The Way It Is Now: ~~The City collects a tax on the transfer of most real estate property in San Francisco. The amount of the tax depends on the property's sales price or value.~~ *San Francisco charges a tax when most real estate in the city changes hands. The tax amount depends on the property's sale price or value.*

~~Currently, there is a partial exemption from that tax when a lender obtains a property through foreclosure or when an owner transfers the property to the lender to avoid foreclosure. In those situations, the tax only applies to the amount that the lender paid for the property minus the debt that the owner owes to the lender, including any interest and foreclosure costs.~~ *There's a partial break from this tax when a lender takes over a property through foreclosure, or when an owner hands over a property to the lender to avoid foreclosure. In these cases, the lender only pays tax on the difference between what the property is worth and what the owner still owed on it, including interest and foreclosure costs.*

State law limits the total revenue, including tax revenue, the City may spend each year. The voters may approve increases to this limit for up to four years.

The Proposal: Proposition __ would apply a transfer tax for properties such as commercial, industrial and large residential properties, that ~~are transferred to a lender through foreclosure or to avoid foreclosure~~ *go through foreclosure or are handed over to avoid foreclosure, starting March 1, 2027. These properties would be taxed on their full market value, like any other property sale.*

~~Beginning March 1, 2027, the previous partial exemption would only apply to the transfer of:~~
Homeowners and small residential buildings would keep the tax break. It would still apply to:

1. single-family residences,
2. multi-family residential buildings with fewer than five units, and
3. mixed-use properties with fewer than five residential units and only one floor of non-residential space.

Proposition ___ would increase the City's spending limit for four years.

A "YES" Vote Means: If you vote "yes," you want to apply a transfer tax for properties such as commercial, industrial and large residential properties, that are transferred because of foreclosure, and ~~keep exemptions for certain residential properties~~ *you want to keep the tax break for homeowners and small residential buildings.*

A "NO" Vote Means: If you vote "no," you do not want to make these changes.