



DEAN PRESTON

November 28, 2023

Chair Packard and Members of the Ballot Simplification Committee
% Clerk Claire Miranda
1 Dr. Carlton B. Goodlett Place City Hall, Room 48
San Francisco, CA 94102
Via email to: publications@sfgov.org

Re: Real Estate Transfer Tax Exemption and Office Space Allocation

Dear Chair Packard and Members of the Ballot Simplification Committee:

Thank you for your work on the digest for this and all other ballot measures for the March 2024 election. I write to request changes to the proposed digest for the Real Estate Transfer Tax Exemption and Office Space Allocation measure.

Clarifying Who Pays the Tax

In the first paragraph of “The Way It is Now,” the committee has done admirable work in distilling how the real estate transfer tax works in San Francisco. We believe it is important to add to this section a sentence that clarifies that the seller of a given property is obligated to pay the tax, not the buyer. We suggest adding after the first sentence of the opening paragraph: “The tax is paid by the seller to the City.”

Adding Vote Threshold to Board Authority to Amend

In the second paragraph of “The Proposal,” the digest describes the expanded authority the measure proposes to allow the Board of Supervisors to change the tax. There are different vote thresholds to amend or repeal taxes—some require a two-thirds majority (8 of 11 votes), some require a simple majority (6 of 11 votes). For example, the Commercial Vacancy Tax, passed by voters in March 2020, requires a two-thirds majority to amend, which the Board elected to use to pause implementation of the law during the COVID-19 pandemic.

We believe clarifying the threshold to amend or repeal is relevant to a voter’s consideration of the measure, because there are policy considerations on a lower vote threshold that makes it easier to change the tax. We recommend including the following to the first sentence in the second paragraph of “The Proposal” section (suggested addition in bold): “Proposition ___ would authorize the Board, **by a simple majority**, to amend the transfer tax by ordinance, without further voter approval, to reduce

the tax, create new exemptions, or suspend or repeal the tax.”

Including in the “Yes” Vote Section the Board’s Ability to Repeal

The second bullet of the “Yes” Vote Means section summarizes the Board’s authority to change the transfer tax under the proposed measure. The current language notes that the Board can decrease the transfer tax. We believe it is important to reiterate in this section that the Board can fully repeal the tax, and we suggest the following change (suggested addition in bold): “Authorize the Board to decrease **or eliminate** the transfer tax without further voter approval, but not to increase it.”

We respectfully request that these modifications be made to the summary digest. Adding this important and relevant information will provide voters with a more complete understanding of the proposed ballot measure.

I appreciate your time in crafting the digest and for your consideration of these important changes.

Sincerely,



Dean Preston
District 5 Supervisor