

1 [Supporting the California Schools and Local Communities Funding Act - Reaffirming Support
2 for a Split-Roll Reform of Proposition 13]

3 **Resolution supporting the California Schools and Local Communities Funding Act and**
4 **reaffirming the Board of Supervisors support for a split-roll reform of Proposition 13 in**
5 **order to close the commercial property tax loophole and restore billions in revenue.**

6
7 WHEREAS, Since the passage of Proposition 13 in 1978, cities and counties have
8 faced significant limitations in their main source of funding, the property tax; and

9 WHEREAS, While the intent of Proposition 13 is to help homeowners, loopholes in the
10 system have permitted major commercial and industrial properties to avoid reassessment, a
11 windfall to commercial property owners at the expense of vital public services; and

12 WHEREAS, The property tax has shifted away from commercial property and toward
13 residential property throughout the state and in virtually every county; and

14 WHEREAS, City and county finances have long been stressed while the state has
15 failed in its intention to improve local finances; and

16 WHEREAS, The property tax is one of the few discretionary sources of revenue for
17 cities and counties; and

18 WHEREAS, Estimates by academic researchers at University of Southern California
19 (“USC”) have identified that reassessing commercial property will bring \$11.4 billion in annual
20 property tax revenue to cities, counties, special districts, and schools; and

21 WHEREAS, This estimate includes \$835,000,000 in annual revenue for the City and
22 County of San Francisco alone; and

23 WHEREAS, USC has identified that nearly 80% of the revenue will come from just 8%
24 of large properties, owned by corporations and wealthy investors, many of them out-of-state;
25 and

1 WHEREAS, USC research shows that a majority of commercial owners already pay
2 close to market value, making the current system inequitable among businesses, benefitting
3 large property owners, who have held land for a long period; and

4 WHEREAS, The current failure to close the commercial property tax loophole has led
5 to poor land use, inflated land values, and urban blight; and

6 WHEREAS, The San Francisco Board of Supervisors unanimously passed a resolution
7 on June 3, 2014, in support of closing the commercial property tax loophole by regularly
8 reassessing commercial properties at fair market value; and

9 WHEREAS, Signatures are currently being gathered for the Schools and Local
10 Communities Funding Act (“the Act”), which is expected to be on the ballot in 2020; and

11 WHEREAS, Allocation of revenues to cities, counties, and special districts will follow
12 current property tax allocation; and

13 WHEREAS, The Act will provide billions in locally-controlled property tax funding yearly
14 for cities, counties, and special districts; and

15 WHEREAS, The Act contains provisions to benefit small businesses, and levels the
16 playing field among businesses; and

17 WHEREAS, The Act will improve land use, infrastructure, public safety, housing, parks,
18 libraries, health and human services, and the environment; now, therefore, be it

19 RESOLVED, That the Board of Supervisors reaffirms its support for a split-roll reform of
20 Proposition 13 in order to close the commercial property tax loophole; and, be it

21 FURTHER RESOLVED, That the City and County of San Francisco go on record in
22 support of the California Schools and Local Communities Funding Act; and, be it

23 FURTHER RESOLVED, That the City and County of San Francisco urges other
24 municipalities to support the California Schools and Local Communities Funding Act.
25



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 180368

Date Passed: April 24, 2018

Resolution supporting the California Schools and Local Communities Funding Act and reaffirming the Board of Supervisors support for a split-roll reform of Proposition 13 in order to close the commercial property tax loophole and restore billions in revenue.

April 17, 2018 Board of Supervisors - CONTINUED

Ayes: 10 - Breed, Cohen, Fewer, Kim, Ronen, Safai, Sheehy, Stefani, Tang and Yee

Excused: 1 - Peskin

April 24, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

File No. 180368

I hereby certify that the foregoing Resolution was ADOPTED on 4/24/2018 by the Board of Supervisors of the City and County of San Francisco.


for Angela Calvillo
Clerk of the Board

Unsigned

Mark E. Farrell
Mayor

5/4/18

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.



Angela Calvillo
Clerk of the Board



Date

File No.
180368