

File No. 160604

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date June 29, 2016

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date June 24, 2016
 Completed by: Linda Wong Date _____

1 [Initiative Ordinance - Business and Tax Regulations Code - Increase Real Property Transfer
2 Tax on Properties of At Least \$5,000,000]

3 **Motion ordering submitted to the voters, at an election to be held November 8, 2016, an**
4 **ordinance amending the Business and Tax Regulations Code to increase the Real**
5 **Property Transfer Tax rate from 2% to 2.25% on properties with a consideration or**
6 **value of at least \$5,000,000 and less than \$10,000,000; from 2.5% to 2.75% on**
7 **properties with a consideration or value of at least \$10,000,000 and less than**
8 **\$25,000,000; and from 2.5% to 3% on properties with a consideration or value of at least**
9 **\$25,000,000; and increasing the City's appropriations limit by the amount of the tax**
10 **increase for four years from November 8, 2016.**

11
12 **MOVED, That the Board of Supervisors hereby submits the following ordinance to the**
13 **voters of the City and County of San Francisco, at an election to be held on November 8,**
14 **2016.**

15
16 **Ordinance amending the Business and Tax Regulations Code to increase the Real**
17 **Property Transfer Tax rate from 2% to 2.25% on properties with a consideration or**
18 **value of at least \$5,000,000 and less than \$10,000,000; from 2.5% to 2.75% on**
19 **properties with a consideration or value of at least \$10,000,000 and less than**
20 **\$25,000,000; and from 2.5% to 3% on properties with a consideration or value of at least**
21 **\$25,000,000; and increasing the City's appropriations limit by the amount of the tax**
22 **increase for four years from November 8, 2016.**

23 **NOTE: Unchanged Code text and uncodified text are in plain font.**
24 **Additions to Codes are in *single-underline italics Times New Roman font.***
25 **Deletions to Codes are in ~~italics Times New Roman font.~~**
Asterisks (* * * *) indicate the omission of unchanged Code subsections or
parts of tables.

1 Be it ordained by the People of the City and County of San Francisco:

2
3 Section 1. The Business and Tax Regulations Code is hereby amended by revising
4 Article 12-C, Section 1102, to read as follows:
5

6 **SEC. 1102. TAX IMPOSED.**

7 There is hereby imposed on each deed, instrument or writing by which any lands,
8 tenements, or other realty sold within the City and County of San Francisco shall be granted,
9 assigned, transferred or otherwise conveyed to, or vested in, the purchaser or purchasers, or
10 any other person or persons, by his or her or their direction, when the consideration or value
11 of the interest or property conveyed (not excluding the value of any lien or encumbrances
12 remaining thereon at the time of sale) (~~ai~~) exceeds \$100.00 but is less than or equal to
13 \$250,000.00, a tax at the rate of \$2.50 for each \$500.00 or fractional part thereof; or (~~bi~~) more
14 than \$250,000.00 and less than \$1,000,000.00, a tax at the rate of \$3.40 for each \$500.00 or
15 fractional part thereof for the entire value or consideration, including, but not limited to, any
16 portion of such value or consideration that is less than \$250,000.00; or (~~ci~~) at least
17 \$1,000,000.00 and less than \$5,000,000.00, a tax at the rate of \$3.75 for each \$500.00 or
18 fractional part thereof for the entire value or consideration, including, but not limited to, any
19 portion of such value or consideration that is less than \$1,000,000.00; or (~~di~~) at least
20 \$5,000,000.00 and less than \$10,000,000.00, a tax at the rate of ~~\$10.00~~ \$11.25 for each
21 \$500.00 or fractional part thereof for the entire value or consideration, including, but not limited
22 to, any portion of such value or consideration that is less than \$5,000,000.00; or (~~ev~~) at least
23 \$10,000,000.00 and ~~above-less than \$25,000,000~~, a tax at the rate of ~~\$12.50~~ \$13.75 for each
24 \$500.00 or fractional part thereof for the entire value or consideration, including but not limited
25 to, any portion of such value or consideration that is less than \$10,000,000.00; or (~~f~~) at least

1 \$25,000,000, a tax at the rate of \$15 for each \$500 or fractional part thereof for the entire value or
2 consideration, including but not limited to, any portion of such value or consideration that is less than
3 \$25,000,000. The People of the City and County of San Francisco authorize the Board of
4 Supervisors to enact ordinances, without further voter approval, that will exempt rent-
5 restricted affordable housing, as the Board may define that term, from the increased tax rate
6 in subsections ~~(div)~~, ~~and (e)~~, and (f).

7
8 Section 2. Scope of Ordinance. In enacting this ordinance, the People of the City and
9 County of San Francisco intend to amend only those words, phrases, paragraphs,
10 subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other
11 constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions
12 or deletions, in accordance with the "Note" that appears under the official title of the
13 ordinance.

14
15 Section 3. Severability. If any section, subsection, sentence, clause, phrase, or word
16 of this ordinance, or any application thereof to any person or circumstance, is held to be
17 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
18 shall not affect the validity of the remaining portions or applications of the ordinance. The
19 people of the City and County of San Francisco hereby declare that they would have passed
20 this ordinance and each and every section, subsection, sentence, clause, phrase, and word
21 not declared invalid or unconstitutional without regard to whether any other portion of this
22 ordinance or application thereof would be subsequently declared invalid or unconstitutional.

1 Section 4. Appropriations Limit Increase. Pursuant to California Constitution Article
2 XIII B and applicable laws, for four years from November 8, 2016, the appropriations limit for
3 the City shall be increased by the aggregate sum collected by the levy of the Real Property
4 Transfer Tax increase imposed by this ordinance.

5
6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA, City Attorney

8 By: 
9 CAROLE F. RUWART
Deputy City Attorney

10 n:\egana\as2016\1600209\01099445.docx

LEGISLATIVE DIGEST

[Initiative Ordinance - Business and Tax Regulations Code - Increase Real Property Transfer Tax on Properties of At Least \$5,000,000]

Motion ordering submitted to the voters, at an election to be held November 8, 2016, an ordinance amending the Business and Tax Regulations Code to increase the Real Property Transfer Tax rate from 2% to 2.25% on properties with a consideration or value of at least \$5,000,000 and less than \$10,000,000; from 2.5% to 2.75% on properties with a consideration or value of at least \$10,000,000 and less than \$25,000,000; and from 2.5% to 3% on properties with a consideration or value of at least \$25,000,000; and increasing the City’s appropriations limit by the amount of the tax increase for four years from November 8, 2016.

Existing Law

The City’s Real Property Transfer Tax (Transfer Tax) is imposed on a deed, instrument, or writing that conveys or otherwise transfers realty for consideration or value. The Transfer Tax is a general tax; proceeds are deposited to the General Fund. Existing law imposes the tax at the following rates:

Consideration or Value	\$ of tax per \$500 of consideration or value	Percentage rate
\$100 - \$250,000	\$2.50	0.50%
More than \$250,000 and less than \$1,000,000	\$3.40	0.68%
At least \$1,000,000 and less than \$5,000,000	\$3.75	0.75%
At least \$5,000,000 and less than \$10,000,000	\$10.00	2.00%
At least \$10,000,000 and above	\$12.50	2.50%

Amendments to Current Law

This measure asks the voters to increase the tax rates on higher value properties. The tax on properties from \$5,000,000 but less than \$10,000,000 would increase from \$10.00/\$500 to \$11.25/\$500, a one-quarter percent increase. The tax on properties from \$10,000,000 but less than \$25,000,000 would increase from \$12.50/\$500 to \$13.75/\$500, a one-quarter percent increase. The tax on properties of \$25,000,000 or more would increase from \$12.50/\$500 to \$15/\$500, a one-half percent increase.

Consideration or Value	\$ of tax per \$500 of consideration or value	Percentage rate
\$100 - \$250,000	\$2.50	0.50%
More than \$250,000 and less than \$1,000,000	\$3.40	0.68%
At least \$1,000,000 and less than \$5,000,000	\$3.75	0.75%
At least \$5,000,000 and less than \$10,000,000	\$11.25	2.25%
At least 10,000,000 and less than \$25,000,000	\$13.75	2.75%
At least \$25,000,000 and above	\$15.00	3.00%

This ordinance would increase the City’s annual appropriations limit under Article XIII B of the California Constitution by the aggregate sum collected by the levy of the parcel tax, and make nonsubstantive changes that update the existing code language to current formatting standards.

Background Information

The Transfer Tax may only be increased upon a majority vote of the people. The Transfer Tax rates were last raised in 2010, for properties over \$5,000,000.

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BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: John Rahaim, Director, Planning Department

FROM: Linda Wong, Assistant Clerk, Budget and Finance Sub-Committee

DATE: June 8, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Sub-Committee has received the following proposed legislation, introduced by Supervisor Kim:

File No. 160604

Motion ordering submitted to the voters, at an election to be held November 8, 2016, an ordinance amending the Business and Tax Regulations Code to increase the Real Property Transfer Tax rate from 2% to 2.25% on properties with a consideration or value of at least \$5,000,000 and less than \$10,000,000; from 2.5% to 2.75% on properties with a consideration or value of at least \$10,000,000 and less than \$25,000,000; and from 2.5% to 3% on properties with a consideration or value of at least \$25,000,000; and increasing the City's appropriations limit by the amount of the tax increase for four years from November 8, 2016.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Scott Sanchez, Planning Department
Sarah Jones, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Jeanie Poling, Planning Department

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
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MEMORANDUM

TO: Jose Cisneros, Treasurer, Office of the Treasurer and Tax Collector
John Arntz, Director, Department of Elections

FROM: Linda Wong, Assistant Clerk, Budget and Finance Sub-Committee

DATE: June 1, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Sub-Committee has received the following proposed legislation, introduced by Supervisor Kim:

File No. 160604

Motion ordering submitted to the voters, at an election to be held November 8, 2016, an ordinance amending the Business and Tax Regulations Code to increase the Real Property Transfer Tax rate from 2% to 2.25% on properties with a consideration or value of at least \$5,000,000 and less than \$10,000,000; from 2.5% to 2.75% on properties with a consideration or value of at least \$10,000,000 and less than \$25,000,000; and from 2.5% to 3% on properties with a consideration or value of at least \$25,000,000; and increasing the City's appropriations limit by the amount of the tax increase for four years from November 8, 2016.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Amanda Kahn Fried, Office of the Treasurer and Tax Collector

Lew, Lisa (BOS)

From: Lew, Lisa (BOS)
Sent: Wednesday, June 08, 2016 2:27 PM
To: Rahaim, John (CPC)
Cc: Sanchez, Scott (CPC); Jones, Sarah (CPC); Rodgers, AnMarie (CPC); Starr, Aaron (CPC); Navarrete, Joy (CPC); Poling, Jeanie (CPC); Wong, Linda (BOS)
Subject: BOS Referral: File No. 160604 - Initiative Ordinance - Business and Tax Regulations Code - Increase Real Property Transfer Tax on Properties of At Least \$5,000,000
Attachments: 160604 FYI PLN.pdf

Hello,

The following legislation is being referred to your department for informational purposes:

File No. 160604


Motion ordering submitted to the voters, at an election to be held November 8, 2016, an ordinance amending the Business and Tax Regulations Code to increase the Real Property Transfer Tax rate from 2% to 2.25% on properties with a consideration or value of at least \$5,000,000 and less than \$10,000,000; from 2.5% to 2.75% on properties with a consideration or value of at least \$10,000,000 and less than \$25,000,000; and from 2.5% to 3% on properties with a consideration or value of at least \$25,000,000; and increasing the City's appropriations limit by the amount of the tax increase for four years from November 8, 2016.

Sent on behalf of Linda Wong, Assistant Clerk, Budget and Finance Sub-Committee. Please forward any comments or reports to Linda Wong.

Regards,

Lisa Lew

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
P 415-554-7718 | F 415-554-5163
lisa.lew@sfgov.org | www.sfbos.org

 Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.

Lew, Lisa (BOS)

From: Lew, Lisa (BOS)
Sent: Wednesday, June 01, 2016 11:16 AM
To: Cisneros, Jose (TTX); Arntz, John (REG)
Cc: Fried, Amanda (TTX); Wong, Linda (BOS)
Subject: BOS Referral: File No. 160604 - Initiative Ordinance - Business and Tax Regulations Code - Increase Real Property Transfer Tax on Properties of At Least \$5,000,000
Attachments: 160604 - FYI.pdf

Hello,

The following legislation is being referred to your department for informational purposes:


File No. 160604

Motion ordering submitted to the voters, at an election to be held November 8, 2016, an ordinance amending the Business and Tax Regulations Code to increase the Real Property Transfer Tax rate from 2% to 2.25% on properties with a consideration or value of at least \$5,000,000 and less than \$10,000,000; from 2.5% to 2.75% on properties with a consideration or value of at least \$10,000,000 and less than \$25,000,000; and from 2.5% to 3% on properties with a consideration or value of at least \$25,000,000; and increasing the City's appropriations limit by the amount of the tax increase for four years from November 8, 2016.

Sent on behalf of Linda Wong, Assistant Clerk, Budget and Finance Sub-Committee. Please forward any comments or reports to Linda Wong.

Regards,

Lisa Lew
Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
P 415-554-7718 | F 415-554-5163
lisa.lew@sfgov.org | www.sfbos.org

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Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor inquires"
- 5. City Attorney request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Question(s) submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

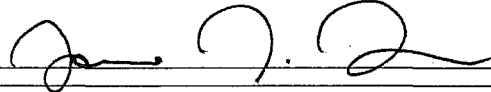
Kim; Campos, Peskin, Mar

Subject:

Initiative Ordinance to Increase Real Property Transfer Tax on Properties of At Least \$5 Million

The text is listed below or attached:

Please see attached.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: