

LEGISLATIVE DIGEST

[Initiative Ordinance - Business and Tax Regulations Code - Local Assessment on Vehicles Registered to a San Francisco Address]

Ordinance submitting to the voters an ordinance amending the Business and Tax Regulations Code to impose a voter-approved local assessment for general revenue purposes on San Francisco residents for the privilege of operating a vehicle or trailer coach on public highways in the City and County of San Francisco, and directing submission of the measure for voter approval at an election to be held on November 8, 2016.

Existing Law

Existing state law imposes a vehicle license fee on vehicles registered in California based on the market value of the vehicle. Currently, the fee is .65% of the market value. In 2012, the Legislature enacted a law that authorizes the City and County of San Francisco to impose a Voter Approved Local Assessment (VALA) on vehicles registered to a San Francisco address. Any such VALA must be approved by a two-thirds vote of the Board of Supervisors and a majority of San Francisco voters. State law limits the combined rate of the existing vehicle license fee and any approved VALA to a maximum of 2% of the market value of a vehicle.

Amendments to Current Law

1. The proposed ordinance would impose a VALA on vehicles registered to a San Francisco address, beginning in 2017. The combined rate of the vehicle license fee and VALA would be 2% of the value of a vehicle.
2. Revenues from the VALA would be deposited in the City's General Fund and could be used for any lawful purpose as appropriated by the Mayor and the Board of Supervisors.
3. The VALA would be collected by the Department of Motor Vehicles in conjunction with collection of the existing vehicle license fee.

Background Information

In 2005, the rate of the state-imposed vehicle license fee was reduced from 2% of the market value of the vehicle to .65 %. The proposed ordinance would return the charge on vehicles registered within San Francisco to the rate charged between 1948 and 2004.