



Frequently Asked Questions For a New Business Application

RENTAL PROPERTIES

Do I need a Business License if I am renting property or am about to start renting?

- Yes. Per Daly City Municipal Code ([Ord. No. 1419, § 1, 12-10-2018](#)), any person engaged in the rental or lease of a Daly City property used for lodging or dwelling is required to apply and obtain a Daly City business license.
- Only legally registered property owners may apply for a business license for rental property. Ownership will be verified through San Mateo County.

How do I know if my property is considered a long-term or short-term rental?

- Long-term rental properties are properties being rented **over** 30 consecutive days or more. Typically, these are properties that have long standing tenants with rental or lease agreements.
- Short-term rental properties are properties being rented for 30 consecutive days or **less** and for no more than 100 days *per year*. (Typically, these are properties used for vacation rentals.)
 - i. More information on Short-Term Rentals can be found on our website at: www.dalycity.org/428/Short-Term-Rentals or by contacting the Planning Department at 650-991-8033.

I'm trying to enter my "Business Type" on the online portal, but can't find anything for rental property?

- All rental applicants should enter: "Real Estate Operators and Lessors".

Do I need to provide any additional documentation with my application?

LONG-TERM RENTAL:

- Rental Property Supplemental Application
 - i. Complete and upload this form, located on the home page of the business license portal. This form provides the property address(es) and the required information needed to classify your property.

SHORT-TERM RENTAL:

- Short-Term Rental Permit:
 - i. *A Short-Term Rental Permit must be obtained **before** applying for a business license through the Planning Department.* Contact their office directly at 650-991-8033 or visit the Daly City website at: <http://www.dalycity.org/428/Short-Term-Rentals>
 - ii. The application fee is \$780 and the annual renewal fee is \$148.
- Rental Property Supplemental Application:
 - i. Complete and upload the form located on the business license portal when applying.



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What if I have more than one rental property?

- On the Rental Property Supplemental Application, include all property addresses in the “Property Address” field under the corresponding property type. (residential, commercial or land)
- Multiple properties can be registered under the same business license. A separate license is not required for each property.

What does “estimated gross” mean? Does it affect how much I will pay?

- The estimated gross is a *projection* of how much rental income you think you will make during one calendar year. This amount is then calculated by either .0055% for residential properties and/or .0011% for commercial properties and determines the tax due. The minimum required is \$114.00 for each property type. (\$110-residential + \$110-commercial + 4 Mandate Fee = \$224.00)

What if I want to rent out my Additional Dwelling Unit (ADU)?

- ADU’s can only be rented out on a long-term basis per Daly City Ordinance ([No. 1440, § 1, 11-23-2020](#)). Applications received for ADU’s as a *short-term* rental will be rejected.
- Long-term rentals must complete the application form on the Business License Portal and include all additional documentation required.

What if I have a short-term rental property, but I am not the property owner?

- Questions as a non-owner should be directed to the Planning Department at 650-991-8033.

What is a Transient Occupancy Tax (TOT)? How much does it cost and when do I pay? Who do I submit payment to?

- A Transient Occupancy Tax (TOT) is a tax incurred on temporary lodging at hotels, motels, inns, hostels, and similar dwellings, such as short-term rental vacation homes. This tax applies to any person who is renting for less than 30 days per calendar month.
- TOT payments are due 1 month after the end of each quarter, or every 3 months, of the fiscal year. (see schedule below).

<u>Quarter</u>	<u>Quarter Ended</u>	<u>Due Date</u>
1	September 30	October 31
2	December 31	January 31
3	March 31	April 30
4	June 30	July 31

- The total tax due is based on the rental income generated during each quarter and is calculated at 13% of your taxable rent. (ex: *payment due on October 31st is based on the income generated during the 1st quarter, which runs from July 1st-September 30th*) If no income was received, no payment is due however, you must still submit your TOT form. Penalties and interest are assessed for late payments.
- All TOT payments should be submitted to Daly City Business License office.



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I just acquired or inherited this rental property as a gift or due to the passing of a family member. Where should I begin?

- Please contact the City of Daly City Business License Department for further instructions via email at bl@dalycity.org or by phone at 650-991-8088.

What should I do if I received a letter from Avenu Insights and Analytics? Are they legit?

- Yes. Avenue Insights & Analytics is a legitimate, third-party agency retained by the City of Daly City to do business license compliance reviews. **DO NOT IGNORE OR DISCARD THE LETTER.**
- You were contacted by their office because an audit has flagged your property to be required to obtain a business license and you do not currently have one on file.
- Please follow the instructions their office provided or contact them directly with any questions.
 - i. Phone: 1-800-967-0999
 - ii. Email: LTCCompliance@avenuinsights.com
 - iii. Website: www.avenuinsights.com