

LEGISLATIVE DIGEST

[Setting San Francisco's Property Tax Rate and Establishing Pass-Through Rate for Residential Tenants – FY2014-2015]

Ordinance providing revenue and levying property taxes at a combined rate of \$1.1743 on each \$100.00 valuation of taxable property for the City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District, and establishing pass-through rate of \$0.0880 per \$100.00 of assessed value for residential tenants pursuant to Chapter 37 of the Administrative Code for the fiscal year ending June 30, 2015.

Existing Law

San Francisco's combined property tax rate and pass-through rate for residential tenants is adopted annually. Article XIII A of the California Constitution and Sections 93 and 100 of the California Revenue and Taxation Code fix the base property tax rate at \$1.0000 on each \$100 valuation of taxable property. The portion of the property tax rate above the fixed amount varies each year based on the anticipated debt service requirements related to voter-approved general obligation bonds.

The Board of Supervisors adopted and approved Ordinance Number 202-13 on September 24, 2013 for Fiscal Year 2013-2014. That Ordinance established the 2013-2014 fiscal year's combined property tax rate of \$1.1880 on each \$100 valuation of taxable property within the City and County of San Francisco. Ordinance 202-13 also established the property tax pass-through rate of residential tenants of \$0.0880 per \$100 of assessed value based upon the criteria defined in Chapter 37.3(a)(6)(A) and (B) and (C) of the San Francisco Administrative Code.

Amendments to Current Law

This legislation would update the combined property tax rate to \$1.1743 on each \$100 valuation of taxable property within the City and County of San Francisco to reflect the change in anticipated debt service requirements, including a 0.25% administrative allowance to reimburse costs of collection, for Fiscal Year 2014-2015. The legislation also updates the property tax pass-through rate of residential tenants to \$0.0880 per \$100 of assessed value.

Background Information

California Government Code Section 29100 requires the Board of Supervisors to adopt the composite property tax rate for the City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District for the fiscal year on or before October 3 of each year. Section 3.3 of the City and County of San Francisco's Administrative Code requires the property tax rate be adopted by the last working day of September. This legislation fulfills both of those requirements.