

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 **Resolution declaring an emergency under California Constitution Article XIII C, Section**
4 **2(b) and authorizing submission of Ordinance adopting and submitting to the voters**
5 **the ordinance amending the San Francisco Business and Tax Regulations Code to add**
6 **Article 8 imposing a voter-approved local assessment on the privilege of a resident of**
7 **the City and County to operate upon the public highways in the City and County a**
8 **vehicle or trailer coach, the registrant of which is subject to tax under Part 5**
9 **(commencing with Section 10701) of the California Revenue and Taxation Code, at a**
10 **rate not to exceed the difference between two percent of the market value of the vehicle**
11 **or trailer coach and the rate imposed by the State of California pursuant to Section**
12 **10751 of the Revenue and Taxation Code, administered by the State Department of**
13 **Motor Vehicles; acknowledging that state law has not yet been enacted authorizing the**
14 **imposition of the assessment but approving imposition of such a charge at the**
15 **specified rate when and if state law authorizes the City to impose it and directing**
16 **submission of the measure for voter approval at the June 2, 2009 special election, as a**
17 **general tax measure to the voters at a special election.**

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19 WHEREAS, California Constitution Article XIII C, Section 2(b) requires voter approval of
20 all ordinances that propose to impose, extend or increase a general tax and allows the
21 submission of such proposals only at a regularly scheduled general election for members of
22 the Board "except in cases of emergency declared by a unanimous vote of the governing
23 body"; and,
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1 WHEREAS, The City's next general election at which candidates for the Board of
2 Supervisors will stand for election will not be held until November 2010; and,

3 WHEREAS, The City has scheduled a special election for June 2, 2009 for the purpose
4 of submitting revenue and fiscal measures to the voters.

5 WHEREAS, The Board of Supervisors finds that an emergency exists requiring that the
6 voters be able to consider a general tax measure at the June 2, 2009 special election, and
7 that the existence of such an emergency is demonstrated by, among other commonly
8 reported stories regarding an economic crisis, the following circumstances:

9 (a) The fiscal crisis impacting the nation and the state, which has been called the
10 worst since the Great Depression, has affected San Francisco. The City has been hit by a
11 sudden and precipitous drop in local revenues far below the adopted budget levels. As a
12 result of these conditions, the Controller estimates that 2008-09 general fund tax revenue will
13 be \$127 million less than anticipated in the annual appropriation ordinance. Local
14 unemployment, office vacancy rates, retail sales, and travel indicators have all worsened in
15 recent months, suggesting that the City has followed the State of California into a recession.
16 The Controller has identified that the trends in all of these areas are negative.

17 (b) The Mayor's Office has projected a General Fund deficit of \$575.6 million for
18 Fiscal Year 2009-10, a loss of roughly half of the City's discretionary spending as compared to
19 funds available for discretionary spending in Fiscal Year 2008-09. This deficit will severely
20 impair the capacity of the City to deliver critical public health and human services in particular,
21 since the departments delivering those services are among those most dependent on the
22 General Fund. The City's inability to replace this funding will imperil the health, safety, and
23 welfare of the most vulnerable segments of the City's population.

1 (c) The City's adopted 2008-09 budget assumes \$709 million in State revenues.
2 Additional reductions in General Fund revenue appear likely given the approximate \$40 billion
3 shortfall the State of California faces during this same period.

4 (d) The City has already made significant cuts in government spending, including
5 the elimination or postponement of programs, lay-offs of nearly 400 City employees, and
6 elimination of over 300 vacant positions. Additionally, the Mayor's Office has directed all City
7 departments to prepare plans to reduce their fiscal year 2009-10 budgets by 12.5%, and
8 prepare contingency plans for an additional 12.5%. If shortages of funds forced the City to
9 implement these plans, the City will have no choice but to eliminate essential municipal
10 services and public programs.

11 (e) In response to this situation, the Board of Supervisors has called a special
12 election for June 2, 2009, to submit among other fiscal measures a number of proposed
13 revenue measures to the voters, so that the Board and the Mayor will know before the
14 commencement of Fiscal Year 2009-10 whether the voters have approved the revenue
15 measures.

16 (f) If the voters approve this tax increase, the revenues that it is estimated to
17 produce will help the City address the impending deficit and minimize its adverse effects on
18 health, safety, and welfare of its residents:

19 (g) Ordinance adopting and submitting to the voters the ordinance amending the
20 San Francisco Business and Tax Regulations Code to add Article 8 imposing a voter-
21 approved local assessment on the privilege of a resident of the City and County to operate
22 upon the public highways in the City and County a vehicle or trailer coach, the registrant of
23 which is subject to tax under Part 5 (commencing with Section 10701) of the California
24 Revenue and Taxation Code, at a rate not to exceed the difference between two percent of
25 the market value of the vehicle or trailer coach and the rate imposed by the State of California

1 pursuant to Section 10751 of the Revenue and Taxation Code, administered by the State
2 Department of Motor Vehicles; acknowledging that state law has not yet been enacted
3 authorizing the imposition of the assessment but approving imposition of such a charge at the
4 specified rate when and if state law authorizes the City to impose it and directing submission
5 of the measure for voter approval at the June 2, 2009 special election on file with the Clerk of
6 the Board of Supervisors in File No. 090136, is hereby declared to be a part of this Resolution
7 as if set forth fully herein; and, now therefore, be it

8 RESOLVED, That the City faces an emergency which warrants submission of this
9 Ordinance adopting and submitting to the voters the ordinance amending the San Francisco
10 Business and Tax Regulations Code to add Article 8 imposing a voter-approved local
11 assessment on the privilege of a resident of the City and County to operate upon the public
12 highways in the City and County a vehicle or trailer coach, the registrant of which is subject to
13 tax under Part 5 (commencing with Section 10701) of the California Revenue and Taxation
14 Code, at a rate not to exceed the difference between two percent of the market value of the
15 vehicle or trailer coach and the rate imposed by the State of California pursuant to Section
16 10751 of the Revenue and Taxation Code, administered by the State Department of Motor
17 Vehicles; acknowledging that state law has not yet been enacted authorizing the imposition of
18 the assessment but approving imposition of such a charge at the specified rate when and if
19 state law authorizes the City to impose it and directing submission of the measure for voter
20 approval at the June 2, 2009 special election to the voters at the June 2, 2009 special
21 election.

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