

City Attorney's Impartial Analysis of Measure CC

The City of San Mateo ("City") currently imposes a 0.5% real property document transfer tax ("Transfer Tax") for all properties, regardless of their sales price. A Transfer Tax is imposed whenever a deed, instrument, or writing sells or transfers real property in the City, but exempts certain situations including inheritances, transfers between spouses, divorces, and certain bankruptcies.

If approved by a majority of the voters, Measure CC would increase the City's Transfer Tax on the sale or transfer of real property in the City from 0.5% to 1.5% of the property value whenever the sales price or value of the property is \$10 million or more. Payment of the Transfer Tax is the joint responsibility of both parties to a transfer and may be paid by either party.

The tax authorized by Measure CC would be levied and collected at the same time and in the same manner as the existing 0.5% Transfer Tax and would bring the total Transfer Tax amount to 1.5%, but only for transactions valued at \$10 million or more.

The City's existing Transfer Tax is a general tax. Revenue from this tax goes into the City's general fund and may be used for any municipal governmental purpose, which includes police and fire protection, library facilities, public works, street maintenance and repair, programs for seniors, parks and recreation services, and other governmental functions and services. The additional 1% tax proposed by Measure CC would also be a general tax, meaning that the revenue raised from the tax would go into the City's general fund, for use for the above purposes and any other governmental purpose.

State law authorizes the City to levy this additional 1% tax following approval by the City Council and a majority of the voters voting in an election on the measure. On June 20, 2022, the San Mateo City Council approved placing this measure on the ballot to obtain voter approval of the tax increase.

If approved by the voters at the November 8, 2022 election, the additional 1% Transfer Tax would become operative 10 days after certification of election results by the City Council and would remain in effect until ended by the voters.

A YES vote approves the measure.

A NO vote rejects the measure.

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Prasanna W. Rasiah
City Attorney