

## **Additional Parcel Tax for City College \***

**Digest** by the Ballot Simplification Committee

**Status:** Final Digest

**On:** Monday, July 25, 2022

**Members:** Packard, Anderson, Merrill

**Deadline to Request Reconsideration:** 4:30pm Tuesday July 26, 2022

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**The Way It Is Now:** City College of San Francisco (City College) is a public, two-year community college that receives funding from the state, the federal government and the City.

San Francisco property owners pay an annual flat tax of \$99 per parcel to help fund City College. These tax revenues include funding for teachers, counselors and libraries. This tax will expire on June 30, 2032.

State law limits the amount of revenue, including tax revenue, that the City can spend each year. State law authorizes San Francisco voters to approve increases to this limit for up to four years.

**The Proposal:** Proposition \_\_\_ would establish a parcel tax in addition to the current \$99 flat tax on San Francisco property owners beginning on July 1, 2023, and continuing until June 30, 2043. The tax would be adjusted annually for inflation. The proposed 2023 tax rates would be:

<b>Property Type</b>	<b>Rate</b>
Single-family residential	\$150
Residential, one residential unit (for example, a one-unit condominium)	\$150
Residential, two or more residential units	\$75 per unit
Nonresidential, under 5,000 square feet	\$150
Nonresidential, 5,000 – 24,999 square feet	\$1,250
Nonresidential, 25,000 – 100,000 square feet	\$2,500
Nonresidential, over 100,000 square feet	\$4,000

The rates are based on the square footage of the buildings or the square footage of an undeveloped parcel. For properties with mixed residential and commercial uses, different rates would apply.

The tax would not apply to two types of properties:

- properties in which a person at least 65 years old before July 1 of the fiscal year has an ownership interest and lives at that property; and
- properties not required to pay standard property taxes, such as parcels owned and used by certain nonprofits.

*\*Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

Proposition \_\_\_ would require the City to collect and transfer all revenue from the additional parcel tax to City College that must use these tax revenues for the following purposes:

- 25% for services and programs that support student enrollment, basic needs, retention and job placement;
- 25% for programs that address basic-skills needs, including supporting English proficiency and technology use and obtaining United States citizenship;
- 25% for workforce development programs that support job training and placement; and
- 25% for programs that support the academic success and leadership development of historically underrepresented students.

Before receiving these tax revenues, City College must submit an expenditure plan to the Mayor and Board of Supervisors.

Proposition \_\_\_ would require the City Controller to perform annual audits for the first five years of the tax and periodically thereafter. The Mayor or Board of Supervisors may suspend the transfer of revenues from the additional tax if City College has not adopted the Controller's audit recommendations.

Proposition \_\_\_ would require City College to establish an independent oversight committee to ensure that tax revenues are used only for designated purposes.

Proposition \_\_\_ would increase the City's spending limit, set by state law, for four years.

**A "YES" Vote Means:** If you vote "yes," you want to establish an additional parcel tax on some San Francisco property owners based on the square footage and use of their properties and transfer those tax funds to City College for student and workforce development programs.

**A "NO" Vote Means:** If you vote "no," you do not want to make these changes.