

The League Recommends...SF Ballot Measure Positions

At its September meeting, the League of Women Voters of San Francisco board of directors voted to adopt the following recommendations on San Francisco ballot measures for the November 2010 election. These recommendations are based on the League's established policy positions. Please note that the League's action/advocacy activities are funded by the League of Women Voters of San Francisco (501c4). Education Fund monies are not used for this purpose. All of the League's educational election resources, including the *Pros and Cons Guide*, are supported by the Education Fund (501c3). If you have questions, please contact the League at (415) 989-8683 and for a full discussion of our positions, please go to our website at www.Sfvotes.org and click on Action in the top row of choices.

PROPOSITION AA

VEHICLE REGISTRATION FEE

Amendment to the San Francisco Business and Tax Regulations Code

Placed on the ballot by the San Francisco County Transportation Authority

The Question

Should the San Francisco County Transportation Authority (SFCTA) add \$10 to the annual registration fee for vehicles registered in San Francisco to fund transportation projects involving street repairs and reconstruction, pedestrian safety and transit reliability improvements?

The Proposal

This proposition would amend the City's Business and Tax Regulations Code to add \$10 to the existing annual registration fee for vehicles registered in San Francisco to fund transportation projects. This increase would apply to vehicle registrations and renewals beginning May 2, 2011.

Under the SFCTA's Expenditure plan:

- 50% of the fee would be used for street repairs and reconstruction with priority given to streets with bicycle and public transit routes;
- 25% of the fee would be used for pedestrian safety, including crosswalk improvements, sidewalk repair or upgrade, and pedestrian countdown signals and lighting;
- 25% would be used for transit reliability improvements including transit stop improvements, consolidation and relocation, transit signal upgrades, travel information improvements and parking management projects.

The SFCTA would determine the specific projects and could use up to 5% of the funds for administrative costs.

Fiscal Effect

The Controller states:

Should the proposed measure be approved by the voters, in my opinion, it would generate additional tax revenue for the City of approximately \$5 million annually for projects related to street repair, pedestrian safety and transit improvements. The proposed measure would place an additional vehicle license fee of \$10 per vehicle registered in San Francisco County.

Relevant League Positions:

LWVCA: State and Local Finances

1. Support measures to ensure revenues both sufficient and flexible enough to meet changing needs for state and local government services....
2. Support measures that facilitate accountability to the public by the unit of government which collects the revenue and that which delivers services.

LWVCA: Natural Resources: Transportation:

Planning for transportation should promote:

- a. strategies to influence travel behavior, such as fees, taxes and tolls, combined with mitigation measures for low income persons;
 - b. alternatives to single occupant vehicle travel, such as high occupancy vehicle lanes, expanded transit, car/van pools and bicycle lanes;
3. Transportation funding should come from all levels of government, but regional and local levels should have maximum flexibility to select the modes and projects on which to spend allocated funds. User fees and other revenues derived from transportation-related sources should be designated for transportation uses, including use of highway users' taxes for transportation-related services such as smog control and transit. A variety of other funding methods are appropriate, including general funds, sales tax revenues and private sources such as developer fees.

Recommendation: Support

PROPOSITION A

EARTHQUAKE RETROFIT BOND

General Obligation Bond

Placed on the ballot by Mayor Gavin Newsom
Requires two-thirds majority vote for passage

The Question

Should San Francisco authorize the issuance of General Obligation Bonds in the amount of \$46.15 million to finance earthquake retrofitting on affordable housing and single-room occupancy buildings that are currently deemed to be at-risk during an earthquake?

The Proposal

Proposition A would authorize the City of San Francisco to borrow up to \$46,150,000 by issuing General Obligation Bonds to fund loans and grants to pay for seismic retrofitting of low-income housing structures. Specifically, projects funded by the bond would include:

- A deferred loan and grant program of up to \$41,330,000 to pay for seismic retrofitting of 125 soft-story affordable housing buildings funded by government agencies;
- A loan program of up to \$4,820,000 to pay for seismic retrofitting of 31 soft-story single-room occupancy buildings.

The City agencies responsible for implementing these programs would set the terms and conditions for the loans and grants. But a property owner would be required to repay these loans and grants immediately if the property owner reduced the number of affordable housing units as part of a sale or transfer of the property.

Proposition A would require the Citizen's General Obligation Bond Oversight Committee to provide independent oversight of the spending of bond funds. One-tenth of one percent (0.1%) of the bond funds would pay for the Committee's audit and oversight functions.

Proposition A would allow an increase in the property tax to pay for the bonds. It would permit landlords to pass through 50% of the resulting property tax increase to tenants.

Fiscal Effect

The Controller states:

Should the proposed \$46,150,000 million in bonds be authorized and sold under current assumptions:

- *The best estimate of the average tax rate for these bonds from fiscal year 2011-2012 through 2033-2034 is \$0.0016 per \$100 (\$1.60 per \$100,000) of assessed valuation.*
- *Based on these estimates, the highest estimated annual property tax cost for the owner of a home with an assessed value of \$400,000 would be approximately \$9.46.*
- *Based on these estimates, the highest estimated annual cost for a tenant in a unit with an assessed value of approximately \$156,000 would be \$1.98.*

These estimates are based on projections only, which are not binding upon the City. Projections and estimates may vary due to the timing of bond sales, the amount of bonds sold at each sale, and actual assessed valuation over the term of repayment of the bonds. Hence, the actual tax rate and the years in which such rates are applicable may vary from those estimated above. The City's current debt management policy is to issue new General Obligation Bonds only as old ones are retired, keeping the property tax impact from General Obligation Bonds approximately the same over time.

Relevant League Positions:

LWVSF:

Housing – Support measures that provide for the needs of low, moderate and middle-income groups.

LWVCA:

State and Local Finances – Support measures to ensure revenues both sufficient and flexible enough to meet changing needs for state and local government services.

Housing – Support of State programs to increase the supply of safe, decent and adequate housing for all Californians.

LWVUS:

Meeting Basic Human Needs – Support policies to provide a decent home and a suitable living environment for every American family.

Recommendation: Support

**PROPOSITION B
CITY RETIREMENT AND HEALTH PLANS**
Charter amendment
Placed on the ballot by Initiative

The Question

Should City employees increase their contributions to the retirement plan and pay a higher percentage of healthcare benefits for dependents?

The Proposal

Proposition B would increase required employee contributions to the Retirement System, and reduce the City's share of funding that system, as follows:

- Uniformed members of the police and fire departments, excluding the Sheriff's department, would contribute up to 10% of their compensation to fund retirement benefits;
- All other employees in the Retirement System would contribute 9.0% of their compensation to fund retirement benefits;
- After current collective bargaining agreements with City employees expire, the City could not agree to pay any portion of the employee contribution.

Proposition B would decrease the employer contribution to the Health Service System, and increase the employees' share of funding that system, as follows:

- For medical plans, employers would pay only the amount that the ten-county survey requires;

- The City, but not the other three employers, would be prohibited from paying any additional costs for employee coverage;
- For employee dependent health care coverage, reduce the City contribution to no more than 50% of the cost of the lowest cost plan that the Health Services System offers for each level of coverage;
- For dental plans, the City, but not the other three employers, would contribute no more than 75% of the cost of employee coverage and 50% of the cost of dependent coverage.

In any arbitration to resolve disputes in collective bargaining over City employment, Proposition B would require the arbitrator to make findings about the costs to the City of retirement and health benefits and take those costs into account in deciding compensation.

Proposition B also states that if the City or an arbitrator awards an increase in wages or benefits for covered employees, the increase should first be subject to voter approval.

Proposition B would become effective on January 1, 2011. Some provisions would become operative only when current collective bargaining agreements expire.

Fiscal Effect

The Controller states:

Should the proposed Charter amendment be approved by the voters, in my opinion, the City will have significantly reduced costs for providing employee retirement benefits and health care benefits, with those costs being shifted from the City Government to City employees. Annual savings to the City would total approximately \$121 million by fiscal year 2013-2014, assuming current workforce levels and healthcare utilization. This includes approximately \$73 million in savings to the City's General Fund, and \$48 million in savings to other enterprise funds such as the Airport and Public Utilities Commission funds.

Relevant League Positions:

LWVSF: No Position
 LWVCA: No Position
 LWVUS No Position

Recommendation: No Position

PROPOSITION C
MAYORAL APPEARANCES AT BOARD OF SUPERVISOR MEETINGS

Charter amendment

Placed on the ballot by Supervisors Avalos, Campos, Chiu, Daly, Mar, and Mirkarimi

The Question

Should the Charter be amended to require the Mayor to appear in person at one regularly scheduled meeting of the

Board of Supervisors each month to engage in formal policy discussions with the Board?

The Proposal

Proposition C is a Charter amendment that would require the Mayor to appear in person at one regularly scheduled meeting of the Board of Supervisors each month to engage in formal policy discussions with the Board.

Proposition C would also require the Board of Supervisors, in consultation with the Mayor, to adopt ordinances providing rules and guidelines about the Mayor's appearances before the Board.

Fiscal Effect

The Controller states:

Should the proposed Charter amendment be approved by the voters, in my opinion, it would not affect on the cost of government.

Relevant League Positions:

LWVCA: No Position
 LWVUS: No Position
 LWVSF: No Position

Recommendation: No Position

PROPOSITION D
NON-CITIZEN VOTING IN SCHOOL BOARD ELECTIONS

Charter amendment

Placed on the ballot by Supervisors Chiu, Campos, Mar, Avalos, Mirkarimi, Maxwell, Daly, Dufty

The Question:

Should the City allow non-citizen residents of San Francisco who are 18 years of age or older and have children living in the San Francisco Unified School District to vote for members of the Board of Education?

The Background:

The San Francisco Unified School District operates 140 public schools in San Francisco for students from pre-kindergarten through grade twelve. The San Francisco Board of Education oversees and sets policy for the School District. The Board of Education has seven members who are elected by San Francisco voters. Elections for members of the Board of Education are held in November of even-numbered years.

San Francisco residents who are 18 years of age or older, United States citizens, and not in prison or on parole for a felony conviction are eligible to register to vote in San Francisco elections.

The Proposal:

Proposition D is a Charter Amendment that would allow any non-citizen resident of San Francisco to vote for mem-

bers of the Board of Education if the resident:

- is the parent, legal guardian or legally-recognized caregiver for a child living in the School District,
- is 18 years of age or older and not in prison or on parole for a felony conviction.

Proposition D would apply to the November 2012, 2014, and 2016 elections for members of the Board of Education. The measure would expire after the 2016 election unless the Board of Supervisors adopts an ordinance allowing it to continue.

The Fiscal Effect:

The Controller states the following: *Should the proposed Charter amendment be approved by the voters, in my opinion, it would increase the cost of government, as estimated by the Department of Elections, by \$152,000 per election to print and distribute voting materials, train poll workers and develop procedures. Should the election take place by absentee ballot only, which would require a subsequent ordinance by the Board, costs may be reduced approximately \$100,000.*

Relevant League Positions:

- LWVSF: No Position
- LWVCA: No Position
- LWVUS: No Position

Recommendation: No Position

**PROPOSITION E
ELECTION DAY VOTER REGISTRATION**

Charter amendment

Placed on the ballot by Supervisors Avalos, Campos, Chiu, Daly, Dufty, Mar, Maxwell and Mirkarimi

The Question

Should the Charter be amended to establish Election Day voter registration specifically for municipal elections?

The Proposal

Proposition E would amend the Charter to establish "Election Day Voter Registration" specifically for municipal elections. There would be no advance registration deadline for these elections. San Francisco residents who are eligible to vote could register on Election Day, or anytime before the election, and cast a ballot in that election. The 15-day registration deadline would continue to apply to all combined federal, state, municipal and district elections. Voters who register on Election Day will cast provisional ballots. The Department of Elections will verify a voter's eligibility before counting the ballot.

Fiscal Effect

The Controller states:

Should the proposed Charter amendment be approved by the voters, in my opinion, it would increase the cost of gov-

ernment, as estimated by the Department of Elections, by approximately \$424,000 per election.

Relevant League Positions:

- LWVUS: Voting Rights
Citizen's Right to Vote. Protect the right of all citizens to vote; encourage all citizens to vote.
- LWVCA: Voting Rights
There should be ease of registration and re-registration.
- LWVSF: San Francisco Charter
The Charter should provide (d) for citizen participation.

Recommendation: Support

**PROPOSITION F
HEALTH SERVICE BOARD ELECTIONS**

Charter amendment

Placed on the ballot by Board of Supervisors

The Question

Should the City Charter be amended to reduce the number of Health Service Board elections to two elections every five years instead of four elections every five years?

The Proposal

Proposition F would amend the City's Charter to have the number of Health Service Board elections so that two members would be elected at the same time and two elections would occur every five years instead of four every five years. This would be accomplished by shortening the term that begins in 2011 to three years (to expire in 2014) and shortening the term that begins in 2013 to two years (to expire in 2015).

Fiscal Effect

The Controller states:

Should the proposed Charter amendment be approved by voters, in my opinion, it will reduce the cost of government by an estimated \$30,000 annually by consolidating the elections for members of the Health Service Board.

Relevant League Positions:

- LWVSF:
Boards and Commissions:
7) Coordination and efficiency of the boards and commissions system should be increased. ...
- Financing San Francisco Government:
Support measures that promote effective and equitable methods of paying for city services which:
1) Provides effective control over expenditures.
2) Reduce expenses of government by
a) Streamlining government through ... ii) increasing the efficiency of the offices of assessor and tax collector

LWVCA: No relevant positions
LWVUS: No relevant positions

Recommendation: Support

**PROPOSITION G
TRANSIT OPERATOR WAGES**

Charter amendment
Placed on the ballot by Initiative

The Question

Should the City eliminate the current method of determining MUNI Operator wages by a set formula, and instead use collective bargaining and binding arbitration, and make additional rules and changes to terms of employment for MTA employees?

The Proposal

Under Proposition G, the MTA would set MUNI operator wages and benefits through collective bargaining and binding arbitration. It would also:

- eliminate the current formula for MUNI operator wages,
- eliminate the trust fund that provides additional payments or benefits to MUNI operators,
- require that the collective bargaining agreement including the MTA, contribution for MUNI operators' health coverage be at least equivalent to the City contribution for the majority of other City employees,
- require binding arbitration when the MTA and MUNI operator unions are unable to agree in collective bargaining, and require the arbitrators to consider the impact of disputed proposals on MUNI fares and service,
- make incentive bonuses for MTA managers and employees optional,
- ensure that only the agreements that are included in the employees' collective bargaining and approved in writing by the MTA Executive Director or Board would be valid.

Fiscal Effect

The Controller states:

Should the proposed Charter amendment be approved by the voters, in my opinion, it could either increase or decrease the cost of government depending on the outcome of collective bargaining and labor arbitration processes. Using the survey method, as of July 2010, MTA transit operators' highest wage rate is \$27.92 per hour, and for the last five years the City has been required to make deposits averaging \$5.0 to \$7.0 million annually to the transit operators benefit trust fund. The amendment makes incentive pay optional that is now mandated for certain employees. As of fiscal year 2009-2010, the amount of such incentive pay that would be made optional is approximately \$3.0 million. Overall, collective bargaining and labor arbitration processes could result in either a

decrease or an increase to drivers' wage and benefit levels.

Relevant League positions:

Local: no position
State: no position
US: no position

Recommendation: No Position

**PROPOSITION H
LOCAL ELECTED OFFICIALS ON POLITICAL PARTY COMMITTEES**

Ordinance
Placed it on the ballot by Mayor Gavin Newsom

The Question

Should the City prohibit elected City officials from serving on San Francisco political party county central committees?

The Background

San Francisco's city and county government has 18 elective offices: Mayor, Assessor-Recorder, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, and 11 seats on the Board of Supervisors. State political parties often have local chapters that are run by county central committees. These committees may engage in political activities such as registering voters or endorsing candidates and ballot measures. The California Elections Code currently recognizes the following state political parties: the Democratic Party of California, the California Republican Party, the American Independent Party of California, and the Peace and Freedom Party of California. Currently, an elected City official may also serve on a political party county central committee. Ethics and campaign finance laws apply to political party county central committee members and elected City officials.

The Proposal

Proposition H would amend the City's Campaign and Governmental Conduct Code to prohibit elected City officials from serving on a political party county central committee. Persons violating this provision would be subject to civil, criminal, and administrative penalties, including possible suspension and removal from elective office.

Fiscal Effect

The Controller states:

Should the proposed ordinance be approved by the voters, in my opinion, it would not affect the cost of government.

Relevant League Positions:

Local: no position
State: no position
US: no position

Recommendation: No Position

PROPOSITION I
SATURDAY VOTING ACT
Ordinance
Placed on the ballot by Initiative

The Question

Should the City open all polling places twice during the November 2011 municipal elections, both Saturday November 5th and Tuesday November 8th?

The Background

The City holds municipal elections on Tuesdays. After the November 2010 election, the next regularly scheduled municipal election is Tuesday, November 8, 2011. This election will include contests for Mayor, District Attorney and Sheriff. It may also include local ballot measures.

On Election Day, the City operates several hundred polling places throughout San Francisco where voters may vote in person or return vote-by-mail (“absentee”) ballots. Before Election Day, voters may vote early by:

- voting in person at a City Hall polling place which opens 29 days before the election,
- mailing a vote-by-mail ballot to the Department of Elections

The Proposal

Proposition I would create Saturday Voting Fund (the Fund) to pay for the operation of polling places on the Saturday before the November 8, 2011 election. Individuals and organizations could donate to the Fund.

Proposition I would require the City to open all polling places on the Saturday before the Tuesday, November 8, 2011 election if the Fund received enough money to cover the costs of Saturday voting.

After the November 2011 election, the measure would require the Department of Elections to prepare a report about the effects of opening polling places on Saturday to determine if it improves voter turnout and other outcomes.

Fiscal Effect

The Controller states:

Should the proposed measure be approved by the voters, in my opinion, it will affect the cost of government in that the City would accept donations to fund the cost of Saturday voting, and would expend funds for that purpose.

Relevant League Positions:

LWVUS: SARA Resolution

Recommendation: Support

PROPOSITION J
HOTEL TAX CLARIFICATION AND
TEMPORARY INCREASE
Ordinance
Placed on the ballot by Initiative

The Question

Should the City increase the hotel tax rate from 14% to 16% for the next three years, confirm that anyone collecting rent from a hotel guest must also collect tax on room rental and related charges, and define “permanent resident” so that only an individual could qualify for the “permanent resident” exemption?

The Proposal

Proposition J would increase the hotel tax rate from 14% to 16%. This increase would be in effect from January 1, 2011 until January 1, 2014. Money collected from the increase would go to the General Fund and the City could use it for any public purpose.

Proposition J would confirm that the hotel tax applies to the amount a guest pays to occupy a room and related charges, and that anyone collecting payment from a hotel guest must collect the tax on that amount and pay it to the City.

Proposition J would define “permanent resident” so that only an individual could qualify for the “permanent resident” exemption.

If the voters adopt both Proposition K and Proposition J, the hotel tax rate would be determined by the proposition receiving the most votes.

Fiscal Effect

The Controller states:

Should the proposed ordinance be approved by the voters, in my opinion, it would generate additional tax revenue for the City of approximately \$35.0 million annually that can be used for any public purpose.

Relevant League Positions:

Local: no position
State: no position
US: no position

Recommendation: no position

**PROPOSITION K
HOTEL TAX CLARIFICATION AND
DEFINITIONS**

Ordinance

Placed it on the ballot by Mayor Gavin Newsom

The Question

Should the City keep the hotel tax rate at 14%, confirm that anyone collecting rent from a hotel guest must also collect tax on room rental and related charges, and define “permanent resident” so that only an individual could qualify for the “permanent resident” exemption?

The Proposal

Proposition K would keep the hotel tax rate at 14%. Proposition K would confirm that the hotel tax applies to the amount a guest pays to occupy a room and related charges, and that anyone collecting payment from a hotel guest must collect the tax on that amount and pay it to the City.

If the voters adopt both Proposition K and Proposition J, the hotel tax rate would be determined by the proposition receiving the most votes.

Fiscal Effect:

The Controller states:

Should the proposed ordinance be approved by the voters, in my opinion, it would generate additional tax revenue for the City of approximately \$12.0 million annually that can be used for any public purpose.

Relevant League positions:

Local: no position

State: no position

US: no position

Recommendation: No Position

**PROPOSITION L
SITTING OR LYING ON SIDEWALKS**

Ordinance

Placed on the ballot by Mayor Gavin Newsom

The Question

Should the City amend the police code to prohibit sitting or lying on a public sidewalk in San Francisco between 7 a.m. and 11 p.m., with certain exceptions?

The Proposal

Proposition L would amend the Police Code to prohibit sitting or lying on a public sidewalk in San Francisco between 7 a.m. and 11 p.m.

The measure makes exceptions for:

- medical emergencies;
- people using wheelchairs, walkers or similar devices because of a disability;
- lawful sidewalk businesses;

- authorized parades, protests, festivals or similar events;
- sitting on fixed chairs or benches supplied by a public agency or property owner;
- customers sitting in line unless they block pedestrians;
- children in strollers; and
- Pavement to Parks projects.

Proposition L would require the police to warn offenders before citing them for violating this law. Penalties for violating the law would be:

- For the first offense, a fine of \$50-\$100 and/or community service.
- For a repeat offense within 24 hours of a citation, a fine of \$300-\$500, and/or community service, and/or up to 10 days in jail.
- For a repeat offense within 120 days of a conviction, a fine of \$400-\$500, and/or community service, and/or up to 30 days in jail.

Proposition L would require the Police Department to make written reports to the Mayor and the Board of Supervisors about the effect of enforcing this prohibition. It would also require the City to have a neighborhood outreach plan to provide social services to people who chronically sit or lie on public sidewalks.

If the voters adopt both Propositions M and L, and if Proposition M receives more votes, the prohibition against persons sitting or lying on sidewalks would not take effect. If the voters adopt both Propositions M and L, and if Proposition L receives more votes, both measures would take effect.

Fiscal Effect

The Controller states:

Should the proposed ordinance be approved the voters, in my opinion, it would not affect the cost of government.

Relevant League positions:

Local: no position

State: no position

US: no position

Recommendation: No Position

**PROPOSITION M
COMMUNITY POLICING AND
FOOT BEAT PATROLS**

Ordinance

Placed on the ballot by the Board of Supervisors

The Question

Should the City require the Police Commission to adopt a written community policing policy, require the Chief of Police to establish a comprehensive Foot Beat Patrol Program, and not amend its Police Code to prohibit sitting or lying on sidewalks?

The Proposal

Proposition M would require the Police Commission to adopt a written community policing policy. This policy would involve police interactions with the community, focusing police resources on high crime areas, and encouraging citizen involvement in combating crime.

Proposition M would require the Police Commission to begin work on adopting this policy within six months. Proposition M would also require the Chief of Police to establish a comprehensive Foot Beat Patrol Program for all police stations. This program would include designated foot patrols, dedicated MUNI patrols, regular reviews of foot patrol routes, regular community input, and guidelines for foot patrol officers. Proposition M would require the Police Department to report on the program to the Board of Supervisors twice each year.

Proposition M suggests that safety and civility in public spaces are better addressed by foot patrols than by a prohibition against sitting and lying on sidewalks. By voting for Proposition M, the voter intends that the Foot Beat Patrol Program override Proposition L, which would prohibit sitting or lying on public sidewalks.

If the voters adopt both Propositions M and L, and if Proposition M receives more votes, the prohibition against persons sitting or lying on sidewalks would not take effect. If the voters adopt both Propositions M and L, and if Proposition L receives more votes, both measures would take effect.

Fiscal Effect

The Controller states:

Should the proposed ordinance be approved by the voters, it could, in my opinion, increase the cost of government in order to fund additional police foot beat patrols and patrols on the City's transit lines. The ultimate cost of the proposal would depend on decisions made through the City's annual budget process and on decisions made in the San Francisco Police Department and the Municipal Transportation Authority (MTA.)

Implementation of the program as specified in the ordinance is likely to require additional General Fund support and as such would mean new funding must be provided or other services reduced. Note that an ordinance cannot bind future Mayors and Boards of Supervisors to provide funding for this or any other purpose. Under the City Charter, the ultimate cost of this proposal depends on decisions made in the City's annual budget process.

Relevant League Positions:

LWVSF:

Executive Branch:

Support measures to increase effectiveness and accountability of administration. Retain the authority that now lies in the Mayor's position.

2. The Mayor should appoint heads of those departments whose policies are set by the commission.

LWVCA: No Position

LWV: No Position

Recommendation: Oppose

**PROPOSITION N
REAL PROPERTY TAX TRANSFER**

Ordinance

Placed on the ballot by Initiative

The Question

Should the City increase the tax rate to 2.0% for the sale of real estate valued at more than \$5 million?

The Background

The City imposes a transfer tax on the sale of real estate in San Francisco. The tax rate ranges from 0.5% to 1.5%, depending on the value of the real estate. The 1.5% rate applies to sales of properties \$5 million or more. The tax also applies to real estate leases with a term of 35 years or more.

The Proposal

Proposition N would increase the tax rate for the sale of real estate valued at more than \$5 million. For real estate sale of \$5 million to \$10 million, the rate would increase to 2.0%. For real estate sales of \$10 million or more, the rate would increase to 2.5%. These increases would also apply to real estate leases with a term of 35 years or more.

The Fiscal Effect

The Controller States:

Had the ordinance been in place during the period from Fiscal Year 2000-01 through Fiscal Year 2008-09, in my opinion, it would have resulted in average annual revenue increases ranging from \$6 million to \$90 million, averaging \$36 million. While we estimate that the proposed ordinance would have resulted in average additional revenue of \$36 million per year in the recent past, it is important to note that this is the City's most volatile revenue source, and estimates based on prior years' activity may not be predictive of future revenues

Relevant League positions:

Local: no position

State: no position

US: no position

Recommendation: No Position
