during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$24.00 per year or fractional part thereof for the first \$20,000 or less of gross receipts in the year, plus \$1.23 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$20,000; provided, however, that commencing July 1, 1980, the tax shall be \$24.00 per year or fractional part thereof for the first \$20,000 or less of gross receipts in the year, plus \$1.23 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$20,000.

(b) For the purpose of this section, a wholesale sale or sale at wholesale means a sale of goods, wares or merchandise for the purpose of resale in the regular course of business.

(c) Whenever a person engages in the same location in two or more businesses of the kind taxed in this section, a joint registration certificate shall be issued for all such businesses and the tax shall be measured by the sum of the gross receipts of all such businesses so conducted.

(d) A blind person, within the meaning of this section, shall mean a person having not more than ten percent visual acuity in the better eye, with correction. Such blindness shall be certified by a licensed physician and surgeon who specializes in diseases of the eye, or by the Bureau of Vocational Rehabilitation of the Department of Education of the State of California, and the exemption provided by this section shall not apply until a certificate as to such blindness shall be furnished to the Tax Collector.

(e) As used in this section, the term "manufacturing and selling" shall be deemed to include the activities of "handling and selling," "storage, handling and selling," "assembling and selling," and "processing and selling."

Nothing in this section contained shall be construed to require the inclusion in the computation of the amount of the tax due thereunder the gross receipts of the sales of goods which are shipped to the purchasers of such goods by the seller to points outside the State of California.

**Sec. 1004.15. Architects, Engineers.**

(a) For every person engaged in business as an architect or engineer, the tax shall be as follows: (i) with respect to gross receipts from contracts on which the architect or engineer submitted a proposal prior to August 17, 1968, there shall be no tax whatsoever; (ii) with respect to gross receipts from contracts on which the architect or engineer submitted a proposal between the dates of August 17, 1968, and August 17, 1970, the tax shall be \$24.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; (iii) with respect to gross receipts from contracts on which the architect or engineer submitted a proposal between the dates of August 18, 1970, and June 30, 1971, the tax shall be \$48.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$4.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; (iv) with respect to gross receipts from contracts on which the architect or engineer submitted a proposal between July 1, 1971, and September 30, 1975, the tax shall be \$24.00 per year or fractional part thereof for the first \$12,000 or less of gross receipts, plus \$2.00 per year for each additional \$1,000 of gross receipts or fractional part thereof in excess of \$12,000; (v) with respect to gross receipts from contracts on which the architect or engineer submitted a proposal on or after October 1, 1975, the tax shall be \$22.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts, plus \$2.20 per year for each additional \$1,000 of gross receipts, or fractional part thereof in excess of \$10,000; however, (vi) with respect to gross receipts from contracts on which the architect or engineer submitted a proposal during the period commencing April 1, 1980 and ending June 30, 1980 the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus

*(Continued)*



*(Proposition Q, Continued)*

\$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period in excess of the first \$10,000; (vii) with respect to gross receipts from contracts on which the architect or engineer submitted a proposal on or after July 1, 1980, the tax shall be \$30.00 per year or fractional part thereof for the first \$10,000 or less of gross receipts in the year, plus \$3.00 for each additional \$1,000, or fractional part thereof, of gross receipts during the period, in excess of the first \$10,000.

(b) The term "engaged in business as an architect" as used herein shall mean engaged in an activity for which a license is required under Chapter 3, Division III of the Business and Professional Code of the State of California. The term "engaged in business as an engineer" as used herein shall mean engaged in an activity for which a license is required under Chapter 7, Division III of the Business and Professions Code of the State of California.

(c) The meaning of the term "gross receipts" as used herein shall be that set forth in Section 1002.6; provided that such term shall include the total contract price for the work performed by such architect or engineer, without deduction for consulting fees and irrespective of whether the contract is one on a stipulated sum or on a cost-plus fee basis or one under the terms of which the architect or engineer acts as agent for the owner.

*(Proposition V, Continued)*

This ordinance shall be in full force and effect whether or not any new or revised Charter is passed at the same or a subsequent election.

This ordinance is an exercise of this city's home rule power granted under Article XI of the state Constitution, superceding any inconsistent law. For this reason, and also because no special tax is imposed by this ordinance, the

(d) Whenever an architect or engineer performs work or renders services in part within the City and County of San Francisco and in part without the City and County of San Francisco, no apportionment shall be made except that the tax shall be levied only on that percentage of gross receipts equal to the percentage which working time expended within the City and County of San Francisco bears to his total working time both within and without the City and County of San Francisco.

Section 3. By adopting this ordinance the People of the City and County of San Francisco do not intend to limit or in any way curtail any powers the Board of Supervisors may exercise as to the subject matter of this ordinance, including, but not limited to, raising the rate of taxation, lowering the rate of taxation, eliminating the tax, or creating or defining new categories of taxpayers under the business tax or payroll expense tax ordinance.

In adopting this ordinance the people of the City and County of San Francisco affirm and ratify the previously-adopted increase of rates of the business tax and payroll expense tax effective as of April 1, 1980, approve their continuance, and further declare that if any of such previously-adopted increases should be invalid for any reason it is nevertheless intended that all the increases of both taxes be in effect as of July 1, 1980 as provided in this ordinance.

Section 4. **Effective Date.** Except as stated in Section 3, this ordinance shall become effective on July 1, 1980.

two-thirds vote provision in Section 4, Article XIII A of the state Constitution (Proposition 13) does not apply. Likewise, this ordinance supercedes any inconsistent provision of Article XIII B of the state Constitution (Proposition 4).

If any section, part, clause or phrase of this ordinance is for any reason held by any court to be invalid or unconstitutional, the rest of this ordinance shall not be affected but will remain in full force and effect.