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.)
  - 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
  - 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:
  - **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
  - The application fee is $780 and the annual renewal fee is $148.
- Rental Property Supplemental Application:
  - 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).

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Quarter Ended</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>September 30</td>
<td>October 31</td>
</tr>
<tr>
<td>2</td>
<td>December 31</td>
<td>January 31</td>
</tr>
<tr>
<td>3</td>
<td>March 31</td>
<td>April 30</td>
</tr>
<tr>
<td>4</td>
<td>June 30</td>
<td>July 31</td>
</tr>
</tbody>
</table>

- 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.
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