

CITY OF SAN LEANDRO MEASURE VV
CITY ATTORNEY'S IMPARTIAL ANALYSIS
(REAL PROPERTY TRANSFER TAX)

Transfers of real property within the City of San Leandro must pay a tax based on the value of the real property being transferred. The real property transfer tax applies to transactions involving the sale and purchase of real property. The tax is paid when ownership transfers from the seller of the property to the purchaser of the property. The tax is a one-time expense related to the transfer of ownership and is unrelated to the annual payment of property taxes. The purpose of the real property transfer tax is to raise revenue for use by the City for any legal municipal purpose.

The City's current real property transfer tax rates are set forth in full in Chapter 2-3 of the San Leandro Municipal Code. The tax rate and calculation method imposes a six dollar (\$6.00) tax for each one thousand dollars (\$1,000) or fraction thereof paid as consideration. The value of the consideration depends on the transaction, and is generally the total amount of money paid or contracted to be paid in return for the transfer of any real property.

If Measure VV (Real Property Transfer Tax) is passed by the voters, it would amend Chapter 2-3-105 of the San Leandro Municipal Code to change the existing tax rate from six dollars (\$6.00) to eleven dollars (\$11.00) for each one thousand dollars (\$1,000) or fraction thereof paid as consideration.

The City estimates that the changes could increase the amount of real property transfer taxes paid to the City by about \$4,000,000.00 per year. The real property transfer tax is a general tax, the proceeds of which could be used for any legal municipal purpose. The tax would be ongoing. The San Leandro City Council placed the measure on the ballot by a unanimous vote. The California Constitution, Article XIII(C), Section 2(b) requires that an increase to or change in the method of calculating a general tax must be approved by a majority vote of the electorate.

A "yes" vote is a vote to adopt the ordinance allowing the City to increase the real property transfer tax imposed upon transfers of real property within the City from six dollars (\$6.00) to eleven dollars (\$11.00) for every one thousand dollars (\$1,000) or fraction thereof paid as consideration.

A "no" vote is a vote against approval of the ordinance and the change in tax rate.

Measure VV would be approved if it received a simple majority of "yes" votes.

DATED: July 23, 2020

s/RICHARD D. PIO RODA
City Attorney
City of San Leandro, California