Resolution approving a New Transportation Expenditure Plan and calling and providing for a special election to be held on November 4, 2003, to be consolidated with the General Municipal Election already scheduled for November 4, 2003, for the purpose of submitting to the voters an ordinance amending Sections 1401, 1402, 1403, 1404, 1405, 1406, 1408, 1413, 1414, and 1415 of, and adding Section 1419 to, Article 14 of the Business and Tax Regulations Code of the City and County of San Francisco so as to (1) authorize implementation of a New Transportation Expenditure Plan, directing the transactions and use tax ("sales and use tax") revenues to specific transportation improvements over the next 30 years and making provisions for the adoption of future expenditure plan updates; (2) continue collection of the sales and use tax at the existing level of one-half of one percent during implementation of the New Transportation Expenditure Plan and its updates; (3) continue in effect the San Francisco County Transportation Authority as the independent agency to administer the tax and oversee implementation of the projects; (4) authorize the San Francisco County Transportation Authority to issue limited tax bonds as needed, in a total outstanding aggregate amount not to exceed $1,880,000,000 and which is payable from the revenue generated hereunder; (5) approve the California Constitution Article XIII B Appropriations Limit of $485,175,000; (6) forbid the enjoining of collection of the tax; and (7) make recipient departments responsible for certifying that the tax revenues will not be substituted for property tax funds for existing programs.

RESOLVED, That the Board of Supervisors hereby approves the New Transportation Expenditure Plan unanimously recommended by the Expenditure Plan Advisory Committee

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established by the San Francisco County Transportation Authority, which New Plan would
direct the use of revenues obtained from an extension of the transactions and use tax ("sales
and use tax"); and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby calls and provides for a
special election to be held in the City and County of San Francisco on Tuesday, November 4,
2003, and is hereby consolidated with the General Municipal Election of the City and County
of San Francisco to be held Tuesday, November 4, 2003, for the purpose of submitting the
following proposition:

Shall the City implement a 30-year New Transportation Expenditure Plan directing
transportation sales tax funds to improved maintenance of local streets, transportation
for the elderly and disabled, the Central Subway, a citywide network of fast and
reliable buses, the Caltrain Extension to a new Transbay Terminal, improvements to
pedestrian and bicycle safety and other projects and continue the existing half-cent
sales tax during implementation of the New Transportation Expenditure Plan and
future Plan updates?

(a) The special election hereby called and ordered shall be held and conducted, and
the votes thereat received and canvassed, and the returns thereof made and the results
thereof ascertained, determined and declared as herein provided and in all particulars not
herein recited said election shall be held according to the laws of the State of California and
the Charter of the City and County of San Francisco providing for and governing elections in
the City and County of San Francisco, and the polls for such election shall be and remain
open during the time required by said laws.

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(b) The said special election hereby called shall be and hereby is consolidated with the General Municipal Election of the City and County of San Francisco to be held on Tuesday, November 4, 2003, and the voting precincts, polling places and officers of election for said Election shall be the same and are hereby adopted, established, designated and named, respectively, as the voting precincts, polling places and officers of election for such special election hereby called, and as specifically set forth, in the official publication, by the Director of Elections of precincts, polling places and election officers for the said General Municipal Election.

(c) The ballots to be used at said special election shall be the ballots to be used at said General Municipal Election and reference is hereby made to the notice of election setting forth the voting precincts, polling places and officers of election by the Director of Elections for the General Election to be published as required by State and local law.

(d) On the ballots to be used at such special election, in addition to any other matter required by law to be printed thereon, shall appear thereon the following, to be separately stated, and appear upon the ballot as a separate proposition:

Shall the City implement a 30-year New Transportation Expenditure Plan directing transportation sales tax funds to improved maintenance of local streets, transportation for the elderly and disabled, the Central Subway, a citywide network of fast and reliable buses, the Caltrain Extension to a new Transbay Terminal, improvements to pedestrian and bicycle safety and other projects and continue the existing half-cent sales tax during implementation of the New Transportation Expenditure Plan and future Plan updates?
(e) This resolution shall be published according to the laws of the State of California and the Charter of the City and County of San Francisco providing for and governing the publication of measures submitted to the voters. The New Transportation Expenditure Plan referenced below shall be published once in the official newspaper of the City and County within 30 days of the effective date of this resolution.

(f) The Director of Elections and the Director's employees, representatives and agents are hereby authorized and directed to do everything necessary or desirable to the calling and holding of said special election, and to otherwise carry out the provisions of this resolution.

(g) At the special election, an ordinance amending Article 14 of the San Francisco Business and Tax Regulations Code of the City and County of San Francisco, by amending Sections 1401, 1402, 1403, 1404, 1405, 1406, 1408, 1413, 1414, and 1415 thereof, and adding Section 1419, is hereby submitted to the electorate as follows:

Note: Additions are single-underline italics Times New Roman; deletions are strikethrough italics Times New Roman.

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

Section 1. The San Francisco Business and Tax Regulations Code is hereby amended by amending Sections 1401, 1402, 1403, 1404, 1405, 1406, 1408, 1413, 1414, and 1415, to read as follows:

SEC. 1401. TITLE.

This ordinance shall be known as the "San Francisco County Transportation Authority Reauthorization Ordinance" which establishes and implements a continues in effect the existing local transactions and use tax (commonly referred to as the "sales and use tax") approved by the voters.

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as Proposition B at the November 7, 1989 election and authorizes implementation of a New
Transportation Expenditure Plan for the use of the additional revenues.

SEC. 1402. DEFINITIONS.

For the purposes of this ordinance the following words shall have the meanings
ascribed to them by this section.

(a) "Authority." The existing San Francisco County Transportation Authority.

(b) "District." The City and County of San Francisco.

(c) "Effective date." The date of adoption of this ordinance which shall take effect at the
close of the polls on the day of the election scheduled for November 4, 2003 at which the
proposition is adopted by a two-thirds vote of the electors voting on the measure.

(d) "Operative date." The date that this ordinance becomes operative, which shall be the
first day of the first calendar quarter commencing more than 120 days after adoption of
this ordinance at the election scheduled for November 4, 2003, pursuant to Public
Utilities Code Section 131105(a).

(e) "Effective date." The date of adoption 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 majority vote
of the electors voting on the measure, pursuant to Public Utilities Code Section 131102(c).

(d) "Operative date." The first day of the first calendar quarter commencing more than
120 days after adoption of the ordinance, pursuant to Public Utilities Code Section 131105(a).
(e) "Plan." The Transportation Expenditure Plan approved by the Board of Supervisors of the City and County of San Francisco which is considered part of this ordinance and hereby incorporated by reference as if fully set forth herein.

SEC. 1403. PURPOSE.

Pursuant to Division 12.5 of the Public Utilities Code, the San Francisco County Transportation Authority, upon the unanimous recommendation of the Expenditure Plan Advisory Committee established by the Authority, the San Francisco Transportation Committee has recommended that the Board of Supervisors submit to the voters of the City and County of San Francisco for their approval an ordinance which would, if so approved, create the San Francisco County Transportation Authority, authorize the Authority to impose a one-half of one percent transactions and use tax for a period of twenty years to finance the transportation improvements set forth in the Transportation Expenditure Plan approved by the Board of Supervisors and to continue in effect the existing local transactions and use tax of one-half of one percent approved by the voters as Proposition B at the November 7, 1989 election; authorize implementation of a New Transportation Expenditure Plan setting forth the projects to be funded over the next 30 years with revenues from the continuation of the tax, continue in effect the San Francisco County Transportation Authority; and authorize the San Francisco County Transportation Authority to issue limited tax bonds in a total outstanding aggregate amount not to exceed $742,000,000 - $1,880,000,000.

Hence, this ordinance should be interpreted so as to achieve the purposes set forth herein:

(a) To establish a continue in effect the San Francisco County Transportation Authority.

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(b) To impose a transactions and use tax and continue in effect the existing one-half of one percent transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code and Sections 131100 et seq. of the California Public Utilities Code, which directs the County Board of Supervisors to adopt the tax ordinance for voter approval, exercising the taxing power granted to the San Francisco County Transportation Authority in Public Utilities Code Section 131102 on behalf of said Authority.

(c) To implement a New Transportation Expenditure Plan which supersedes the existing Transportation Expenditure Plan adopted in 1989, sets forth the transportation projects, programs and other improvements to be funded over the next 30 years with the revenues resulting from the continuation of the tax, specifies eligibility and other conditions and criteria under which such revenues shall be made available, and makes provisions for the adoption of future expenditure plan updates.

(e) (d) To incorporate provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

(d) (e) To impose a transactions and use tax and provide a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Tax.
(e) (f) To authorize administration of a transactions and use tax in a manner that will, to the highest degree possible consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes and at the same time minimize the burden of recordkeeping upon persons subject to taxation under the provisions of this ordinance.

(f) (g) To improve or cause the improvement, construction, maintenance, operation, development of and/or planning for, reconstruct, maintain, and operate certain transportation projects, and facilities and/or programs contained in the New Transportation Expenditure Plan recommended by the Expenditure Plan Advisory Committee and adopted by the Board of Supervisors of the City and County of San Francisco, which plan is incorporated here by this reference as though fully set forth herein, and as that Plan may be amended from time to time pursuant to applicable law.

(g) (h) To set a maximum term of twenty years during which time this tax shall be imposed pursuant to the authority granted by Section 131102(e) of the Public Utilities Code. To continue this tax pursuant to the authority granted by Section 131102 of the Public Utilities Code, permanently and subject to approval of future updates of the New Expenditure Plan pursuant to Section 131056 of the Public Utilities Code.

(h) (i) To authorize the issuance from time to time of limited tax bonds not to exceed a total outstanding aggregate amount of $742,000,000 $1,880,000,000 to finance the projects specified in the Plan.

(i) (j) To establish an expenditure limit for the Authority pursuant to California Constitution Article XIII B.
SEC. 1404. CONTINUATION CREATION OF AUTHORITY.

Upon voter approval of this ordinance, the Authority shall continue in effect as currently constituted be created and shall be composed of the eleven members of the San Francisco Board of Supervisors as specified in the Transportation Expenditure Plan. The Authority shall have all of the powers set forth in Division 12.5 (commencing with Section 131100) of the Public Utilities Code, all of the powers set forth in the New Transportation Expenditure Plan, and all powers incidental or necessary to imposing and collecting the tax and administering the tax proceeds and the Plan, and causing and overseeing the delivery of the transportation improvements therein contained. The Authority may allocate and reallocate the tax proceeds to meet project cash flow needs consistent with all the provisions of the Plan. In the event a project is infeasible, the Authority shall reallocate the tax proceeds for that project to other projects in accordance with the provisions of the Plan.

SEC. 1405. CONTRACT WITH STATE.

Prior to the operative date, the Authority shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax authorized by this ordinance; provided that, if the Authority shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

SEC. 1406. TRANSACTIONS TAX AND RATE OF ONE-HALF OF ONE PERCENT.
For the privilege of selling tangible personal property at retail, a the existing tax is hereby continued to be 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. This tax shall be imposed for a maximum period of twenty years.

SEC. 1408. USE TAX AND RATE OF ONE-HALF OF ONE PERCENT.

The existing An excise tax is hereby continued to be imposed on the storage, use or other consumption in this District of tangible personal property purchases from any retailer on and after the operative date for storage, use or other consumption 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 regardless of the place to which delivery is made. This tax shall be imposed for a maximum period of twenty years.

SEC. 1413. AUTHORIZATION AND LIMITATION ON ISSUANCE OF BONDS.

The Authority is hereby authorized to issue from time to time limited tax bonds pursuant to the provisions of California Public Utilities Code Sections 131109 et seq. in a total outstanding aggregate amount not to exceed $742,000,000 $1,880,000,000.

SEC. 1414. USE OF PROCEEDS.

The proceeds of the taxes imposed by this ordinance shall be used solely for the projects and purposes set forth in the County–New Transportation Expenditure Plan and its updates and for the administration thereof. In accordance with the legislative intent expressed in California Public Utilities Code Section 43140 131100 such proceeds shall not replace funds previously provided by property tax revenues for public transportation purposes. Each

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year the tax is in effect and prior to the allocation of funds by the Authority, the Controller of the City and County of San Francisco. As a condition for allocation of funds by the Authority, the recipient department or agency shall certify to the Authority that the funds will not be substituted for property tax funds which are currently utilized to fund existing local transportation programs.

SEC. 1415. APPROPRIATIONS LIMIT.

For purposes of Article XIIIIB of the State Constitution, the appropriations limit for the Authority for fiscal year 2003-04 and each year thereafter shall be $160,000,000 unless that amount should be amended pursuant to applicable law.

Section 2. The San Francisco Business and Tax Regulations Code is hereby amended by adding Section 1419, to read as follows:

SEC. 1419. ENJOINING COLLECTION FORBIDDEN.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State of California or the Authority, or against any officer of the State or the Authority, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.
Resolution approving a New Transportation Expenditure Plan and calling and providing for a special election to be held on November 4, 2003, to be consolidated with the General Municipal Election already scheduled for November 4, 2003, for the purpose of submitting to the voters an ordinance amending Sections 1401, 1402, 1403, 1404, 1405, 1406, 1408, 1413, 1414, and 1415 of, and adding Section 1419 to, Article 14 of the Business and Tax Regulations Code of the City and County of San Francisco so as to (1) authorize implementation of a New Transportation Expenditure Plan, directing the transactions and use tax ("sales and use tax") revenues to specific transportation improvements over the next 30 years and making provisions for the adoption of future expenditure plan updates; (2) continue collection of the sales and use tax at the existing level of one-half of one percent during implementation of the New Transportation Expenditure Plan and its updates; (3) continue in effect the San Francisco County Transportation Authority as the independent agency to administer the tax and oversee implementation of the projects; (4) authorize the San Francisco County Transportation Authority to issue limited tax bonds as needed, in a total outstanding aggregate amount not to exceed $1,880,000,000 and which is payable from the revenue generated hereunder; (5) approve the California Constitution Article XIII B Appropriations Limit of $485,175,000; (6) forbid the enjoining of collection of the tax; and (7) make recipient departments responsible for certifying that the tax revenues will not be substituted for property tax funds for existing programs.

July 29, 2003 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick, Newsom, Peskin, Sandoval
I hereby certify that the foregoing Resolution was ADOPTED on July 29, 2003 by the Board of Supervisors of the City and County of San Francisco.

JUL 30 2003
Date Approved

Gloria L. Young
Clerk of the Board

Mayor Willie L. Brown Jr.