ACKNOWLEDGEMENT OF RECEIPT

Submission of Hearing: Initiative Ordinance

Hearing - Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Parcel Tax Repeal and Replacement (File No. 200649)
(Unofficial Title of Measure)

☐ Hearing notification submitted by Clerk of the Board: Date Submitted: 07/17/2020

☒ Copy to Department of Elections: Date Submitted: 07/17/2020

1) BOARD OF SUPERVISORS: The following four and/or more members of the Board are submitting: (check boxes)

☐ FEWER, Sandra Lee
☐ STEFANI, Catherine
☐ PESKIN, Aaron
☐ MAR, Gordon
☐ PRESTON, Dean
☐ HANEY, Matt
☐ YEE, Norman
☐ MANDELMAN, Rafael
☐ RONEN, Hillary
☐ WALTON, Shamann
☐ SAFAI, Ahsha

2) MAYOR:

☒ BREEDE, London
4) Contact Person: Victor Young
Address: 1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Phone: (415) 554-7723
Date: 07/17/2020
Submitted By: Victor Young

Victor Young
(sign)

5) COPIES

☐ John Arntz- Director of Elections, in consultation with the City Attorney, shall forward the measure (within two working days after receipt of the petition) to departments that are effected by the measure.
☐ Publications
☐ Public-copy
☐ Office- original
July 17, 2020

John Arntz, Director of Elections
Department of Elections
1 Dr. Carlton B. Goodlett Place, Room 48
San Francisco, CA 94102

Dear Mr. Arntz:

Please find attached four (4) certified copies of the notification that a hearing has been held for the following Initiative Ordinance submitted by the Mayor for the November 3, 2020, Ballot, pursuant to Charter, Section 2.113(b), and Municipal Elections Code, Section 300(b):

**File No. 200649 Hearing - Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Parcel Tax Repeal and Replacement**

Hearing to consider the proposed Initiative Ordinance submitted by the Mayor to the voters for the November 3, 2020, Election, entitled "Ordinance amending the Business and Tax Regulations Code and Administrative Code to repeal the annual parcel tax in the Living Wage for Educators Act of 2018 (the "Act") that, as of July 1, 2021, will be $320 plus a one-year consumer price index adjustment (and subject to future annual consumer price index adjustments), and replace it on July 1, 2021, with a $288 annual parcel tax (also subject to future annual consumer price index adjustments) to be spent, as under the Act, by the San Francisco Unified School District for purposes related to educators' compensation and educational improvements; and increasing the City's appropriations limit by the amount collected under the new tax for four years from November 3, 2020."

The Board of Supervisors Budget and Finance Committee held this hearing on July 16, 2020.

The electronic version of this notification was e-mailed to your office at publications@sfgov.org on July 17, 2020.

Sincerely,

Angela Calvillo
Clerk of the Board of Supervisors
City and County of San Francisco

(Attachments)
[Hearing - Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Parcel Tax Repeal and Replacement]

Sponsor: Mayor

Hearing to consider the proposed Initiative Ordinance submitted by the Mayor to the voters for the November 3, 2020, Election, entitled "Ordinance amending the Business and Tax Regulations Code and Administrative Code to repeal the annual parcel tax in the Living Wage for Educators Act of 2018 (the "Act") that, as of July 1, 2021, will be $320 plus a one-year consumer price index adjustment (and subject to future annual consumer price index adjustments), and replace it on July 1, 2021, with a $288 annual parcel tax (also subject to future annual consumer price index adjustments) to be spent, as under the Act, by the San Francisco Unified School District for purposes related to educators' compensation and educational improvements; and increasing the City's appropriations limit by the amount collected under the new tax for four years from November 3, 2020."

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CLERK'S CERTIFICATE
I do hereby certify that the foregoing Hearing is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

July 16, 2020
Date

Angela Calvillo
Clerk of the Board
Submittal Form
For Proposed Initiative Measure(s)
Prior to Submittal to the Department of Elections

by 4 or more Supervisors or the Mayor

I, hereby submit the following proposed initiative measure(s) for hearing before the Board of Supervisors' Rules Committee prior to the submittal of the proposed initiative measure to the Department of Elections (per Proposition C, November 2007).

This matter is for the November 3, 2020 Election.

Sponsor(s): Mayor London Breed

Subject: Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Parcel Tax Repeal and Replacement

The text is listed below or attached:

(See attached.)

Mayor Breed: _____________________________

(Clerk of the Board's Time Stamp)
PROPOSED INITIATIVE ORDINANCE TO BE SUBMITTED BY THE
MAYOR TO THE VOTERS AT THE NOVEMBER 3, 2020 ELECTION.

[Under Charter Sections 3.100(16) and 2.113(b), this measure must be submitted to the
Board of Supervisors and filed with the Department of Elections no less than 45 days prior
to the deadline for submission of such initiatives to the Department of Elections set in
Municipal Elections Code Section 300(b).]

[Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Parcel Tax
Repeal and Replacement]

Ordinance amending the Business and Tax Regulations Code and Administrative Code
to repeal the annual parcel tax in the Living Wage for Educators Act of 2018 (the “Act”)
that, as of July 1, 2021, will be $320 plus a one-year consumer price index adjustment
(and subject to future annual consumer price index adjustments), and replace it on
July 1, 2021 with a $288 annual parcel tax (also subject to future annual consumer price
index adjustments) to be spent, as under the Act, by the San Francisco Unified School
District for purposes related to educators’ compensation and educational
improvements; and increasing the City's appropriations limit by the amount collected
under the new tax for four years from November 3, 2020.

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

Be it ordained by the People of the City and County of San Francisco:
Section 1. Pursuant to Articles XIII A and XIII C of the Constitution of the State of California, this ordinance shall be submitted to the qualified electors of the City and County of San Francisco at the November 3, 2020, consolidated general election.

Section 2. The Business and Tax Regulations Code is hereby amended by deleting Article 16, consisting of Sections 1601 through 1609, as follows:

ARTICLE 16. LIVING WAGE FOR EDUCATORS PARCEL TAX

SECTION 1601. TITLE.

This Article shall be known and may be cited as "Living Wage for Educators Act of 2018" (hereinafter the "Act").

SECTION 1602. NECESSITY AND AUTHORITY.

A. The People of the City and County of San Francisco (hereinafter "the City") have determined that:

1. A parcel tax is necessary to attract and retain quality teachers and staff within the San Francisco Unified School District (hereinafter the "School District").

2. The Bay Area is one of the most expensive places to live in the country. Skyrocketing rents and the Bay Area's affordability crisis have made it difficult for San Francisco teachers to make ends meet and nearly impossible for them to live in the City.

3. Great teachers are at the center of student achievement. San Francisco schools need the resources to employ great teachers, so every student has the opportunity to thrive.
4. In recent years, the School District has recently hired more than 500 teachers annually, but still has a teacher shortage. This measure will allow the School District to not only train and retain the best teachers but also recruit new high-quality teachers.

5. California schools have suffered from consistent underfunding. The state ranks 42nd in per-pupil spending across the nation. San Francisco can do something about that by supporting local programs that will prepare the City's students for college and 21st century jobs. All of the revenue from this measure will be spent right here in San Francisco public schools and cannot be taken away by the State.

B. This Article and the special tax authorized herein are adopted pursuant to Section 1.101 and other applicable provisions of the Charter, and Article XI sections 5 and 6 of the California Constitution.

SECTION 1603. IMPOSITION.

A. A special non-ad-valorem parcel tax (hereinafter the "Parcel Tax") is hereby established and shall be levied annually on the owner of each parcel of taxable real property within the City, unless the owner is by law exempt from taxation, in which case, the Parcel Tax shall be assessed to the holder of the possessory interest in such parcel, unless such holder is also by law exempt from taxation. The Parcel Tax is an excise tax on the use of property within the City.

B. The Parcel Tax shall hereby be established and levied each year commencing July 1, 2018, on each parcel of taxable real property, improved or unimproved, within the boundaries of the City at the rate of two hundred and ninety-eight dollars ($298.00) per year per parcel, and adjusting for inflation each year thereafter by the San Francisco All Items Consumer Price Index for All Urban Consumers (CPI-U) as reported by the United States Department of Labor's Bureau of Labor Statistics.
C. For the purposes of this Article, a "parcel of taxable real property" shall be defined as any unit of real property in the City which receives a separate tax bill for ad valorem property taxes from the City's Office of the Treasurer and Tax Collector (hereinafter the "Tax Collector").

D. The collection of the Parcel Tax shall commence July 1, 2018 and expire June 30, 2038.

E. All property that the Tax Collector has determined to be otherwise exempt from property taxes, or on which no ad valorem property taxes have been levied, in any year shall also be exempt from the Parcel Tax in such year. The Tax Collector's determination of exemption or relief for any reason of any parcel from taxation, other than the Senior Citizen Exemption or Unit Owner Parking Space Exemption, shall be final on the taxpayer for purposes of the Act. Taxpayers desiring to challenge the Tax Collector's determination should do so under the procedures established by the Tax Collector's Office, applicable provisions of the California Revenue and Taxation Code or other applicable law. Taxpayers seeking any refund of taxes paid pursuant to the Act shall follow the procedures applicable to tax refunds pursuant to the California Revenue and Taxation Code.

F. An optional exemption (heretofore the "Senior Citizen Exemption") from the Parcel Tax will be made available annually to each individual in the City who attains 65 years of age prior to July 1 of the tax year, and who owns a beneficial interest in the parcel, and who uses that parcel as his or her principal place of residence, and who applies to the City on or before July 1 of each tax year, or during the first year of the tax at a date to be determined by the Tax Collector. Any application for such exemption must be submitted to the Tax Collector, pursuant to any rules and regulations of the Tax Collector, and must be renewed annually.

G. An optional exemption (heretofore the "Unit Owner Parking Space Exemption") from the Parcel Tax will be made available annually to each owner of a parcel of taxable real property which (1) is classified as a "parking space" by the City and County of San Francisco's Assessor-Recorder's Office; (2) is contiguous to an exempt residential parcel, and (3) includes shared ownership between both the parking space parcel and exempt residential parcel. Parcels of taxable real property which
are considered parking lots or other commercial spaces shall not be exempted under this section. Any application for such exemption must be submitted to the Tax Collector, pursuant to any rules and regulations of the Tax Collector, and must be renewed annually.

SECTION 1604. LEVY, COLLECTION AND PURPOSE.

A. The proceeds of the Parcel Tax shall be deposited into a special fund, maintained by the City, which proceeds, together with any interest and any penalties thereon, collected each fiscal year shall be used solely for the purposes set forth in this section. The proceeds from the Parcel Tax shall be expended only for these purposes.

B. The City shall transfer all money deposited into the special fund to the School District for the purposes set forth in this section. The School District shall use these proceeds only for these purposes.

C. The proceeds collected by the levy of the Parcel Tax shall be used to:

1. Raise the salary of teachers so the School District can compete with other school districts in recruiting and retaining qualified and prepared teachers to support student achievement;

2. Raise the salary of paraeducators so the School District can better support individualized learning;

3. Increase staffing and supports at high-needs schools;

4. Increase staffing and program funding at Community Schools;

5. Provide additional professional development to all teachers and paraeducators;

6. Provide more competitive compensation and/or benefits to other School District personnel;

7. Invest in 21st century technology, including providing support for digital teaching and learning tools for students, educators and families;

8. Allocate funds to public charter schools in the City; and
9. Provide oversight to make sure the proceeds from the Parcel Tax are only spent for the purposes approved by voters:

D. The purposes set forth in this section shall constitute the specific purposes of the Act, which are specific and legally binding limitations on how the proceeds of the tax can be spent. The proceeds of the Parcel Tax shall be used only for such purposes and shall not fund any program or project other than those set forth herein.

E. The City shall, with every disbursement made pursuant to this Article, require the District to verify in writing that it will use the funds only for the purposes set forth in this section.

F. The Parcel Tax shall be collected by the Tax Collector at the same time and in the same manner and shall be subject to the same penalties as ad valorem property taxes collected by the Tax Collector.

SECTION 1605. CONTROLLER’S REPORT.

The City’s Office of the Controller (hereinafter the “Controller”) shall prepare a report on at least an annual basis which shows the amount of funds collected and expended, and the status of any project required or authorized to be funded, by the Parcel Tax. The Controller shall file each report with the Mayor, Board of Supervisors and the oversight committee referenced in this Article.

SECTION 1606. SUPPLEMENT TO EXISTING SCHOOL DISTRICT FUNDING.

A. The People of the City and County of San Francisco find and declare that major urban school districts such as San Francisco serve an ethnically and economically diverse student population which requires more resources than currently provided. In adopting this Parcel Tax, the people of San Francisco choose to provide additional City resources to complement, and not supplant, City, State, Federal and other funding for the School District.
B. Consistent with subsection (A), the People of the City and County of San Francisco specifically find that their contributions to and disbursements from the special fund authorized by this Article are discretionary expenditures by the City for the direct benefit of the children of San Francisco, their families, and the community at large. In the event that the State attempts, directly or indirectly, to redistribute these expenditures to other jurisdictions or to offset or reduce State or Federal funding to the School District because of the contributions to and disbursements from the special fund authorized by this Article, the City shall transfer said monies that would otherwise be distributed to the School District each year from the special fund to the City’s Children’s Fund established in Charter section 16.108, or such other fund as the Board of Supervisors may designate, to be spent for purposes which are substantially equivalent to the purposes set forth in this Article.

C. This Parcel Tax is intended to be in addition to and not to replace any other monies provided by the City to the School District, including but not limited to the Public Education Enrichment Fund (hereinafter “PEEF”). This Article does not authorize a reduction in disbursements from the City to PEEF.

SECTION 1607. INCREASE IN APPROPRIATIONS LIMIT.

To the extent that the revenue from the Parcel Tax is in excess of the spending limit for the City, as provided for in applicable provisions of the California Constitution and state law, the approval of the Act by the voters shall constitute approval to increase the City’s spending limit in an amount equal to the revenue derived from the Parcel Tax for the maximum period of time as allowed by law.

SECTION 1608. OVERSIGHT.

The oversight committee created pursuant to Proposition A on the June 2008 San Francisco ballot shall, starting with the Act’s first operative year, submit a report on at least an annual basis to the Mayor, Board of Supervisors and Board of Education evaluating whether the proceeds from the Act
are being properly expended for the purposes set forth in the Act. If this body is unwilling or unable to perform this function for any reason, then the City shall establish an oversight committee to submit a report on at least an annual basis to the Mayor, Board of Supervisors and Board of Education evaluating whether the proceeds from the Act are being properly expended for the purposes set forth in the Act.

SECTION 1609. SEVERABILITY.

If any provision of this Article, or section or part thereof, or the applicability of any provision, section or part to any person or circumstances, is for any reason held to be invalid or unconstitutional, the remaining provisions, sections and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions, sections and parts of this Article are severable. The voters hereby declare that this Article, and each section, provision and part, would have been adopted irrespective of whether any one or more provisions, sections or parts are found to be invalid or unconstitutional.

Section 3. The Business and Tax Regulations Code is hereby amended by adding Article 37, consisting of Sections 3701 through 3714, to read as follows:

**ARTICLE 37: FAIR WAGES FOR EDUCATORS PARCEL TAX ORDINANCE**

**SEC. 3701. SHORT TITLE.**

This Article 37 shall be known as the “Fair Wages for Educators Parcel Tax Ordinance,” and the tax it imposes shall be known as the “Fair Wages for Educators Parcel Tax.”
SEC. 3702. DEFINITIONS

For purposes of this Article 37, the following definitions shall apply:

"Assessor" means the Assessor-Recorder of the City and County of San Francisco, or the Assessor-Recorder's designee.

"City" means the City and County of San Francisco.

"Controller" means the Controller of the City and County of San Francisco, or the Controller's designee.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Parcel" has the meaning set forth in Section 3703.

"School District" means the San Francisco Unified School District.

"Tax" means the Fair Wages for Educators Parcel Tax imposed by this Article 37.

"Tax Collector" means the Tax Collector of the City and County of San Francisco, or the Tax Collector's designee.

SEC. 3703. PARCEL.

(a) "Parcel" means a unit of real estate, except a possessory interest, in the City with an Assessor's parcel number as shown on the most current official assessment roll of the Assessor on July 1 of the Fiscal Year for which the Tax is imposed. However, both of the following conditions shall apply:

1. A Parcel created by a subdivision map approved in accordance with the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the California Government Code) shall be deemed to be a single assessment unit and shall not be deemed, on the basis of multiple Assessor's parcel numbers assigned by the Assessor, to constitute multiple assessment units.

2. A Parcel that has not been subdivided in accordance with the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the California Government Code) may be
deemed to constitute a separate assessment unit only to the extent that the Parcel has been previously
described and conveyed in one or more deeds separating it from all adjoining property.

(b) If the Parcel identified pursuant to subsection (a)(1) or (a)(2) is not consistent with the
property's identification by Assessor's parcel number, it shall be the responsibility of the Parcel owner
to provide the Tax Collector with written notice of the correct Assessor's parcel number of taxable
Parcels pursuant to this Section 3703 within 90 days after the date of the initial tax bill containing the
Tax.

SEC. 3704. IMPOSITION.

(a) Unless otherwise provided in this Article 37, on July 1 of each Fiscal Year there is hereby
imposed an annual Tax of $288 on each Parcel in the City for the purposes described in Section 3709.

(b) Commencing with Fiscal Year 2022-2023, the Tax rate shall be adjusted annually in
accordance with the San Francisco All Items Consumer Price Index for All Urban Consumers (CPI-U)
as reported by the U.S. Department of Labor's Bureau of Labor Statistics.

(c) The Tax shall take effect on July 1, 2021 for Fiscal Year 2021-2022, and shall continue in
effect for each Fiscal Year thereafter until June 30, 2038, after which date it shall expire by operation
of law.

SEC. 3705. EXEMPTIONS.

(a) The following Parcels shall be exempt from the Tax:

(1) Parcels on which no ad valorem property tax is levied for the Fiscal Year; and

(2) Parcels in which an individual who is 65 years of age or older before July 1 of the
Fiscal Year owns a beneficial interest, where such homeowner occupies the Parcel as the homeowner's
principal residence.
(b) To claim an exemption from the Tax under subsection (a)(2), the owner must submit an application to the Tax Collector by the deadline set by the Tax Collector. The application shall be accompanied by such evidence as the Tax Collector deems necessary to determine eligibility for the exemption. The Tax Collector shall prepare forms for this purpose. Exemptions granted under subsection (a)(2) shall be automatically renewed in subsequent Fiscal Years absent a change in a material fact. Owners of Parcels receiving an exemption under subsection (a)(2) must notify the Tax Collector if the Parcel no longer qualifies for the exemption.

SEC. 3706. COLLECTION.

(a) The Tax shall be collected by the City in two approximately equal installments in the same manner and on the same dates as established by law for the collection of ad valorem property taxes. The collection of the Tax shall be subject to the regulations and procedures governing the collection of ad valorem property taxes by the City, including, without limitation, the imposition of penalties, fees, and interest on the failure to remit or the delinquent remittance of the Tax, and refunds of Taxes, penalties, fees, and interest.

(b) The Tax Collector is charged with the responsibility of overseeing the collection and receipt of the proceeds of the Tax.

SEC. 3707. REGULATIONS.

The Tax Collector is authorized to promulgate rules and regulations to implement this Article 37.

SEC. 3708. DEPOSIT OF MONEYS COLLECTED.

All monies collected under this Article 37 shall be deposited to the credit of the Fair Wages for Educators Fund, established in Administrative Code Section 10.100-72, which shall be a category four
fund under Administrative Code Section 10.100-1. The Fund shall be maintained separate and apart from all other City funds and shall be subject to appropriation. Any balance remaining in the Fund at the close of any Fiscal Year shall be deemed to have been provided for a special purpose within the meaning of Charter Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes described in Section 3709.

SEC. 3709. EXPENDITURE OF PROCEEDS.

(a) Subject to the budgetary and fiscal provisions of the Charter, monies in the Fair Wages for Educators Fund shall be appropriated on an annual or supplemental basis and used exclusively for the following purposes:

(1) Up to 1% of the proceeds of the Tax, in any proportion, to the Tax Collector and other City Departments, for administration of the Fair Wages for Educators Parcel Tax and administration of the Fair Wages for Educators Fund.

(2) Refunds of any overpayments of the Tax, including any related penalties, interest, and fees.

(3) All remaining amounts to be transferred to the School District, which shall use these proceeds only for the following purposes, with the School District having sole discretion as to allocation of the proceeds among any or all of these purposes:

(A) Raising the salaries of teachers so the School District can compete with other school districts in recruiting and retaining qualified and prepared teachers to support student achievement;

(B) Raising the salaries of paraeducators so the School District can better support individualized learning;

(C) Increasing staffing and support at high-needs schools;

(D) Increasing staffing and program funding at Community Schools;
(E) Providing additional professional development to all teachers and paraeducators;

(F) Providing more competitive compensation and/or benefits to other School District personnel;

(G) Investing in 21st century technology, including providing support for digital teaching and learning tools for students, educators, and their families;

(H) Allocating funds to public charter schools in the City; and

(I) Providing oversight to ensure the proceeds from the Tax are spent only for the purposes described in this subsection (a).

(b) The Controller shall, with every disbursement made to the School District pursuant to this Article 37, require the School District to verify in writing that it will use the funds only for the purposes set forth in subsection (a)(3).

(c) Commencing with a report filed no later than February 15, 2023, covering the fiscal year ending on June 30, 2022, the Controller shall file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the Fair Wages for Educators Fund during the prior Fiscal Year, the status of any project required or authorized to be funded by this Section 3709, and such other information as the Controller, in the Controller’s sole discretion, shall deem relevant to the operation of this Article 37.

SEC. 3710. SUPPLEMENT TO EXISTING SCHOOL DISTRICT FUNDING.

(a) The People of the City and County of San Francisco find and declare that major urban school districts such as San Francisco’s serve an ethnically and economically diverse student population that requires more resources than currently provided. In adopting this Tax, the People of the City and County of San Francisco choose to provide additional City resources to complement, and not supplant, City, State, Federal and other funding for the School District.
(b) Consistent with subsection (a), the People of the City and County of San Francisco find that the contributions to and disbursements from the Fair Wages for Educators Fund are discretionary expenditures by the City for the direct benefit of the children of the City, their families, and the community at large. In the event that the State attempts, directly or indirectly, to redistribute these expenditures to other jurisdictions or to offset or reduce State or Federal funding to the School District because of the contributions to and disbursements from the Fair Wages for Educators Fund, the City shall transfer monies that would otherwise be distributed to the School District each year from the Fair Wages for Educators Fund to the City's Children and Youth Fund established in Charter Section 16.108, or such other fund as the Board of Supervisors may designate, to be spent for purposes which are substantially equivalent to the purposes set forth in Section 3705(a)(3).

(c) The Tax is intended to be in addition to and not to replace any other monies provided by the City to the School District, including but not limited to the Public Education Enrichment Fund ("PEEF"). This Article 37 does not authorize a reduction in disbursements from the City to PEEF.

SEC. 3711. OVERSIGHT.

The independent oversight committee appointed by the School District’s Board of Education pursuant to Proposition A on the June 3, 2008 San Francisco ballot shall, starting with Fiscal Year 2021-2022, submit a report on at least an annual basis to the Mayor, Board of Supervisors, and Board of Education evaluating whether the proceeds from the Tax are being properly expended for the purposes set forth in Section 3709(a)(3). If that oversight committee is unwilling or unable to perform this function for any reason, then the City may establish an oversight committee to submit a report on at least an annual basis to the Mayor, Board of Supervisors, and the Board of Education evaluating whether the proceeds from the Tax are being properly expended for the purposes set forth in Section 3709(a)(3).
SEC. 3712. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal this Article 37 by ordinance by a two-thirds vote and without a vote of the people except as limited by Articles XIII A and XIII C of the California Constitution.

SEC. 3713. SEVERABILITY.

(a) Except as provided in Section 3713(b), if any section, subsection, sentence, clause, phrase, or word of this Article 37, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Article. The People of the City and County of San Francisco hereby declare that, except as provided in Section 3713(b), they would have adopted this Article 37 and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Fair Wages for Educators Parcel Tax in Section 3704 is held in its entirety to be facially invalid or unconstitutional in a final judicial decision, the remainder of this Article 37 shall be void and of no force and effect, and the City Attorney shall cause it to be removed from the Business and Tax Regulations Code.

SEC. 3714. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 37 shall be construed as requiring the payment of any Tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.
Section 4. Chapter 10 of the Administrative Code is hereby amended by adding Section 10.100-72 to Article XIII, to read as follows:

SEC. 10.100-72. FAIR WAGES FOR EDUCATORS FUND.

(a) Establishment of Fund. The Fair Wages for Educators Fund ("Fund") is established as a category four fund as defined in Section 10.100-1 of the Administrative Code, and shall receive all taxes, penalties, interest, and fees collected from the Fair Wages for Educators Parcel Tax imposed under Article 37 of the Business and Tax Regulations Code.

(b) Use of Fund. Subject to the budgetary and fiscal provisions of the Charter, monies in the Fund shall be used exclusively for the purposes described in Section 3709 of Article 37 of the Business and Tax Regulations Code.

(c) Administration of Fund. As stated in Section 3709(c) of Article 37 of the Business and Tax Regulations Code, commencing with a report filed no later than February 15, 2023, covering the fiscal year ending June 30, 2022, the Controller shall file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the Fund during the prior fiscal year, the status of any project required or authorized to be funded by Section 3709, and such other information as the Controller, in the Controller’s sole discretion, deems relevant to the operation of Article 37.

Section 5. Appropriations Limit Increase. Pursuant to California Constitution Article XIII B and applicable laws, for four years from November 3, 2020, the appropriations limit for the City shall be increased by the aggregate sum collected by the levy of the tax imposed under Section 3 of this ordinance.
Section 6. Scope of Ordinance. In enacting this ordinance, the People of the City and County of San Francisco intend to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions or deletions, in accordance with the "Note" that appears under the official title of the ordinance.

Section 7. The Fair Wages for Educators Parcel Tax Ordinance contained in Section 3 of this measure is submitted to the qualified electors of the City pursuant to Article XIII A, Section 4 of the California Constitution, and must pass by a two-thirds vote. If this measure does not pass by a two-thirds vote, the entire measure shall be void and shall have no effect.

Section 8. No Conflict with Federal or State Law. Nothing in this measure shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any federal or state law.

Section 9. Effective Date. The effective date of this ordinance shall be July 1, 2021.

*   *   *

SUBMITTED

[Signature]

LONDON N. BREED
Mayor, City and County of San Francisco

Date: 6/16/2020

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