

1 [Measure adopting and submitting to the voters an ordinance imposing a local assessment on  
2 all vehicles in San Francisco that are subject to Department of Motor Vehicle registration.]

3 **Ordinance adopting and submitting to the voters the ordinance amending the San**  
4 **Francisco Business and Tax Regulations Code to add Article 8 imposing a voter-**  
5 **approved local assessment on the privilege of a resident of the City and County to**  
6 **operate upon the public highways in the City and County a vehicle or trailer coach, the**  
7 **registrant of which is subject to tax under Part 5 (commencing with Section 10701) of**  
8 **the California Revenue and Taxation Code, at a rate not to exceed the difference**  
9 **between two percent of the market value of the vehicle or trailer coach and the rate**  
10 **imposed by the State of California pursuant to Section 10751 of the Revenue and**  
11 **Taxation Code, administered by the State Department of Motor Vehicles;**  
12 **acknowledging that state law has not yet been enacted authorizing the imposition of**  
13 **the assessment but approving imposition of such a charge at the specified rate when**  
14 **and if state law authorizes the City to impose it and directing submission of the**  
15 **measure for voter approval at the ~~June 2, 2009 special~~ November 3, 2009 general**  
16 **municipal election.**

17 NOTE: Additions are *single-underline italics Times New Roman*;  
18 deletions are ~~*strike-through italics Times New Roman*~~.  
19 Board amendment additions are double-underlined;  
Board amendment deletions are ~~strike through normal~~.

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

21 Section 1. The San Francisco Business and Tax Regulations Code is hereby amended  
22 by adding Section 550, to read as follows:

23 SEC. 550 TITLE.

24 *This ordinance shall be known and may be cited as the Voter - Approved Local Assessment*  
25 *Ordinance.*

1           ~~SEC. 551 FINDINGS.~~

2           ~~Based on the following factors, the Board of Supervisors hereby finds that an actual~~  
3 ~~emergency exists that requires passage of this ordinance submitting to the voters for approval~~  
4 ~~a voter approved local assessment imposed on the privilege of a resident of the City and~~  
5 ~~County of San Francisco to operate upon the public highways in the City and County of San~~  
6 ~~Francisco a vehicle or trailer coach, the registrant of which is subject to tax under Part 5~~  
7 ~~(commencing with Section 10701) of the California Revenue and Taxation Code.~~

8           ~~(a) The fiscal crisis impacting the nation and the state has affected San Francisco as~~  
9 ~~well. The City has been hit by a sudden and precipitous drop in local revenues far below the~~  
10 ~~adopted budget levels.~~

11           ~~(b) As a result of these conditions, the Mayor's Office has projected a General Fund~~  
12 ~~deficit of \$575.6 million for Fiscal Year 2009-10, a loss of roughly half of the City's~~  
13 ~~discretionary spending as compared to funds available for discretionary spending in Fiscal~~  
14 ~~Year 2008-09. This deficit would severely harm public health and human service programs in~~  
15 ~~particular, since the departments delivering those programs are among those most dependent~~  
16 ~~on the General Fund. Unless the City can replace this funding, the health, safety, and welfare~~  
17 ~~of the vulnerable segments of the population will be put at risk.~~

18           ~~(c) The City has already made significant cuts in government spending, including the~~  
19 ~~elimination or postponement of programs, lay-offs of nearly 400 City employees, and~~  
20 ~~elimination of over 300 vacant positions.~~

21           ~~(d) In response to this situation, the Board of Supervisors has called a special election~~  
22 ~~for June 2, 2009, to submit a number of proposed revenue measures to the voters, so that the~~  
23 ~~Board and the Mayor will know before the commencement of Fiscal Year 2009-10 whether the~~  
24 ~~voters have approved the revenue measures.~~

1           ~~(e) This voter-approved local assessment ordinance will help the City address the~~  
2 ~~impending deficit and minimize its adverse effects on health, safety, and welfare of its~~  
3 ~~residents.~~

4           ~~(f) In approving this ordinance the voters acknowledge that the Legislature has not yet~~  
5 ~~enacted statutory authority that is necessary to impose this assessment. The voters approve~~  
6 ~~the imposition of such a charge at the rate this ordinance specifies when and if the State law~~  
7 ~~authorizes the City to impose it. City officials shall implement the imposition of this~~  
8 ~~assessment immediately upon the passage of State authorization.~~

9           SEC. 552 551 Definitions.

10          (a) "Board of Supervisors" means the board of supervisors of the City and County of San  
11 Francisco.

12          (b) "City and County" means the City and County of San Francisco.

13          (c) "Department" means the Department of Motor Vehicles (DMV).

14          (d) "Market value" has the same meaning and shall be determined in  
15 the same manner as required under Part 5 (commencing with Section 10701) of Division 2 of the  
16 California Revenue and Taxation Code.

17          (e) "Person" includes an individual, a firm, a corporation, a limited liability company, a  
18 partnership, or any other legal entity.

19          (f) "Resident of the City and County" means a person whose address, as reflected in department  
20 registration records, is in the city and county, but does not include a person ~~that~~ who establishes to the  
21 satisfaction of the ~~department~~ Department that the person's place of residence is elsewhere.

22          (g) "State" means the State of California.

23          (h) "Voter-approved local assessment" means a supplemental charge added to the fee imposed  
24 pursuant to Section 10751 of the California Revenue and Taxation Code or a successor provision.

1           SEC. 553 552 PURPOSE.

2           The Board of Supervisors is authorized to impose the voter-approved local assessment under  
3 this ordinance for general revenue purposes pursuant to and under the conditions forth in the  
4 California Revenue and Taxation Code.

5           SEC. 554 553 TRANSMITTAL.

6           The Board of Supervisors shall transmit to the Department of Motor Vehicles and the Franchise  
7 Tax Board a certified copy of this ordinance immediately after the results of the election approving the  
8 local assessment by a majority of the electorate are certified.

9           SEC. 555 554 IMPOSITION OF ASSESSMENT.

10          ~~This~~ The City and County of San Francisco imposes an assessment is imposed on the  
11 privilege of a resident of the City and County to operate upon the public highways in the City and  
12 County a vehicle or trailer coach, the registrant of which is subject to tax under Part 5 (commencing  
13 with Section 10701) of the California Revenue and Taxation Code. The Legislature has not yet enacted  
14 legislation authorizing the imposition of this assessment, but the voters of the City and County of San  
15 Francisco approve the imposition of such a charge at the ~~specified~~ rate that this Ordinance sets  
16 when authorizing State law becomes effective.

17          SEC. 556 555 RATE.

18          The ~~rate of the~~ annual amount of the assessment that this Ordinance authorizes shall be  
19 imposed at a rate that ~~equals to the difference between the following two rates:~~

20          (a) Two percent of the market value of the vehicle or trailer coach.

21          (b) The ~~percentage~~ rate, including any offset to that rate, set forth in Part 5 (commencing with  
22 Section 10701) of the California Revenue and Taxation Code, for a vehicle or trailer coach.

23          SEC. 557 556 MAXIMUM ASSESSMENT

24          The rate established under the provision described in section 555 is subject to both of the  
25 following:

1           (a) The total of the state rate and ~~this~~ the rate of this assessment may not exceed 2 percent of  
2 the market value of the vehicle or trailer coach.

3           (b) That any adjustment that is required to be made to the rate because of a change in the rate,  
4 or any offset to that rate, set forth in Part 5 (commencing with Section 10701), shall not take effect until  
5 the first day of the first fiscal year that follows the fiscal year in which the change to the rate or offset  
6 set forth in that part became operative.

7           SEC. 557 LOW-EMISSION VEHICLES

8           (a) The City and County of San Francisco may impose an assessment at a rate less  
9 than the rate provided by Section 555 for low-emission vehicles.

10          (b) For purposes of this section, "low-emission vehicle" means any vehicle described in  
11 subdivision (a) of Section 5205.5 of the California Vehicle Code.

12          SEC. 558 COMMENCEMENT DATE.

13          The assessment will begin to be imposed as follows:

14          (a) If the election in which the ordinance receives voter approval occurs between January 1 and  
15 June 30, on the first January 1 that follows that election.

16          (b) If the election in which the ordinance receives voter approval occurs between July 1 and  
17 December 31, on the first July 1 that follows that election.

18          (c) It is anticipated that this assessment will be approved by the voters on ~~June 2,~~ November  
19 3, 2009 and shall be imposed beginning on ~~January~~ July 1, 2010 ~~assuming~~ or as soon thereafter  
20 as State law authorizes the assessment.

21          SEC. 559 INCORPORATION OF STATE LAW.

22          This ordinance incorporates the provisions contained in Part 5 (commencing with Section  
23 10701) of the California Revenue and Taxation Code, insofar as they relate to vehicle license fees and  
24 are applicable, except that the City and County shall be substituted for that of the state as the taxing  
25 agency.

1           SEC. 560 AMENDMENTS TO STATE LAW.

2           All amendments, subsequent to the effective date of this voter-approved local assessment  
3 ordinance, to Part 5 (commencing with Section 10701) of the Revenue and Taxation Code, relating to  
4 vehicle license fees and not inconsistent with this part, shall automatically be incorporated into the  
5 voter-approved local assessment ordinance.

6           SEC. 561 CONTRACT WITH DEPARTMENT OF MOTOR VEHICLES.

7           The City and County acting through the Treasurer/Tax Collector shall enter into a contract with  
8 the California Department of Motor Vehicles, which contract shall contain provisions in substance as  
9 follows:

10           (a) A requirement that the ~~department~~ Department perform all functions incident to the  
11 administration and collection of the voter-approved local assessment.

12           (b) A provision specifying the manner in which refunds to licensees pursuant to Part 5  
13 (commencing with Section 10701) will be made and administered.

14           (c) A provision that requires the City and County to pay the ~~department~~ Department for the  
15 initial setup and programming costs identified by the Department.

16           SEC. 562 COST.

17           The City is authorized to agree with the State of California that the ~~The~~ Department of  
18 Motor Vehicles ~~shall~~ will do all of the following:

19           (a) Collect the voter-approved local assessment pursuant to a contract with the City and  
20 County.

21           (b) Deduct its costs in administering the voter-approved local assessment from the assessments  
22 collected under subsection (a).

23           (c) From the assessments collected under subdivision (a), transmit to the State Controller for  
24 deposit in the State General Fund the total amount of revenue loss resulting from the deductions taken  
25 under the Personal Income Tax Law (Part 10 commencing with Section 23001) and the Corporation

1 Tax Law (Part 11 commencing with Section 23001) for taxes paid or incurred as a result of a tax being  
2 imposed pursuant to this part.

3 (d) Transmit revenues derived from the assessments collected under subsection (a) to the City  
4 and County as promptly as feasible.

5 (e) Report quarterly to the Franchise Tax Board, at a time and in a manner prescribed by the  
6 Franchise Tax Board, the aggregate amount paid by each person or entity that paid an assessment  
7 imposed under this part in the prior calendar quarter.

8 SEC. 563 ASSESSMENT NOT TO SUPPLANT STATE APPROPRIATIONS.

9 This assessment shall not be construed to supplant or be treated as an offset against any moneys  
10 that the state apportions to the City and County, including, but not limited to, moneys apportioned to  
11 the City and County under the Vehicle License Fee Law set forth in Part 5 (commencing with Section  
12 10701) of the California Revenue and Taxation Code, or any successor to that law.

13 Section 2. Pursuant to Article XIII C of the Constitution of the State of California and  
14 Section 7285 of the California Revenue and Taxation Code, this ordinance shall be submitted  
15 to the qualified electors of the City and County of San Francisco, at the ~~June 2~~ November 3,  
16 2009 ~~special~~ general municipal election. This ordinance shall become operative only if  
17 approved by a majority of the qualified electors at such election.

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19 APPROVED AS TO FORM:  
20 DENNIS J. HERRERA, City Attorney

21 By: \_\_\_\_\_  
22 JEAN H. ALEXANDER  
23 Deputy City Attorney

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