

Article One. - Mayor's Permit Fee on Business

Section 94. Mayor's Permit Fee. - It shall be unlawful for any person or entity to conduct or engage in any business, trade or occupation within the territorial jurisdiction of the City of Davao for which a permit is required for the proper supervision and enforcement of existing laws and ordinances governing the sanitation, security and welfare of the public and the health of the employees engaged in the business, trade or occupation specified in this Revenue Code and other ordinances that may hereafter be enacted, without first having secured a permit therefore from the City Mayor and paying the necessary fees to the City Treasurer.

There shall be collected an annual fee at the rate provided hereunder for the issuance of a Mayor's permit to every person whether natural or juridical that shall conduct a business, trade or activity within the City of Davao. The permit is payable for every separate or distinct establishment or single physical location where the business, trade or activity is conducted. (Amended Provision)

All establishments or entities enjoying Tax Incentive, Tax exemption or tax relief operating within the territorial jurisdiction of the City of Davao shall be subject to pay Mayor's Permit fee and other regulatory fees under this chapter. (New Provision)

The imposition of Mayor's Permit and other regulatory fees are provided for by the City of Davao to regulate any business activity or undertaking conducted within the city. This power to regulate emanates from police power of the City of Davao. (New Provision)

For purpose of the Mayor's Permit Fee, the following Philippine definition of business size is hereby adopted: (Amended Provision)

| Characteristics | Asset Size |
|------------------------|--|
| Cottage | Php 499,999 and below |
| Small | Php 500,000.00 up to Php 1,999,999.00 |
| Medium | Php 2,000,000.00 to Php 9,999,999.00 |
| Large | Php 10,000,000.00 and above |

On business subject to Graduated Fixed Taxes:

Annual Fee

| | | |
|---|-----|---------------------|
| 1. On Manufacturers/Importers/Producers | | |
| Cottage | Php | 2,000.00 |
| Small | | 5,000.00 |
| Medium | | 8,000.00 |
| Large | | 10,000.00 |
| 2. On Banks | | |
| Rural, Thrift and Savings Banks | | 5,000.00 |
| Commercial, Industrial and Development Banks | | 8,000.00 |
| Universal Banks | | 10,000.00 |
| 3. On Other Financial Institutions | | |
| Cottage | | 2,000.00 |
| Small | | 5,000.00 |
| Medium | | 8,000.00 |
| Large | | 10,000.00 |
| 4. On Contractors/Service Establishments | | |
| Cottage | | 1,000.00 |
| Small | | 1,200.00 |
| Medium | | 2,500.00 |
| Large | | 6,000.00 |
| 5. On Wholesalers/Retailers/Dealers or Distributors | | |
| Cottage | | 2,000.00 |
| Small | | 5,000.00 |
| Medium | | 8,000.00 |
| Large | | 10,000.00 |
| 6. On Transloading Operations | | |
| Cottage | | 2,000.00 |
| Small | | 5,000.00 |
| Medium | | 8,000.00 |
| Large | | 10,000.00 |
| 7. Other Businesses | | |
| Cottage | | 1,000.00 |
| Small | | 2,000.00 |
| Medium | | 4,000.00 |
| Large | | 6,000.00 |
| | | (Amended Provision) |

Section 95. Time and Manner of Payment. - The fee for the issuance of a Mayor's Permit shall be paid to the City Treasurer upon application before any business or

undertaking can be lawfully begun or pursued and within the first twenty (20) days of January of each year in case of renewal thereof.

For a newly started business or activity that starts to operate after January 20, the fee shall be reckoned from the beginning of the calendar quarter. When the business or activity is abandoned, the fee shall not be exacted for a period longer than the end of the calendar quarter. If the fee has been paid for a period longer than the current quarter and the business activity is abandoned, no refund of the fee corresponding to the unexpired quarter or quarters shall be made.

Section 96. Administrative Provisions.

(a) *Supervision and Control Over Establishments and Places.* The City Mayor shall supervise and regulate all establishments and places subject to the payment of the permit fee. He shall prescribe rules and regulations as to the mode or manner on which they shall be conducted in so far as may be necessary to maintain peaceful, healthy, and sanitary conditions in the city.

(a.1) *Authority to close and/or open business establishment* – A closure order may be issued by the City Mayor through the office of the Business Bureau to any establishment operating a business without the required Mayor's permit/Business Permit or in violation of any provision of this ordinance or existing laws, ordinances and orders. In adherence to due process, no establishment shall be closed/shutdown without the observance of the two (2) prior notices

The closure shall be effected through the posting of a closure notice and/or padlocking of the establishment.

The closure notice attached or the padlock used in the closure of the business shall not be deliberately nor removed by the taxpayer concerned. Failure of the taxpayer to observe such regulation shall be a ground for perpetual disqualification to secure business permit and pay a fine of not more than Five Thousand Pesos(P5,000). A closure order may be lifted upon order of the City Mayor, through his authorized representative, provided a business permit has been issued in favor of the taxpayer concerned, and a letter request to lift the closure order addressed to the head of the business bureau had been given due course.

When public safety or interest requires, the City Mayor or his duly authorized representative shall cause the immediate revocation and cancellation of the business permit/mayor's permit without prejudice to the immediate closure of the establishment and the filing of an appropriate criminal case/s as the circumstances warrant.. (New Provision)

(b) *Application for Mayor's Permit: False Statement.* An application for a Mayor's Permit shall be filed with the Office of the City Mayor. The form for the purpose shall be issued by the same Office and shall set forth the requisite information including the name

and residence of the applicant, the description of business or undertaking that is to be conducted, and such other data or information as may be required.

1. For a newly-started business

- a) Location Sketch of the new business;
- b) Paid-up capital of the business as shown in the Articles of Incorporation, if a corporation or partnership, or a Sworn Statement of the capital invested by the owner or operator, if a sole proprietorship;
- c) A Certificate attesting to the tax exemption if the business is tax exempt;
- d) Certification from the office in charge of zoning that the location of the new business is in accordance with zoning regulations;
- e) Tax Clearance showing that the operator has paid all tax obligations in the City;
- f) Barangay Clearance;
- g) Valid Identification of the owner or operator, or in cases of partnership or corporation the Valid ID's of the senior or managing partners and that of the President or Corporate Secretary
- h) Health Certificate for all food handlers, and those required under this Code.
- i) Lease Contract between the lessor and the lessee. If leased, attach Mayor's Permit registration of the building owner/landlord as a Real Estate Lessor. If not, Lease Contract between the Lessee and Sub-Lessee with conformity of the owner of the Building Administration. If owned, Transfer Certificate of Title (TCT) or Tax Declaration (photocopy);
- j) Other pertinent documents, information or data as may be required or mandated by an existing ordinance or laws for that matter. (Amended Provision)

2. For renewal of existing Business Permits

- a) Previous year's Mayor's Permit;
- b) Original copies of the annual or quarterly tax payments;
- c) Original copies of all receipts showing payment of all regulatory fees as provided for in this Code;
- d) Available Financial Statement of the previous year.
- e) Other pertinent documents as may be required by existing law. (Amended Provision)

Upon submission of the application, it shall be the duty of the proper authorities to verify if other city requirements regarding the operation of the business or activity such as sanitary requirements, installation of power and light requirements, as well as other safety requirements are complied with. The permit to operate shall be issued only upon compliance with such safety requirements and after the payment of the corresponding

inspection fees and other impositions required by this Revenue Code and other city tax ordinances.

Any false statement deliberately made by the applicant shall constitute sufficient ground for denying or revoking the permit issued by the Mayor, and the applicant or licensee may be prosecuted in accordance with the penalties provided in this Article.

A Mayor's Permit shall be refused to (1) any person who previously violated any ordinance or regulation governing permits granted; (2) whose business establishment or undertaking does not conform with zoning regulations, and safety, health and other requirements of the city; (3) who has unsettled tax obligation, debt or other liability to the government; (4) who is disqualified under any provision of law or ordinance to establish or operate the business applied for.

Likewise, a Mayor's permit shall be denied to any person or applicant for a business who declares an amount of gross sales or receipts that are manifestly below industry standards or the Presumptive Income Level of gross sales or receipts as established in the city for the same or a closely similar type of activity or business.

(c) *Issuance of Permit; Contents of Permit.* Upon approval of the application of a Mayor's Permit, two (2) copies of the application duly signed by the City Mayor shall be returned to the applicant. One (1) copy shall be presented to the City Treasurer as basis for the collection of the Mayor's Permit fee and the corresponding business tax.

The Mayor's Permit shall be issued by the City Mayor upon presentation of the receipt for the payment of the Mayor's Permit and the official receipt issued by the City Treasurer for the payment of the business tax. Every permit issued by the Mayor shall show the name and residence of the applicant, his nationality and marital status; nature of the organization, that is, whether the business is a sole proprietorship, corporation or partnership, etc.; location of the business; date of issue and expiration of the permit; and other information as may be necessary. The city shall, upon presentation of satisfactory proof that the original of the permit has been lost, stolen or destroyed, issue a duplicate of the permit upon the payment of One Hundred Pesos (P 100.00).

(d) *Posting of Permit.* Every permittee shall keep his permit conspicuously posted at all times in his place of business or office or if he has no place of business or office, he shall keep the permit in his person. The City Mayor, upon demand by the City Treasurer or any of their duly authorized representatives, permittee shall immediately produce the permit.

For non-posting of business permit in a conspicuous place within the business establishment, a penalty of one hundred pesos (P 100.00) per day shall be imposed until such time the permit shall be posted but in no case shall it be more than Five Thousand Pesos (P 5,000.00).

(e) *Duration of Permit and Renewal.* The Mayor's Permit shall be granted for a period of not more than one (1) year and shall expire on the thirty-first (31st) of December

following the date of issuance unless revoked or surrendered earlier. Every permit shall cease to be in force upon revocation or surrender thereof. The permit issued shall be renewed within the first twenty (20) days of January. It shall have a continuing validity only upon renewal thereof and payment of the corresponding fee.

(f) *Revocation of Permit.* When a person doing business under the provisions of this Code violates any provision of this Article, refuses to pay an indebtedness or liability to the city or abuses his privilege to do business to the injury of the public moral or peace; or when a place where such business is established is being conducted in a disorderly or unlawful manner, is a nuisance, or is permitted to be used as a resort for disorderly characters, criminals or place used for prostitution, the City Mayor may, after investigation, revoke the Mayor's Permit. Such revocation shall operate to forfeit all sums which may have been paid in respect of said privilege, in addition to the fines and imprisonment that maybe imposed by the Court for violation of any provision of this Ordinance governing the establishment and maintenance of business, and to prohibit the exercise thereof by the person whose privilege is revoked, until restored by the City Mayor.

Refusal to subject a business establishment to inspection, cancellation of Franchise Agreement/Dealership Agreement or want of lawful possession of the property of which the business permit was issued, shall be a sufficient ground for cancellation or termination of the business permit, regardless of whether a case is being filed and/or pending before a competent court, nevertheless the same without prejudice to the outcome of the case being filed before the court. (Amended Provision)

(g) The Mayor's Permit shall not be affected by the subsequent cancellation/termination of the Dealership Agreement, Franchise Agreement or Contract of Lease, as the case may be, for the duration or lifespan of the Mayor's Permit notwithstanding any pending case affecting such agreement/contract filed before a competent court.

The Office of the business bureau is enjoined to observe the status quo until the issue or controversy is already ripe for judicial determination, except, when a competent court who has jurisdiction on the matter issued an order enjoining the office of the business bureau to rule otherwise.

During the pendency of the case or after the expiration of the Mayor's Permit to operate a certain business, the permittee whether it may be a corporation, partnership, cooperative or single proprietorship cannot, on its own cause the renewal of the Mayor's Permit sans prior approval or order issued by a competent court. (New Provision)

(h) Upon recommendation of the Licensing Officer and with the approval of the Head of the Business Bureau, the office is empowered to adjust and increase taxpayer's capital investment every five (5) years or as often as necessary to effect the increase of capital investment.

Section 97. Rules and Regulations on Certain Establishments.

(A) On restaurants, cafes, cafeterias, carenderias, eateries, food caterers, ice cream and other refreshment parlors, soda fountain bars. No owner of said establishments shall employ any cook, or food dispenser without a Food Handler's Certificate from the City Health Officer, renewable every six (6) months.

(B) Establishments selling cooked and readily edible foods shall have them adequately covered and protected from dust, flies and other insects, and shall follow strictly the rules and regulations on sanitation promulgated by the City Health Officer and existing laws or ordinances.

(C) Sauna bath, massage, barber and beauty shops. Said shops shall not be allowed to operate with masseurs, barbers, and beauticians without having secured the necessary corresponding health certificate from the City Health Officer.

(D) No owner or operator of privately-owned market, malls, shopping center and/or food center and real estate lessor of commercial building and commercial apartment shall allow any of its tenants to operate their respective businesses without first securing Mayor's permit required of them under the existing laws. (New Provision)

(E) Owner or operator of privately owned markets, malls, shopping center and or food center and real estate lessor of commercial building and commercial apartment shall furnish the city mayor or his duly authorized deputy, in a sworn statement, on or before January 20 of the year, an annual list of business establishments/tenant in his/her establishment. (New Provision)

(F) Owners or operators of business establishments who fails to submit such list, signed under oath, shall be subject to a fine of not exceeding Five Thousand Pesos (Php 5,000) without prejudice to the revocation of their existing business permit and/or closure of their business establishments at the discretion of the City Mayor or his duly authorized representative. (New Provision)

(G) Owners or operators of videokaraoke, sing-along, or bars, restaurants or eateries or similar establishments offering videoke, accoustic shows and live bands to the public with no enclosures sufficient to minimize or muffle the sound emanating therefrom, should limit their operations up to 10pm. (New Provision)

(H) Owners or operators is prohibited to allow or permit any exhibition of any indecent or immoral play, scenes, acts or shows, whether live or in film which: (a) glorify criminals or condone crimes (b) serve no other purpose but to satisfy the market for violence, lust or pornography; (c) offend any race or religion; (d) tend to commodify, abuse and humiliate women; (e) tend to abet traffic in and use of prohibited drugs and (f) are contrary to law, public order, morals, customs, established policies, lawful orders or decrees and edicts. (New Provision)