

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

SECTION 1. Title.

This initiative measure shall be known and may be cited as the "Small Business and Economic Recovery Act" (the "Initiative").

SECTION 2. Findings and Purpose.

- A. Findings. The people of the City and County of San Francisco ("City" or "San Francisco") find and declare the following:
1. San Francisco's economy continues to face lingering impacts from the COVID-19 pandemic, including reduced downtown activity, elevated commercial vacancy, and higher operating costs for local employers, particularly small businesses.
 2. Small businesses are a critical source of local employment and neighborhood economic activity, yet they are least able to absorb rising costs and complex compliance burdens.
 3. Economic challenges for our small businesses risk slowing recovery at a time when stabilization and reinvestment are critical to restoring the city's vibrancy.
 4. Rising costs imposed on small business are often passed on to consumers, contributing to higher prices for goods and services and worsening affordability for San Francisco residents.
 5. Expanding exemptions for small businesses and proactively accelerating the Overpaid Executive Tax rate represents a measured and targeted approach to economic recovery that prioritizes relief for small businesses while preserving critical revenue for key services.
- B. Purpose. The people of the City and County of San Francisco declare that our purpose and intent in enacting this Initiative is to make amendments to the San Francisco Business and Tax Regulations Code to provide tax relief for small businesses in San Francisco and proactively accelerate the Overpaid Executive Tax rate, prioritizing relief for small businesses while preserving critical revenue for key services.

SECTION 3. Amendments to the San Francisco Business and Tax Regulations Code.

Section 954.1 ("Small Business Exemption") of Article 12-A-1 ("Gross Receipts Tax Ordinance") of the San Francisco Business and Tax Regulations Code is hereby amended as set forth below (new language to be inserted is shown as underline text, deletions are indicated in ~~strikethrough~~). Asterisks (* * *) indicate the omission of Code subsections that are not changed by this Initiative.

SEC. 954.1. SMALL BUSINESS EXEMPTION.

- (a) Notwithstanding any other provision of this Article 12-A-1, a "small business enterprise," as hereinafter defined for purposes of this Article, shall be exempt from payment of the gross receipts tax, nevertheless, a small business enterprise shall pay the annual registration fee pursuant to Section 855 of Article 12.
- (b) For purposes of this Article 12-A-1, the term "small business enterprise" shall mean:
 - (1) For tax years beginning on or after January 1, 2014 and ending on or before December 31, 2020, any person or combined group, except for a lessor of residential real estate, whose gross receipts within the City did not exceed \$1,000,000, adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31 of the preceding year, beginning with December 31, 2014.
 - (2) For tax years beginning on or after January 1, 2021 and ending on or before December 31, 2024, any person or combined group, except for a lessor of residential real estate, whose gross receipts within the City did not exceed \$2,000,000, adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31 of the preceding year, beginning with December 31, 2021.
 - (3) For tax years beginning on or after January 1, 2025 and ending on or before December 31, 2026, any person or combined group, except for a lessor of residential real estate, whose gross receipts within the City did not exceed \$5,000,000, adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/Hayward Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31 of the calendar year two years prior to the tax year, beginning with tax year 2026, and rounded to the nearest \$10,000.
 - (4) For tax years beginning on or after January 1, 2027, any person or combined group, except for a lessor of residential real estate, whose gross receipts within the City did not exceed \$7,500,000, adjusted

annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/Hayward Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31 of the calendar year two years prior to the tax year, beginning with tax year 2027, and rounded to the nearest \$10,000.

- (c) For purposes of this Article 12-A-1, and notwithstanding any other provision of this Section 954.1, a lessor of residential real estate is a “small business enterprise” if and only if the lessor leases fewer than 4 units in any individual building. “Residential real estate” means real property where the primary use of or right to use the property is for the purpose of dwelling, sleeping or lodging other than as part of the business activity of accommodations. For purposes of this Article 12-A-1 and Article 12, a lessor of residential real estate is treated as a separate person with respect to each individual building in which it leases residential real estate units, notwithstanding Section 6.2-15 of Article 6, or Section 956.3 of this Article 12-A-1. The provisions of this subsection (c) apply only to leasing residential real estate units within a building, and not to any business activity related to other space, either within the same building or other buildings, which is not residential real estate. The Tax Collector is authorized to determine what constitutes a separate building and the number of units in a building.

Article 33 (“Overpaid Executive Gross Receipts Tax”) of the San Francisco Business and Tax Regulations Code is hereby amended as set forth below (new language to be inserted is shown as underline text, deletions are indicated in ~~strikethrough~~).

Section 3302 (“Definitions”) of Article 33 (“Overpaid Executive Gross Receipts Tax”) of the San Francisco Business and Tax Regulations Code is hereby amended as follows:

SEC. 3302. DEFINITIONS.

- (a) Unless otherwise defined in this Article 33, the terms used in this Article shall have the meanings given to them in Articles 6, 12-A, and 12-A-1 of the Business and Tax Regulations Code, as amended from time to time.
- ~~(b) For purposes of this Article 33:~~

~~(1) The following definitions apply for tax years ending on or before December 31, 2024:~~

~~“Compensation” means wages, salaries, commissions, bonuses, property issued or transferred in exchange for the performance of services (including but not limited to stock options), compensation for services to owners of pass-through entities, and any other form of remuneration paid to employees for services.~~

~~“Executive Pay Ratio” means the ratio of the annual Compensation paid to the person or combined group’s Highest-Paid Managerial Employee for a tax year to the median Compensation paid to the person or combined group’s full-time and part-time employees based in the City for that tax year, determined on a full-time equivalency and annualized basis. For purposes of this definition:~~

- ~~(i) An employee is “based in the City for [a] tax year” if the employee’s total working hours in the City for the person or combined group during the tax year exceeds the employee’s total working hours in any other local jurisdiction for the person or combined group during the tax year.~~
- ~~(ii) Compensation paid to a part-time employee for the tax year shall be converted to a “full-time equivalency” by multiplying the part-time employee’s Compensation for the tax year by 40, and dividing the result by the average number of hours the part-time employee worked per week during the tax year for the person or combined group.~~
- ~~(iii) Compensation paid to an employee who was employed by the person or combined group for only a portion of the tax year shall be “annualized” by multiplying the employee’s Compensation (or, as stated, for a part-time employee, full-time equivalent Compensation) for the tax year by 52, and dividing the result by the number of weeks that the employee was employed by that person or combined group during the tax year.~~

~~“Highest-Paid Managerial Employee” means the individual employee or officer of a person or combined group with managerial responsibility in a business function who received the most Compensation for a tax year.~~

~~(2)~~

(b) For purposes of this Article 33, the following definitions apply for tax years beginning on or after January 1, 2025, and after:

“Compensation” means wages, salaries, commissions, bonuses, property issued or transferred in exchange for the performance of services (including but not limited to stock options), compensation for services to owners of pass-through entities, and any other form of remuneration paid to employees for services.

“Executive Pay Ratio” means the ratio of the Compensation paid to the person or combined group’s Highest-Paid Managerial Employee for a tax year to the median Compensation paid to the person or combined group’s full-time and part-time employees based in the City for that tax year. The median Compensation paid to the person or combined group’s full-time and part-time employees based in the City for that tax year shall be determined on a full-time equivalency and annualized basis, and shall be determined without regard to any Compensation paid to the Highest-Paid Managerial Employee who may be based in the City for that tax year. For purposes of this definition:

- (i) An employee is “based in the City for [a] tax year” if the employee’s total working hours in the City for the person or combined group during the tax year exceeds the employee’s total working hours in any other local jurisdiction for the person or combined group during the tax year.
- (ii) Compensation paid to a part-time employee for the tax year shall be converted to a “full-time equivalency” by multiplying the part-time employee’s Compensation for the tax year by 40, and dividing the result by the average number of hours the part-time employee worked per week during the tax year for the person or combined group.
- (iii) Compensation paid to an employee who was employed by the person or combined group for only a portion of the tax year shall be “annualized” by multiplying the employee’s Compensation (or, as stated, for a part-time employee, full-time equivalent Compensation) for the tax year by 52, and dividing the result by the number of weeks that the employee was employed by that person or combined group during the tax year.

“Highest-Paid Managerial Employee” means the individual employee or officer of a person or combined group with managerial responsibility in a business function who received the most Compensation for a tax year. For purposes of determining the Highest-Paid Managerial Employee and the Compensation of such employee, Compensation shall not be annualized or converted to a full-time equivalency.

Section 3303 (“Imposition of Tax”) of Article 33 (“Overpaid Executive Gross Receipts Tax”) of the San Francisco Business and Tax Regulations Code is hereby amended as follows:

SEC. 3303. IMPOSITION OF TAX.

- (a) Except as otherwise provided in this Article 33, commencing with tax years beginning on or after January 1, 2022, for the privilege of engaging in business in the City, the City imposes an annual Overpaid Executive Gross Receipts Tax on each person engaging in business within the City where the Executive Pay Ratio for the tax year of that person or the combined group of which it is a part exceeds 100:1.
- (b) For tax years ending on or before December 31, 2024, the Overpaid Executive Gross Receipts Tax shall be calculated as follows:
 - (1) 0.1% of the person or combined group’s taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;
 - (2) 0.2% of the person or combined group’s taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;

- (3) 0.3% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;
 - (4) 0.4% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;
 - (5) 0.5% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or
 - (6) 0.6% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.
- (c) For tax years 2025 and 2026, the Overpaid Executive Gross Receipts Tax shall be calculated as follows:
- (1) 0.02% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;
 - (2) 0.04% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;
 - (3) 0.06% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;
 - (4) 0.08% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;
 - (5) 0.1% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or
 - (6) 0.12% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.
- (d) For tax years beginning on or after January 1, 2027, the Overpaid Executive Gross Receipts Tax shall be calculated as follows:
- (1) 0.021% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;

- (2) 0.042043% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;
 - (3) 0.062064% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;
 - (4) 0.083086% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;
 - (5) 0.404107% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or
 - (6) 0.425129% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.
- (e) ~~Reserved. For tax years beginning on or after January 1, 2028, the Overpaid Executive Gross Receipts Tax shall be calculated as follows:~~
- ~~(1) 0.021% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;~~
 - ~~(2) 0.043% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;~~
 - ~~(3) 0.064% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;~~
 - ~~(4) 0.086% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;~~
 - ~~(5) 0.107% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or~~
 - ~~(6) 0.129% of the person or combined group's taxable gross receipts for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.~~
- (f) For purposes of this Section 3303, "taxable gross receipts" means a person or combined group's gross receipts, not excluded under Section 3304, attributable to the City. The person or combined group's gross receipts that are attributable to

the City shall be determined in the same manner as in Article 12-A-1, as amended from time to time.

- (g) Notwithstanding any other subsection of this Section 3303, every person engaging in business within the City as an administrative office, as defined in Section 953.8 of Article 12-A-1, shall pay an annual overpaid executive administrative office tax if the Executive Pay Ratio for the tax year of that person or the combined group of which it is a part exceeds 100:1. This overpaid executive administrative office tax shall be measured by the person's total payroll expense, as defined in Section 953.8(f) of Article 12-A-1, that is attributable to the City. If a person is a member of a combined group, then its tax shall be measured by the total payroll expense of the combined group attributable to the City. Such person or combined group shall pay only the overpaid executive administrative office tax, and not the tax imposed under other subsections of this Section 3303, but a person or combined group may be liable for the administrative office tax imposed by Section 953.8 of Article 12-A-1 and the homelessness administrative office tax imposed by Section 2804(d) of Article 28 in addition to the overpaid executive administrative office tax imposed by this subsection (d). Unless specified otherwise, this overpaid executive administrative office tax shall be considered part of the Overpaid Executive Gross Receipts Tax for all purposes. The overpaid executive administrative office tax shall be calculated as follows:

- (1) For tax years ending on or before December 31, 2024, the overpaid executive administrative office tax shall be calculated as follows:
- (A) 0.4% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;
 - (B) 0.8% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;
 - (C) 1.2% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;
 - (D) 1.6% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;
 - (E) 2% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or

- (F) 2.4% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.
- (2) For tax years 2025 and 2026, the overpaid executive administrative office tax shall be calculated as follows:
- (A) 0.08% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;
 - (B) 0.16% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;
 - (C) 0.24% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;
 - (D) 0.32% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;
 - (E) 0.4% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or
 - (F) 0.48% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.
- (3) For tax years beginning on or after January 1, 2027, the overpaid executive administrative office tax shall be calculated as follows:
- (A) ~~0.0830~~ 0.086% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;
 - (B) ~~0.1660~~ 0.171% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;
 - (C) ~~0.250~~ 0.257% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group

has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;

(D) ~~0.3330~~ 0.343% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;

(E) ~~0.4160~~ 0.428% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or

(F) ~~0.4990~~ 0.514% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.

~~(4) For tax years beginning on or after January 1, 2028, the overpaid executive administrative office tax shall be calculated as follows:~~

~~(A) 0.086% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 100:1, but less than or equal to 200:1;~~

~~(B) 0.171% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 200:1, but less than or equal to 300:1;~~

~~(C) 0.257% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 300:1, but less than or equal to 400:1;~~

~~(D) 0.343% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 400:1, but less than or equal to 500:1;~~

~~(E) 0.428% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 500:1, but less than or equal to 600:1; or~~

~~(F) 0.514% of the person or combined group's total payroll expense attributable to the City for a tax year if the person or combined group has an Executive Pay Ratio for that tax year of greater than 600:1.~~

SECTION 4. Internal Consistency.

It is the intent of the people of the City and County of San Francisco that the amendments contained in Section 3 of this Initiative be read and construed in full harmony with the rest of the San Francisco Business and Tax Regulations Code or other provisions of the City's municipal codes. To the extent that any provisions of the San Francisco Business and Tax Regulations Code, or any other ordinances or provisions of law of the City and County of San Francisco, may be inconsistent with this Initiative, the provisions of this Initiative shall govern.

SECTION 5. Implementation of this Initiative.

A. This Initiative is considered adopted and shall be effective upon the earliest date legally possible after the elections official certifies the vote on the Initiative by San Francisco voters. The City is directed to promptly take all appropriate actions needed to timely implement this Initiative, including but not limited to taking any administrative steps, as required by law, to implement this Initiative.

B. Upon the effective date of this Initiative, the provisions of Section 3 of this Initiative are hereby inserted into and/or repealed from the San Francisco Business and Tax Regulations Code. The City may reorganize, renumber, and/or reformat the Code provisions included in Section 3 of this Initiative, provided that the full text of Section 3 is inserted into and/or repealed from the San Francisco Business and Tax Regulations Code without alteration.

C. To ensure that the San Francisco Business and Tax Regulations Code remains an integrated, internally consistent, and compatible statement of policies for the City, any provision that is adopted between the date on which this Initiative is first filed with the City Clerk for an official title and summary and the Initiative's effective date shall, to the extent that such interim-enacted provision is inconsistent with or would diminish, render invalid, defeat, or impair the provisions adopted by this Initiative, be amended as soon as possible.

SECTION 6. Effect of Other Measures on the Same Ballot.

To ensure that the intent of the voters is not frustrated, this Initiative is presented to the voters as an alternative to, and with the express intent that it will compete with or take precedence over, any and all voter initiatives or City/Board of Supervisors-sponsored measures placed on the same ballot as this Initiative and which, if approved, would regulate the subject matter of this Initiative, including but not limited to any measures pertaining to amendments to the San Francisco Business and Tax Regulations Code, in any manner that would frustrate the purpose and intent of this Initiative, including but not limited to measures in any way pertaining to the "overpaid executive tax" or to small business taxes (each, a "Conflicting Initiative"). In the event that this Initiative and one or more Conflicting Initiatives are adopted by the voters at the same election, then it is the voters' intent that only the measure which receives the greatest number of affirmative votes shall control in its entirety and said other measure or measures shall be rendered void and without any legal effect with respect to such requirements. If this Initiative is prevented from going into effect by a Conflicting Initiative approved by the voters at the same election, and such Conflicting Initiative is later held invalid, this Initiative shall be self-executing and given full force of law.

Notwithstanding the foregoing provisions of this Section, in the event that both this Initiative and another measure(s) are adopted by the voters at the same election, but this Initiative fails to obtain

more votes than the other measure(s), then it is the voters' intent that both the other measure and the provisions of this Initiative that are not in conflict, and can therefore be harmonized in a manner that permits those provisions of this Initiative to be implemented upon adoption without imposing any additional or inconsistent requirement(s) on those provisions, shall be given full force and effect regardless of which measure receives the greatest number of affirmative votes.

SECTION 7. Interpretation and Severability.

A. This Initiative must be interpreted to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Initiative is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Initiative. The voters declare that this Initiative, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Initiative is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Initiative that can be given effect without the invalid application.

B. If any portion of this Initiative is held by a court of competent jurisdiction to be invalid, we the People of the City and County of San Francisco indicate our strong desire that: (i) the Board of Supervisors use its best efforts to sustain and re-enact that portion, and (ii) the Board of Supervisors implement this Initiative by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Initiative, including adopting or reenacting any such portion in a manner consistent with this Initiative.

C. This Initiative must be broadly construed to achieve the purposes stated above. It is the intent of the voters that the provisions of this Initiative be interpreted or implemented by the City and others in a manner that facilitates the purpose set forth in this Initiative.

SECTION 8. Amendment.

The amendments to the San Francisco Business and Tax Regulations Code set forth in Section 3 of this Initiative may be amended or repealed only by (1) a majority of San Francisco voters of the City voting in a regular municipal election held in accordance with state and local law, or (2) by an affirmative vote of a majority of the Board of Supervisors, provided that such amendment is permitted by law pertaining to voter approval of tax increases and is consistent with and furthers the voters' stated purpose and intent in enacting this Initiative.