

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. (415) 554-5184  
Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

## MEMORANDUM

TO: Jose Cisneros, Treasurer, Office of the Treasurer and Tax Collector  
Joaquín Torres, Assessor Recorder, Office of the Assessor-Recorder

FROM: Brent Jalipa, Assistant Clerk, Budget and Finance Committee

DATE: September 23, 2022

SUBJECT: PROPOSED ORDINANCE INTRODUCED

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The Board of Supervisors' Budget and Finance Committee has received the following proposed Ordinance, introduced by Supervisor Catherine Stefani on September 20, 2022:

**File No. 221003**

**Ordinance amending the Administrative Code to exempt from property taxation real property valued at \$1,000 or less and possessory interests valued at \$4,000 or less, beginning in the 2023-2024 assessment year.**

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Amanda Kahn Fried, Office of the Treasurer and Tax Collector  
Kurt Fuchs, Office of the Assessor-Recorder  
Holly Lung, Office of the Assessor-Recorder

1 [Administrative Code - Low-Value Real Property and Possessory Interest Tax Exemptions]

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3 **Ordinance amending the Administrative Code to exempt from property taxation real**  
4 **property valued at \$1,000 or less and possessory interests valued at \$4,000 or less,**  
5 **beginning in the 2023-2024 assessment year.**

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7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
9 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.  
10 **Board amendment additions** are in double-underlined Arial font.  
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
12 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
13 subsections or parts of tables.

11

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

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14 Section 1. Chapter 10, Article I, of the Administrative Code is hereby amended by  
15 revising Section 10.2-8 to read as follows:

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17 **SEC. 10.2-8. EXEMPTION FROM PROPERTY TAXATION OF LOW-VALUE ~~PERSONAL~~**  
18 **PROPERTY.**

19 (a) **Findings and Intent.**

20 (1) ~~Section 155.20 of the~~ California Revenue and Taxation Code Section 155.20  
21 permits County Boards of Supervisors to exempt from property tax property with a total full  
22 value so low that, if not exempt, the total taxes, special assessments, and applicable  
23 subventions on the property would amount to less than the cost of assessing and collecting  
24 them, within the limitations provided by Section 155.20. ~~The exemption is limited to property with a~~  
25 ~~total full value of \$5,000 or less.~~—In enacting this ~~ordinance~~ Section 10.2-8, the Board of

1 Supervisors intends to exercise the authority granted to it pursuant to ~~Revenue and Taxation~~  
2 ~~Code~~ the aforementioned Section 155.20, as amended from time to time, ~~with respect to~~ the extent  
3 of exempting personal property on the unsecured roll with a total full value of \$4,000 or less,  
4 exempting real property on the secured or unsecured roll with a total full value of \$1,000 or less, and  
5 exempting possessory interests on the secured or unsecured roll with a total full value of \$4,000 or less.

6 (2) The Board of Supervisors ~~of the City and County of San Francisco~~ has  
7 determined that the costs of assessing and collecting the taxes, assessments, and  
8 subventions on personal property on the unsecured roll with a total full value of \$4,000 or less,  
9 on real property on the secured or unsecured roll with a total full value of \$1,000 or less, and on  
10 possessory interests on the secured or unsecured roll with a total full value of \$4,000 or less, exceeds  
11 the proceeds to be collected.

12 (b) **Exemption.**

13 (1) Beginning with the 1998-99 assessment year, all personal property, as  
14 defined in ~~Section 106 of the~~ California Revenue and Taxation Code Section 106, as amended  
15 from time to time, with a total full cash value of \$4,000 or less, shall be exempt from property  
16 taxation and shall not be entered on the unsecured property tax roll, as provided in California  
17 Revenue and Taxation Code Section 155.20, as amended from time to time. This exemption  
18 shall apply only when the aggregate value of all personal property owned, possessed, or  
19 controlled by any one owner or taxpayer does not exceed \$4,000 on any given lien date.

20 (2) Beginning with the 2023-2024 assessment year, all real property, as defined in  
21 California Revenue and Taxation Code Section 104, as amended from time to time, with a total full  
22 cash value of \$1,000 or less, shall be exempt from property taxation and shall not be entered on the  
23 secured or unsecured property tax roll, as provided in California Revenue and Taxation Code  
24 Section 155.20, as amended from time to time.

1                   (3) Beginning with the 2023-2024 assessment year, all possessory interests, as defined  
2 in California Revenue and Taxation Code Section 107, as amended from time to time, with a total full  
3 cash value of \$4,000 or less, shall be exempt from property taxation and shall not be entered on the  
4 secured or unsecured property tax roll, as provided in California Revenue and Taxation Code  
5 Section 155.20, as amended from time to time.

6                   (c) Severability. If any subsection, sentence, clause, phrase, or word of this Section 10.2-8, or  
7 any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a  
8 decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining  
9 portions or applications of this Section. The Board of Supervisors hereby declares that it would have  
10 passed this Section and each and every subsection, sentence, clause, phrase, and word not declared  
11 invalid or unconstitutional without regard to whether any other portion of this Section or application  
12 thereof would be subsequently declared invalid or unconstitutional.

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14                   Section 2. Effective Date. This ordinance shall become effective 30 days after  
15 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
16 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
17 of Supervisors overrides the Mayor’s veto of the ordinance.

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19                   Section 3. Undertaking for the General Welfare. In enacting and implementing this  
20 ordinance, the City is assuming an undertaking only to promote the general welfare. It is not  
21 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it  
22 is liable in money damages to any person who claims that such breach proximately caused  
23 injury.

1           Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
5 additions, and Board amendment deletions in accordance with the “Note” that appears under  
6 the official title of the ordinance.

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8           APPROVED AS TO FORM:  
9           DAVID CHIU, City Attorney

10          By:           /s/ Moe Jamil            
11                  MOE JAMIL  
                Deputy City Attorney

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**LEGISLATIVE DIGEST**

[Administrative Code - Low-Value Real Property and Possessory Interest Tax Exemptions]

**Ordinance amending the Administrative Code to exempt from property taxation real property valued at \$1,000 or less and possessory interests valued at \$4,000 or less, beginning in the 2023-2024 assessment year.**

Existing Law

California Revenue and Taxation Code Section 155.20 permits County Boards of Supervisors to exempt from property tax property with a total full value so low that, if not exempt, the total taxes, special assessments, and applicable subventions on the property would amount to less than the cost of assessing and collecting them. Under existing law, the Board of Supervisors has exempted only personal property on the unsecured roll with a total full value of \$4,000 or less.

Amendments to Current Law

This ordinance will expand the low value property tax exemption to real property and possessory interests in the City. Beginning with the 2023-2024 assessment year, all real property with a total full cash value of \$1,000 or less and all possessory interests with a total cash value of \$4,000 or less shall be exempt from property taxation and shall not be entered on the secured or unsecured property tax roll.

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# Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor  inquiries"
- 5. City Attorney Request.
- 6. Call File No.  from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only