

CITY ATTORNEY IMPARTIAL ANALYSIS OF MEASURE TT

If adopted by the voters, Measure TT, would increase the existing real property conveyance tax from the existing rate of \$13.00 per \$1,000 of transfer price, to \$17.50 per \$1,000 of transfer price. The real property conveyance tax is levied when real property is either sold or transferred to a new owner in exchange for anything of value, and is collected for raising revenue for the usual and current expenses of the City. The Piedmont Municipal Code currently includes exemptions from the real property conveyance tax for transfers that relate to public agencies, bankruptcy proceedings, foreclosures, terminations of partnerships, and debt securitization. Measure TT would modify the existing exemption for public agencies to also specifically exclude property transfers made from a public agency to a nonprofit corporation where the acquisition, construction or improvement of such property is made with tax-exempt bond financing. The Measure would modify language in the Piedmont Municipal Code to clarify the process for obtaining a redetermination of the tax amount assessed on a transfer, and would remove language referencing repealed federal regulations.

It is estimated that revenues from this tax will generate approximately \$948,462 of additional revenue annually. Funds generated by the proposed tax increase are not restricted and may be used for any City general revenue purpose..

A “YES” vote would be in favor of increasing the real property conveyance tax to the new rate of \$17.50 per \$1,000.

A “NO” vote would be against the increase in the real property conveyance tax.

The increased real property conveyance tax in Measure TT would take effect only if it receives a majority vote of the ballots cast and, if approved by the voters, will take effect on July 1, 2021.

/s/ Michelle Marchetta Kenyon,
City Attorney for the City of Piedmont