

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: Jose Cisneros, Treasurer, Office of the Treasure and Tax Collector

FROM: Linda Wong, Assistant Clerk
Budget and Finance Committee

DATE: August 24, 2018

SUBJECT: LEGISLATION INTRODUCED

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

File No. 180797

Ordinance levying property taxes at a combined rate of \$1.1630 on each \$100 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 a pass-through rate of \$0.0675 per \$100 of assessed value for residential tenants pursuant to Administrative Code, Chapter 37, for the fiscal year ending June 30, 2019.

If you have 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 or by email at: linda.wong@sfgov.org.

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

1 [Setting Property Tax Rate and Establishing Pass-Through Rate for Residential Tenants -
2 FY2018-2019]

3 **Ordinance levying property taxes at a combined rate of \$1.1630 on each \$100 valuation**
4 **of taxable property for the City and County of San Francisco, San Francisco Unified**
5 **School District, San Francisco Community College District, Bay Area Rapid Transit**
6 **District, and Bay Area Air Quality Management District; and establishing a pass-**
7 **through rate of \$0.0675 per \$100 of assessed value for residential tenants pursuant to**
8 **Administrative Code, Chapter 37, for the fiscal year ending June 30, 2019.**

9
10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
13 **Board amendment additions** are in double-underlined Arial font.
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
15 **Asterisks (* * * *)** indicate the omission of unchanged Code
16 subsections or parts of tables.

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

18 **Section 1.** Pursuant to the laws of the State of California, a tax is hereby levied for the
19 fiscal year ending June 30, 2019, on all property, real and personal, in the City and County of
20 San Francisco, except such property as is by law exempt from taxation, in the sum of
21 \$1.00764651 on each \$100 valuation of said taxable property as the same appears upon the
22 secured assessment roll of the City and County for the fiscal year. The tax shall be
23 apportioned to the General Fund, the General Obligation Bond Fund, and the County
24 Superintendent of Schools, and according to the provisions of Sections 16.106, 16.107,
25 16.108, and 16.109 of the Charter as follows:

1	For the General Fund, the rate of	\$ 0.80918319 ⁽¹⁾
2	For the Library Preservation Fund, the rate of	0.02500000
3	For the San Francisco Children's Fund, the rate of	0.04000000
4	For the Open Space Acquisition Fund, the rate of	0.02500000
5	For the County Superintendent of Schools, the rate of	0.00097335
6	For the General Obligation Bond Fund, the rate of	<u>0.10748997</u>
7	TOTAL City and County of San Francisco	\$1.00764651

8

9 (1) Includes an estimated \$0.25330113 for the State-mandated tax shift to the Educational
10 Revenue Augmentation Fund.

11

12 **Section 2.** Pursuant to the laws of the State of California, a tax is hereby levied for San
13 Francisco Unified School District purposes for the fiscal year ending June 30, 2019, on all
14 property, real and personal, in the City and County of San Francisco, except such property as
15 is by law exempt from taxation, in the sum of \$0.11568211 on each \$100 valuation of said
16 taxable property as the same appears upon the secured assessment roll of the City and
17 County for the fiscal year. The tax shall be apportioned as follows:

18	For General Operations, the rate of	\$0.07698857
19	For General Obligation Bond Debt Service, the rate of	<u>\$0.03869354</u>
20	TOTAL San Francisco Unified School District	\$0.11568211

21

22 **Section 3.** Pursuant to the laws of the State of California, a tax is hereby levied for San
23 Francisco Community College District purposes for the fiscal year ending June 30, 2019, on
24 all property, real and personal, in the City and County of San Francisco, except such property
25 as is by law exempt from taxation, in the sum of \$0.02426446 on each \$100 valuation of said

1 taxable property as the same appears upon the secured assessment roll of the City and
2 County for the fiscal year. The tax shall be apportioned as follows:

3	For General Operations, the rate of	\$0.01444422
4	For General Obligation Bond Debt Service, the rate of	<u>\$0.00982024</u>
5	TOTAL San Francisco Community College District	\$0.02426446

6
7 **Section 4.** Pursuant to the laws of the State of California, a tax is hereby levied for Bay
8 Area Rapid Transit District purposes for the fiscal year ending June 30, 2019, on all property,
9 real and personal, in the City and County of San Francisco, except such property as is by law
10 exempt from taxation, in the sum of \$0.01332528 on each \$100 valuation of said taxable
11 property as the same appears upon the secured assessment roll of the City and County for
12 the fiscal year. The tax shall be apportioned as follows:

13	For General Operations, the rate of	\$0.00632528
14	For General Obligation Bond Debt Service, the rate of	<u>\$0.00700000</u>
15	TOTAL Bay Area Rapid Transit District	\$0.01332528

16
17 **Section 5.** Pursuant to the laws of the State of California, a tax is hereby levied for Bay
18 Area Air Quality Management District purposes for fiscal year ending June 30, 2019, on all
19 property, real and personal, in the City and County of San Francisco, except such property as
20 is by law exempt from taxation, in the sum of \$0.00208539 on each \$100 valuation of said
21 taxable property as the same appears upon the secured assessment roll of the City and
22 County for the fiscal year. The tax shall be apportioned as follows:

23	For General Operations, the rate of	<u>\$0.00208539</u>
24	TOTAL Bay Area Air Quality Management District	\$0.00208539

1 **Section 6.** The combined property tax rate for the City and County of San Francisco,
2 San Francisco Unified School District, San Francisco Community College District, Bay Area
3 Rapid Transit District, and Bay Area Air Quality Management District, as set forth above, shall
4 therefore be \$1.1630 on each \$100 valuation of said taxable property.

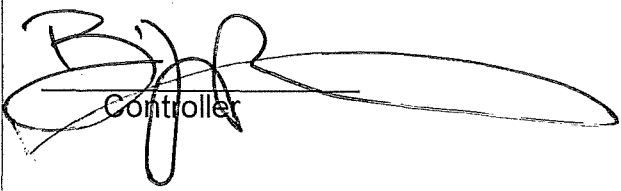
5
6 **Section 7.** Pursuant to Sections 37.3(a)(6)(A), (B), and (C) of the Administrative Code,
7 the Board of Supervisors hereby determines that, based on the combined property tax rate
8 provided in Section 6 of this ordinance, the property tax pass-through rate for residential
9 tenants for the fiscal year ending June 30, 2019, shall be \$0.0675 per \$100 of assessed
10 value. The pass-through rate is based on three factors: (1) 100% of the change in the
11 landlord's property tax resulting from repayment of the City's general obligation bonds
12 approved by voters between November 1, 1996, and November 30, 1998; (2) 50% of the
13 change in the landlord's property tax resulting from repayment of the City's general obligation
14 bonds approved by voters after November 14, 2002; and (3) 50% of the change in the
15 landlord's property tax resulting from repayment of the San Francisco Unified School District
16 or San Francisco Community College District's general obligation bonds approved by voters
17 after November 1, 2006, payable during the fiscal year ending June 30, 2019.

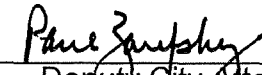
1 **Section 8.** The rate for the City and County of San Francisco General Obligation Bond
2 Fund includes a collection fee of 0.25% of the fund collected for the purpose of General
3 Obligation Bond debt service. An amount sufficient to pay this fee is hereby appropriated
4 within the General Obligation Bond Fund and the Controller is hereby authorized to pay this
5 fee into the General Fund from the General Obligation Bond Fund.

7 Prepared By:

Approved As to Form:

Dennis J. Herrera, City Attorney

9
10 
11 Controller

BY: 
Deputy City Attorney

LEGISLATIVE DIGEST

[Setting San Francisco's Property Tax Rate and Establishing Pass-Through Rate for Residential Tenants - FY2018-2019]

Ordinance levying property taxes at a combined rate of \$1.1630 on each \$100 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 a pass-through rate of \$0.0675 per \$100 of assessed value for residential tenants pursuant to Administrative Code, Chapter 37, for the fiscal year ending June 30, 2019.

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 the Mayor approved Ordinance Number 195-17 for Fiscal Year 2017-2018. That Ordinance established the 2017-2018 fiscal year's combined secured property tax rate of \$1.1723 on each \$100 valuation of taxable property within the City and County of San Francisco. Ordinance Number 195-17 also established the property tax pass-through rate of residential tenants of \$0.0890 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 \$1.1630 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 2018-2019. The legislation also updates the property tax pass-through rate of residential tenants to \$0.0675 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.