

1 [Reauthorizing the Sales and Use Tax for Transportation.]

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3 **Motion approving a New Transportation Expenditure Plan and calling and providing for**
4 **a special election to be held on November 4, 2003, to be consolidated with the General**
5 **Municipal Election already scheduled for November 4, 2003, for the purpose of**
6 **submitting to the voters an ordinance amending Sections 1401, 1402, 1403, 1404, 1405,**
7 **1406, 1408, 1413, 1414, 1415, and 1418 of Article 14 of the Business and Tax**
8 **Regulations Code of the City and County of San Francisco so as to (1) authorize a New**
9 **Transportation Expenditure Plan, directing the transactions and use tax (“sales and**
10 **use tax”) revenues to specific transportation improvements and making provisions for**
11 **the adoption of future expenditure plan updates; (2) continue collection of the sales**
12 **and use tax at the existing level of one-half of one percent; (3) continue in effect the**
13 **San Francisco County Transportation Authority as the independent agency to**
14 **administer the tax and oversee implementation of the projects; (4) authorize the San**
15 **Francisco County Transportation Authority to issue limited tax bonds as needed, in a**
16 **total outstanding aggregate amount not to exceed \$1,880,000,000 and which is payable**
17 **from the revenue generated hereunder; and (5) approve the California Constitution**
18 **Article XIII B Appropriations Limit of \$485,175,000.**

19
20 **MOVED, That the Board of Supervisors hereby approves the New Transportation**
21 **Expenditure Plan unanimously recommended by the Expenditure Plan Advisory Committee**
22 **established by the San Francisco County Transportation Authority, which New Plan would**
23 **direct the use of revenues obtained from an extension of the transactions and use tax (“sales**
24 **and use tax”); and be it**

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Supervisor Chris Daly
BOARD OF SUPERVISORS

1 FURTHER MOVED, That the Board of Supervisors hereby calls and provides for a
2 special election to be held in the City and County of San Francisco on Tuesday, November 4,
3 2003, and is hereby consolidated with the General Municipal Election of the City and County
4 of San Francisco to be held Tuesday, November 4, 2003, for the purpose of submitting the
5 following proposition:

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7 Shall the City adopt a New Transportation Expenditure Plan to direct transportation
8 sales and use tax funds to deliver improved maintenance of local streets,
9 transportation for the elderly and disabled, the Central Subway, a citywide network of
10 fast and reliable buses, the Caltrain Extension to a new Transbay Terminal,
11 improvements to pedestrian and bicycle safety and other projects; continue the
12 existing one-half of one percent sales tax during implementation of the New
13 Transportation Expenditure Plan and its updates; continue the San Francisco County
14 Transportation Authority and update its bond issuance and appropriations limits, to
15 administer the tax and oversee the delivery of these projects?
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17 (a) The special election hereby called and ordered shall be held and conducted, and
18 the votes thereat received and canvassed, and the returns thereof made and the results
19 thereof ascertained, determined and declared as herein provided and in all particulars not
20 herein recited said election shall be held according to the laws of the State of California and
21 the Charter of the City and County of San Francisco providing for and governing elections in
22 the City and County of San Francisco, and the polls for such election shall be and remain
23 open during the time required by said laws.
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1 (b) The said special election hereby called shall be and hereby is consolidated with the
2 General Municipal Election of the City and County of San Francisco to be held on Tuesday,
3 November 4, 2003, and the voting precincts, polling places and officers of election for said
4 Election shall be the same and are hereby adopted, established, designated and named,
5 respectively, as the voting precincts, polling places and officers of election for such special
6 election hereby called, and as specifically set forth, in the official publication, by the Director of
7 Elections of precincts, polling places and election officers for the said General Municipal
8 Election.
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10 (c) The ballots to be used at said special election shall be the ballots to be used at said
11 General Municipal Election and reference is hereby made to the notice of election setting forth
12 the voting precincts, polling places and officers of election by the Director of Elections for the
13 General Election to be published as required by State and local law.
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15 (d) On the ballots to be used at such special election, in addition to any other matter
16 required by law to be printed thereon, shall appear thereon the following, to be separately
17 stated, and appear upon the ballot as a separate proposition:

18 Shall the City adopt a New Transportation Expenditure Plan to direct transportation
19 sales and use tax funds to deliver improved maintenance of local streets,
20 transportation for the elderly and disabled, the Central Subway, a citywide network of
21 fast and reliable buses, the Caltrain Extension to a new Transbay Terminal,
22 improvements to pedestrian and bicycle safety and other projects; continue the
23 existing one-half of one percent sales tax during implementation of the New
24 Transportation Expenditure Plan and its updates; continue the San Francisco County
25

1 Transportation Authority and update its bond issuance and appropriations limits, to
2 administer the tax and oversee the delivery of these projects?

3 (e) This motion shall be published once a day for at least seven (7) days in a
4 newspaper published daily in the City and County of San Francisco being the official
5 newspaper of said city and county. The New Transportation Expenditure Plan referenced
6 below shall be published once in the official newspaper of the City and County within 30 days
7 of submittal of this Ordinance to the electorate.
8

9 (f) The Director of Elections and the Director’s employees, representatives and agents
10 are hereby authorized and directed to do everything necessary or desirable to the calling and
11 holding of said special election, and to otherwise carry out the provisions of this motion.
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13 (g) At the special election, an ordinance amending Article 14 of the San Francisco
14 Business and Tax Regulations Code of the City and County of San Francisco, by amending
15 Sections 1401, 1402, 1403, 1404, 1405, 1406, 1408, 1413, 1414, 1415, and 1418 thereof, is
16 hereby submitted to the electorate as follows:

17 Note: Additions are single-underline italics Times New Roman;
18 deletions are ~~strikethrough italics Times New Roman~~.

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

20 Section 1. The San Francisco Business and Tax Regulation Code is hereby amended
21 by amending Sections 1401, 1402, 1403, 1404, 1405, 1406, 1408, 1413, 1414, 1415, and
22 1418, to read as follows:

23 SEC. 1401. TITLE.
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1 This ordinance shall be known as the "San Francisco County Transportation Authority
 2 Reauthorization Ordinance" which ~~establishes and implements a~~ continues in effect the existing local
 3 transactions and use tax (commonly referred to as the "sales and use tax") approved by the voters
 4 as Proposition B at the November 7, 1989 election and adopts a New Transportation Expenditure Plan
 5 for the use of the additional revenues.

6 SEC. 1402. DEFINITIONS.

7 For the purposes of this ordinance the following words shall have the meanings ascribed to them
 8 by this section.

9 (a) ~~"Authority" shall mean~~ "Authority." The existing San Francisco County Transportation
 10 Authority.

11 (b) ~~"District" shall mean~~ "District." The City and County of San Francisco.

12 (c) "Effective date." The date of adoption of this ordinance which shall take effect at the
 13 close of the polls on the day of the election scheduled for November 4, 2003 at which the
 14 proposition is adopted by a two-thirds vote of the electors voting on the measure.

15 (d) "Operative date." The date that this ordinance becomes operative, which shall be the
 16 first day of the first calendar quarter commencing more than 120 days after adoption of
 17 this ordinance at the election scheduled for November 4, 2003, pursuant to Public
 18 Utilities Code Section 131105(a).

19 ~~"Plan" shall mean the Transportation Expenditure Plan approved by the Board of~~
 20 ~~Supervisors of the City and County of San Francisco which is considered part of this Ordinance~~
 21 ~~and hereby incorporated by reference as if fully set forth herein.~~
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1 ~~“Operative date” shall mean the first day of the first calendar quarter commencing~~
2 ~~more than 120 days after adoption of the ordinance, pursuant to Public Utilities Code Section~~
3 ~~131105(a).~~

4 ~~“Effective date” shall mean the date of adoption of this ordinance which shall take~~
5 ~~effect at the close of the polls on the day of election at which the proposition is adopted by~~
6 ~~majority vote of the electors voting on the measure, pursuant to Public Utilities Code Section~~
7 ~~131105(a).~~

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9 SEC. 1403. PURPOSE.

10 Pursuant to Division 12.5 of the Public Utilities Code, the San Francisco County
11 Transportation Authority, upon the unanimous recommendation of the Expenditure Plan Advisory
12 Committee established by the Authority, the San Francisco Transportation Committee has
13 recommended that the Board of Supervisors submit to the voters of the City and County of
14 San Francisco for their approval an ordinance which would, if so approved, ~~the San Francisco~~
15 ~~County Transportation Authority, authorize the Authority to impose a one half of one percent~~
16 ~~transactions and use tax for a period of twenty years to finance the transportation improvements set~~
17 ~~forth in the Transportation Expenditure Plan approved by the Board of Supervisors and to~~ continue in
18 ~~effect the existing local transactions and use tax of one-half of one percent approved by the voters as~~
19 Proposition B at the November 7, 1989; adopt a New Transportation Expenditure Plan setting forth the
20 projects to be funded with revenues from the continuation of the tax; continue in effect the San
21 Francisco County Transportation Authority; and authorize the San Francisco County Transportation
22 Authority to issue limited tax bonds in a total outstanding aggregate amount not to exceed
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Supervisor Chris Daly
BOARD OF SUPERVISORS

1 ~~\$742,000,000.~~ \$1,880,000,000. Hence, this ordinance should be interpreted so as to achieve the
2 purposes set forth herein:

3 (a) To ~~establish~~ continue in effect a San Francisco County Transportation Authority.

4 (b) To ~~impose a transactions and use tax~~ continue in effect the existing one-half of one
5 percent transactions and use tax in accordance with the provisions of Part 1.6 (commencing with
6 Section 7251) of Division 2 of the California Revenue and Taxation Code and Sections
7 131100 et seq. of the California Public Utilities Code, which directs the County Board of
8 Supervisors to adopt the tax ordinance for voter approval, exercising the taxing power granted
9 to the San Francisco County Transportation Authority in Public Utilities Code Section 131102
10 on behalf of said Authority.

11
12 (c) To implement a New Transportation Expenditure Plan which supersedes the existing
13 Transportation Expenditure Plan adopted in 1989, sets forth the transportation projects, programs and
14 other improvements to be funded with the revenues resulting from the continuation of the tax, specifies
15 eligibility and other conditions and criteria under which such revenues shall be made available, and
16 makes provisions for the adoption of future expenditure plan updates.

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18 (e) (d) To incorporate provisions identical to those of the Sales and Use Tax Law of the
19 State of California insofar as those provisions are not inconsistent with the requirements and
20 limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

21 (d) (e) To impose a transactions and use tax and provide a measure therefor that can
22 be administered and collected by the State Board of Equalization in a manner that adapts
23 itself as fully as practicable to, and requires the least possible deviation from, the existing
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1 statutory and administrative procedures followed by the State Board of Equalization in
2 administering and collecting the California State Sales and Use Tax.

3 ~~(e)~~ (f) To authorize administration of a transactions and use tax in a manner that will,
4 to the highest degree possible consistent with the provisions of Part 1.6 of Division 2 of the
5 Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes
6 and at the same time minimize the burden of recordkeeping upon persons subject to taxation
7 under the provisions of this ordinance.

8 ~~(f)~~ (g) To improve or cause the improvement, construction, maintenance, operation,
9 development of and/or planning for ; ~~construct, maintain, and operate certain~~ transportation projects,
10 ~~and facilities~~ and/or programs contained in the New Transportation Expenditure Plan recommended by
11 the Expenditure Plan Advisory Committee and adopted by the Board of Supervisors of the City
12 and County of San Francisco, which plan is incorporated here by this reference as though
13 fully set forth herein, and as that Plan may be amended from time to time pursuant to
14 applicable law.

15 ~~(g)~~ (h) ~~To set a maximum term of twenty (20) years during which time this tax shall be imposed~~
16 ~~pursuant to the authority granted by Section 131102(c) of the Public Utilities Code.~~ To impose this tax
17 pursuant to the authority granted by Section 131102(c) of the Public Utilities Code.

18 ~~(h)~~ (i) To authorize the issuance from time to time of limited tax bonds not to exceed a
19 total outstanding aggregate amount of ~~\$742,000,000~~ \$1,880,000,000 to finance the projects
20 specified in the Plan.

21 ~~(i)~~ (j) To establish an expenditure limit for the Authority pursuant to California
22 Constitution Article XIII B.
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2 SEC. 1404. CONTINUATION ~~CREATION~~ OF AUTHORITY.

3 Upon voter approval of this ordinance, the Authority shall continue in effect as currently
4 constituted ~~be created and shall be composed of the eleven members of the San Francisco Board of~~
5 ~~Supervisors as specified in the Transportation Expenditure Plan.~~ The Authority shall have all of the
6 powers set forth in Division 12.5 (commencing with Section 131100) of the Public Utilities
7 Code, all of the powers set forth in the New Transportation Expenditure Plan, and all powers
8 incidental or necessary to imposing and collecting the tax and administering the tax proceeds
9 and the Plan, and causing and overseeing the delivery of the transportation improvements therein
10 contained. The Authority may allocate and reallocate the tax proceeds to meet project cash
11 flow needs consistent with ~~all~~ the provisions of the Plan. In the event a project is infeasible,
12 the Authority shall reallocate the tax proceeds for that project to other projects in accordance
13 with the provisions of the Plan.

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15 SEC. 1405. CONTRACT WITH STATE.

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17 Prior to the operative date, the Authority shall contract with the State Board of
18 Equalization to perform all functions incident to the administration and operation of ~~this~~ the
19 transactions and use tax authorized by this ordinance; provided that, if the Authority shall not
20 have contracted with the State Board of Equalization prior to the operative date, it shall
21 nevertheless so contract and in such a case the operative date shall be the first day of the first
22 calendar quarter following the execution of such a contract.

23
24 SEC. 1406. TRANSACTIONS TAX AND RATE OF ONE-HALF OF ONE PERCENT.

1 For the privilege of selling tangible personal property at retail, ~~at~~ the existing tax is
 2 hereby ~~imposed~~ continued to be imposed upon all retailers in this District at the rate of one-half
 3 of one percent of the gross receipts of any retailer from the sale of all tangible personal
 4 property sold at retail in this District on and after the operative date. ~~This tax shall be imposed for~~
 5 ~~a maximum period of twenty (20) years.~~

6 SEC. 1408. USE TAX AND RATE OF ONE-HALF OF ONE PERCENT.

7 The existing ~~An~~ excise tax is hereby continued to be imposed on the storage, use or other
 8 consumption in this District of tangible personal property purchases from any retailer on and
 9 after the operative date for storage, use or other consumption in this District at the rate of one-
 10 half of one percent of the sales price of the property. The sales price shall include delivery
 11 when such charges are subject to state sales or use tax regardless of the place to which
 12 delivery is made. ~~This tax shall be imposed for a maximum period of twenty (20) years.~~

13 SEC. 1413. AUTHORIZATION AND LIMITATION ON ISSUANCE OF BONDS.

14 The Authority is hereby authorized to issue from time to time limited tax bonds pursuant
 15 to the provisions of California Public Utilities Code Sections 131109 et seq. in a total
 16 outstanding aggregate amount not to exceed ~~\$742,000,000~~ \$1,880,00,000.

17 SEC. 1414. USE OF PROCEEDS.

18 The proceeds of the taxes imposed by this ordinance shall be used solely for the
 19 projects and purposes set forth in the ~~County~~ New Transportation Expenditure Plan and for
 20 the administration thereof. In accordance with the legislative intent expressed in California
 21 Public Utilities Code Section ~~13110~~ 131100 such proceeds shall not replace funds previously
 22 provided by property tax revenues for public transportation purposes. ~~Each year the tax is in~~

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1 ~~effect and prior to the allocation of funds by the Authority, the Controller of the City and County of San~~
2 ~~Francisco~~ As a condition for allocation of funds by the Authority, the recipient department or agency
3 shall certify to the Authority that the funds will not be substituted for property tax funds which
4 are currently utilized to fund existing local transportation programs.

5 SEC. 1415. APPROPRIATIONS LIMIT.

6 For purposes of Article XIII B of the State Constitution, the appropriations limit for the
7 Authority for fiscal year ~~2003-04 1989-90~~ and each year thereafter shall be ~~\$160,000,000~~
8 \$485,175,000 unless that amount should be amended pursuant to applicable law.
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10
11 APPROVED AS TO FORM:
12 DENNIS J. HERRERA, City Attorney

13 By: _____
14 PAULA JESSON
15 Deputy City Attorney
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FILE NO.

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