

Know the Facts

- ❖ The City will hold a Special Election on Tuesday, March 10, 2009 to vote on the Santa Fe Transfer Tax Proposal, this is the only item on the ballot.
- ❖ The implementation of the Election will cost the City between \$70K and \$100K, resources that could be better used on city needs, like cost of living increases or affordable housing.
- ❖ The Election is open only to residents of the City of Santa Fe; Voter Registration closes on Tuesday, February 10, 2009 at 5:00pm.
- ❖ Vote By Mail Voting Begins February 3, 2009 and Early in Person Voting begins February 11, 2009.
- ❖ Under the current proposal the City will put an excise tax on homes valued at \$750K and above.
- ❖ The ordinance will include a proposed 10% administrative fee to hire two new city staff to enforce the new tax to ensure compliance. Additionally, the city has no workforce housing initiatives they manage directly so request for proposals will be solicited for each project from for-profit and non-profit entities. It was stated at a City Finance Committee that administrative fees could be included in each separate request for proposal. These additional administration fees could range from 10-30%.
- ❖ No other city, town or county in New Mexico has levied a home excise tax or an excise tax of any kind on its' citizens. No one can say with any certainty how this tax will be implemented, if it can be modified, or even changed over time without voter input.
- ❖ The city can use the funds to reimburse fees associated with affordable housing such as deferred impact fees, water rights, and other infrastructure and is so broadly worded that it could include past and current costs. There is no guarantee that a single new affordable housing unit will be constructed with this new revenue stream. Even if the city had a time sensitive housing plan that could be implemented with new monies, there is no certainty over time that these monies won't be used as indicated above since the tax will create an annual, re-occurring revenue stream.
- ❖ The transfer tax will increase the price of all homes as property owners react to this new home tax burden by artificially increasing the overall housing market in Santa Fe. This market adjustment is similar to the way homes are

made less affordable when regulatory burdens, like the 30% affordable housing mandate or impact fees, are added to the price of new homes.

- ❖ A home excise tax cannot be financed into the mortgage loan, it is not tax-deductible like property taxes and must be paid-in-full at the time of closing.
- ❖ It is a narrowly focused tax that may not generate the level of income the city is seeking. The transfer tax or home excise tax being proposed by Santa Fe is levied only on buyers of residential property, the burden per taxpayer is far greater than the burden from a more broad-based tax designed to generate the same amount of revenue. Additionally, in other communities the tax is levied on all types of real property including commercial and agricultural property transfers, not just residential property transfers.
- ❖ Currently proponents of the Tax are calling it the *Mansion Tax*, however if the Tax is passed the City may very well proceed with expanding the Tax to include all homes within the City of Santa Fe, not just homes in excess of \$750K.
- ❖ The initial proposal by the City was to place the Tax on home sales of \$500K and above, due to the lack of support the City decided to increase the value on properties for the tax proposal.

The Ballot Question Reads as follows:

Shall the City of Santa Fe impose on purchases an excise tax on the use by purchasers of transfer services to effectuate and facilitate the transfer of certain real property in the amount of one percent (1%) of the portion of the purchase price in excess of \$750,000.00 to used exclusively for affordable workforce housing ? For Tax, Against Tax?

- ❖ There are other ways to fund affordable housing. City officials could elect to remove all costs associated with constructing affordable housing, as builders currently must pay 50% of city impact fees to construct units. The City of Santa Fe could set up long term leases on property they own for new affordable housing developments to defray land costs. The city could also consider developing a specific, line-item plan similar to what was proposed to support the recent Park Bonds Ballot.

How can I get involved in the Home Tax Campaign?

You sign up to volunteer on the Website at www.stopthehometaxnow.com

Sign Up to:

Phone bank- Call voters about the Transfer Tax

Go door-to-door- Talk to voters in your neighborhood or in a neighborhood within the City.

Write a Letter to the Editor- Write a letter to the Editor educating the public about the Transfer Tax.

Sign Up to Vote By Mail- Sign you and your family up to vote by mail, ensuring that they will vote in the Special Election.

Pledge to Sign up People to Vote By Mail- Sign up 10 voters to vote by mail, who oppose the Transfer Tax.

Become a Team Leader- Team Leaders will assist in our (GOTV) Get Out the Vote efforts to ensure success.

Become a Surrogate Speaker- Surrogate speakers attend events and meetings to educate people and organizations about the Home Tax.

Register Voters- Voter registration closes on February 10, 2009, if you know people who live in the city and oppose tax who aren't registered, ask them to register to vote or have them stop by the SFAR, the County/City Clerks office, or a local library.

Host a House Party- Host a house party to educate you neighbors about the Tax.