TEXT OF PROPOSED ORDINANCE

PROPOSITION C

[Local Transactions and Use Tax]

LEYING A ONE-HALF OF ONE PERCENT
TRANSACTIONS AND USE TAX, SAID
LEY BEING CONDITIONED ON THE
FAILURE OF SENATE CONSTITUTIONAL
AMENDMENT NUMBER ONE IMPOSING A
STATEWIDE ONE-HALF OF ONE PERCENT
SALES AND USE TAX TO BE SUBMITTED
TO THE STATE ELECTORATE AT THE
STATE SPECIAL ELECTION TO BE HELD
ON NOVEMBER 2, 1993.

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

Section 1.

Subject to the approval by the qualified elec-
tors of the City and County of San Francisco, Part
III of the San Francisco Municipal Code is hereby
amended by adding a new Article 16 which shall
contain the following sections:

SEC. 1601. TITLE. This ordinance shall be known as the "San Francisco County Transac-
tions and Use Tax" which establishes and im-
plements a transactions and use tax.

SEC. 1602. DEFINITIONS. For purposes of this
ordinance the following words shall have the mean-
ings ascribed to them by this section.

"District" shall mean the City and County of
San Francisco.

"Operative date" shall mean January 1, 1994
in the event that Senate Constitutional Amend-
ment Number One imposing a statewide one-half
of one percent sales and use tax fails to be ap-
proved by the state electorate at the state special
election to be held on November 2, 1993. In the
event that State Constitutional Amendment
Number One is approved, this tax shall not be
 operative.

"Effective date" shall mean the date of adop-
tion of this ordinance which shall take effect at
the close of the polls on the day of election at
which the proposition is adopted by the legally
required percentage of qualified voters voting
on the measure.

SEC. 1603. PURPOSE. This ordinance should be
interpreted so as to achieve the purposes set
forth herein:
(a) to impose a transactions and use tax in
accordance with the provisions of Part 1.6 (com-
mencing with Section 7251) and Part 1.7 (com-
mencing with Section 7285) of Division 2 of the
California Revenue and Taxation Code.
(b) to incorporate provisions identical to those
of the Sales and Use Tax Law of the State of
California as far as those provisions are not
inconsistent with the requirements and limita-
tions contained in Part 1.6 of Division 2 of the
Revenue and Taxation Code.
(c) to impose a transactions and use tax and
provide a measure therefor which can be adminis-
tered and collected by the State Board of Equal-
ization in a manner that adapts itself as fully as
practicable to, and requires the least possible
deviation from, the existing statutory and admin-
istrative procedures followed by the State Board of
Equalization in administering and collecting the
California State Sales and Use Tax.
(d) to authorize administration of a transac-
tions and use tax in a manner that will, to the
highest degree possible be consistent with the
provisions of Part 1.6 of Division 2 of the Re-
venue and Taxation Code, minimize the cost of
collecting the transactions and use taxes and at
the same time minimize the burden of record-
keeping upon persons subject to taxation under
the provisions of this ordinance.
(e) to provide financial assistance for the gen-
eral purposes of the District.
(f) to increase the California Constitution Ar-
ticle XIIIB expenditure limit for the District by
an amount equal to the revenues derived from the
transactions and use tax for the same fiscal year.
SEC. 1604. AUTHORITY. Upon the effective
date of this ordinance, the District shall exercise
all powers necessary to perform collection, ad-
ministration, and allocation duties with respect to
the transactions and use tax, in a manner consis-
tent with Part 1.6 (commencing with Section
7251) and Part 1.7 (commencing with 7285) of
Division 2 of the Revenue and Taxation Code.
SEC. 1605. CONTRACT WITH STATE. Prior to
the operative date of this ordinance, the District
shall contract with the State Board of Equaliza-
tion to perform all functions incident to the admini-
stration and operation of this transactions and use
tax; provided that, if the District shall not have
contracted with the State Board of Equalization
prior to the operative date, it shall nevertheless
so contract and in such case the operative date shall
be the first day of the first calendar quarter follow-
ing the execution of such contract.
SEC. 1606. TRANSACTIONS TAX AND
RATE OF ONE-HALF OF ONE PERCENT. For
the privilege of selling tangible personal property
at retail, a tax is hereby imposed upon all retailers
in this District at the rate of one-half of one percent
of the gross receipts of any retailer from the sale of
all tangible personal property sold at retail in
this District on and after the operative date.
SEC. 1607. PLACE OF SALE. For the pur-
poses of this ordinance, all retail sales are consum-
matated at the place of business of the retailer unless
the tangible personal property sold is delivered by
the retailer or his agent to an out-of-state destina-
tion or to a common carrier for delivery to an
out-of-state destination. The gross receipts from
such sales shall include delivery charges, when
such charges are subject to the state sales and use
tax, regardless of the place to which delivery is
made. In the event a retailer has no permanent
place of business in the state or has more than one
place of business, the place or places at which the
retail sales are consummated shall be determined
under rules and regulations to be prescribed and
adopted by the State Board of Equalization.
SEC. 1608. USE TAX AND RATE OF ONE-
HALF OF ONE PERCENT. An excise tax is
hereby imposed on the storage, use or other con-
sumption in this District of tangible personal
property purchases from any retailer on or after
the operative date for storage, use or other con-
sumption in this District at the rate of one-half of
one percent of the sales price of the property. The
sales price shall include delivery when such
charges are subject to state sales or use tax re-
gardless of the place to which delivery is made.
SEC. 1609. ADOPTION OF PROVISIONS
OF STATE LAW. Except as otherwise provided
in this ordinance and except as otherwise provided
in the provisions of Part 1.6 of Division 2 of the
Revenue and Taxation Code, all of the provisions of
Part 1 of Division 2 of the Revenue and Taxation Code
(menancing with Section 6001) are hereby adopted
and made a part of this ordinance as though fully set
forth herein.
SEC. 1610. LIMITATIONS ON ADOPTION
OF PROVISIONS OF STATE LAW AND
COLLECTION OF USE TAXES. In adopting
the provisions of Part 1 of Division 2 of the
Revenue and Taxation Code, wherever the State
of California is named or referred to as the taxing
agency, the name of the District shall be substi-
tuted therefor. The substitution, however, shall
not be made when the word "State" is used as part
of the title of the State Controller, the State
Treasurer, the State Board of Control, the State
Board of Equalization, the State Treasury, or the
Constitution of the State of California, the sub-
stitution would require action to be taken by or
against the District or any agency, officer or
employee thereof rather than by or against the
State Board of Equalization, in performing the
functions incident to the administration or oper-
ation of this ordinance; the substitution shall not
be made in those sections, including, but not
necessarily limited to, sections referring to the
exterior boundaries of the State of California,
where the result of the substitution would be to
provide an exemption from this tax with respect
to certain sales, storage, use or other consump-
tion of tangible personal property which would
not otherwise be exempt from this tax while such
sales, storage, use or other consumption remains
subject to tax by the state under the said provi-
sions of that code; the substitution shall not be
made in sections 6701, 6702 (except in the last
sentence thereof), 6711, 6715, 6737, 6797 or
6828 or the Revenue and Taxation Code. The
name of the District shall be substituted for the
word "state" in the phrase "retailer engaged in
business in this state" in Section 6203 and in the
definition of that phrase in Section 6203.
SEC. 1611. PERMIT NOT REQUIRED. If a
seller's permit has been issued to a retailer under
Section 6067 of the Revenue and Taxation Code,
an additional retailer's permit shall not be
required by this ordinance.
SEC. 1612. EXEMPTIONS, EXCLUSIONS
AND CREDITS.
(a) There shall be excluded from the measure
of the transactions tax and the use tax the amount
of any sales tax or use tax imposed by the State
of California or by any city, county and county,
or county pursuant to the Bradley-Burns Uniform
Local Sales and Use Tax Law or the amount of
any state-administered transactions or use tax.
(b) There are exempted from the computation
of the amount of transactions tax gross receipts
when they are from:

(Continued on next page)
LEGAL TEXT OF PROPOSITION C (Continued)

1) Sales of tangible personal property to operators of aircraft to be used or consumed principally outside of the District and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this state, the United States, or any foreign government.

2) Sales of property to be used outside the District which is shipped to a point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the District shall be satisfied:

i) with respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 80500) of the Vehicle Code by registration to an out-of-District address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his principal place of residence.

ii) with respect to commercial vehicles by registration to a place of business out-of-District, and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4) A lease of tangible personal property which is a continuing sale of such property for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5) For the purposes of subsections (3) and (4), the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time during which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6) Except as provided in subparagraph (7), a retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.

7) "A retailer engaged in business in the District" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9850) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.

Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district or retailer imposing a transactions tax pursuant to part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property, the storage, use or other consumption of which is subject to the use tax.

SEC. 1613. EXPENDITURE LIMIT: The California Constitution Article XIII expenditure limit for the District for each fiscal year of the tax shall increase in an amount equal to the revenues derived from this transactions and use tax for the prior fiscal year.

SEC. 1614. AMENDMENTS. All amendments to Part 1 of Division 2 of the Revenue and Taxation Code made subsequent to the effective date of this ordinance which relate to sales and use taxes and which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code and all amendments to Part 1.6 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance; provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

SEC. 1615. PENALTIES. Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than five hundred dollars ($500.00) or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

SEC. 1616. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

TEXT OF PROPOSED CHARTER AMENDMENT

PROPOSITION D

85174 EARLY SERVICE RETIREMENT

(a) The retirement board shall provide an incentive for members under sections 8559, 8558, 8586 and 8588 to retire early for service by increasing the member's age and credited service for both qualification and benefit computation purposes by two (2) years.

(b) The early retirement benefits under this section shall only apply to members who retire with an effective date of service retirement on or after January 1, 1994 and on or before January 1, 1995.

(c) The early retirement benefits under this section shall be limited by the maximum percentage limitations in charter sections 8559-2, 8585-2, 8586-2 and 8588-2. The early retirement benefits offered under this section shall not apply if a member returns to membership status in the retirement system.

The early retirement benefits under this section will be limited by section 415 of the Internal Revenue Code of 1986, as amended from time to time, and any early retirement benefits under this section will be effective if they have an adverse effect on the tax qualified status of the retirement system under section 401 of the Internal Revenue Code of 1986, as amended from time to time.