

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 election.**

16 NOTE: Additions are *single-underline italics Times New Roman*;  
17 deletions are *strike-through italics Times New Roman*.  
18 Board amendment additions are double-underlined;  
19 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 emergency  
3 exists that requires passage of this ordinance submitting to the voters for approval a voter-approved  
4 local assessment imposed on the privilege of a resident of the City and County of San Francisco to  
5 operate upon the public highways in the City and County of San Francisco a vehicle or trailer coach,  
6 the registrant of which is subject to tax under Part 5 (commencing with Section 10701) of the  
7 California Revenue and Taxation Code.

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

11           (b) As a result of these conditions, the Mayor's Office has projected a General Fund deficit of  
12 \$575.6 million for Fiscal Year 2009-10, a loss of roughly half of the City's discretionary spending as  
13 compared to funds available for discretionary spending in Fiscal Year 2008-09. This deficit would  
14 severely harm public health and human service programs in particular, since the departments  
15 delivering those programs are among those most dependent on the General Fund. Unless the City can  
16 replace this funding, the health, safety, and welfare of the vulnerable segments of the population will be  
17 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 elimination of  
20 over 300 vacant positions.

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

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

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

8           SEC. 552 Definitions.

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

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

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

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

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

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

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

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

1           SEC. 553 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 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 IMPOSITION OF ASSESSMENT.

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

16          SEC. 556 RATE.

17          The annual amount of the assessment shall be imposed at a rate that equals the difference  
18 between the following two rates:

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

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

22          SEC. 557. MAXIMUM ASSESSMENT

23          The rate established under the provision described in section 556 is subject to both of the  
24 following:

1           (a) The total of the state rate and this assessment may not exceed 2 percent of the market value  
2 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.558 COMMENCEMENT DATE.

8           The assessment will begin to be imposed as follows:

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

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

13           (c) It is anticipated that this assessment will be approved by the voters on June 2, 2009 and  
14 shall be imposed beginning on January 1, 2010 assuming State law authorizes the assessment.

15           SEC 559 INCORPORATION OF STATE LAW.

16           This ordinance incorporates the provisions contained in Part 5 (commencing with Section  
17 10701) of the California Revenue and Taxation Code, insofar as they relate to vehicle license fees and  
18 are applicable, except that the City and County shall be substituted for that of the state as the taxing  
19 agency.

20           SEC. 560 AMENDMENTS TO STATE LAW.

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

1           SEC. 561 CONTRACT WITH DEPARTMENT OF MOTOR VEHICLES.

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

5           (a) A requirement that the department perform all functions incident to the administration and  
6 collection of the voter-approved local assessment.

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

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

11           SEC. 562 COST.

12           The Department of Motor Vehicles shall do all of the following:

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

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

17           (c) From the assessments collected under subdivision (a), transmit to the State Controller for  
18 deposit in the State General Fund the total amount of revenue loss resulting from the deductions taken  
19 under the Personal Income Tax Law (Part 10 commencing with Section 23001) and the Corporation  
20 Tax Law (Part 11 commencing with Section 23001) for taxes paid or incurred as a result of a tax being  
21 imposed pursuant to this part.

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

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

4           SEC. 563 ASSESSMENT NOT TO SUPPLANT STATE APPROPRIATIONS.

5           This assessment shall not be construed to supplant or be treated as an offset against any moneys  
6 that the state apportions to the City and County, including, but not limited to, moneys apportioned to  
7 the City and County under the Vehicle License Fee Law set forth in Part 5 (commencing with Section  
8 10701) of the California Revenue and Taxation Code, or any successor to that law.

9           Section 2. Pursuant to Article XIIC of the Constitution of the State of California and  
10 Section 7285 of the California Revenue and Taxation Code, this ordinance shall be submitted  
11 to the qualified electors of the City and County of San Francisco, at the June 2, 2009 special  
12 municipal election. This ordinance shall become operative only if approved by a majority of  
13 the qualified electors at such election.

14  
15 APPROVED AS TO FORM:  
16 DENNIS J. HERRERA, City Attorney

17 By: \_\_\_\_\_  
18       JEAN H. ALEXANDER  
19       Deputy City Attorney