

1 [Business and Tax Regulations Code – Eliminate Transfer Tax Foreclosure Exemption and
2 Relieve Foreclosed Homeowners of Liability]

3 **Motion ordering submitted to the voters an ordinance authorizing the “Ordinance**
4 **amending the San Francisco Business and Tax Regulations Code, Article 12-C, Real**
5 **Property Transfer Tax, by repealing Section 1108.2 to eliminate the foreclosure**
6 **exemption and amending Section 1103 to relieve foreclosed homeowners from tax**
7 **liability” at an election to be held on November 6, 2012.**

8
9 MOVED, That the Board of Supervisors hereby submits the following ordinance to the
10 voters of the City and County of San Francisco, at an election to be held on November 6,
11 2012.

12
13 **Ordinance amending the San Francisco Business and Tax Regulations Code, Article**
14 **12-C, Real Property Transfer Tax, by repealing Section 1108.2 to eliminate the**
15 **foreclosure exemption and amending Section 1103 to relieve foreclosed homeowners**
16 **from tax liability.**

17 NOTE: Additions are *single-underline italics Times New Roman*;
18 deletions are *strike-through italics Times New Roman*.

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

20 Section 1. The San Francisco Business and Tax Regulations Code is hereby amended
21 by repealing Section 1108.2, as follows:

22 ~~**SEC. 1108.2. EXEMPTION; DEEDS IN LIEU OF FORECLOSURE, ETC.**~~

23 ~~*Any tax imposed pursuant to this ordinance shall not apply with respect to any deed, instrument,*~~
24 ~~*or writing to a beneficiary or mortgagee, which is taken from the mortgagor, trustor or trustee, as a*~~
25 ~~*result of or in lieu of foreclosure; provided, that such tax shall apply to the extent that the consideration*~~

1 ~~exceeds the unpaid debt, including accrued interest and cost of foreclosure. Consideration, unpaid~~
2 ~~debt amount and identification of grantee as beneficiary or mortgagee shall be noted on said deed,~~
3 ~~instrument or writing or stated in an affidavit for tax purposes.~~

4
5 Section 2. The San Francisco Business and Tax Regulations Code is hereby amended
6 by amending Section 1103, to read as follows:

7 **SEC. 1103. PAYMENT OF TAX.**

8 Any tax imposed pursuant to Section 1102 hereof shall be paid by any person who
9 makes, signs or issues any document or instrument subject to the tax, or for whose use or
10 benefit the same is made, signed or issued. Notwithstanding the preceding sentence, no
11 mortgagor or trustor shall be liable for the tax where the tax is imposed pursuant to this Article with
12 respect to any deed, instrument, or writing to a beneficiary or mortgagee, which is taken from the
13 mortgagor, trustor, or trustee, as a result of, or in lieu of, foreclosure of a property that is occupied by
14 the mortgagor or trustor as his or her principal residence. Identification of the mortgagor or trustor
15 shall be noted on said deed, instrument or writing, or stated in an affidavit for tax purposes.

16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA, City Attorney

18 By: _____
19 CAROLE F. RUWART
20 Deputy City Attorney