



COUNCIL REPORT

DATE: April 28, 2026
CATEGORY: Consent
DEPT.: Finance
TITLE: **Real Property Conveyance Tax Ordinance Amendments**

RECOMMENDATION

Introduce an Ordinance of the City of Mountain View Amending Article V of Chapter 29 of the Mountain View City Code to Align It With State Law, Clarify Real Property Conveyance Tax Exemptions, and to Make Other Clarifying Amendments, to be read in title only, further reading waived, and set a second reading for May 12, 2026 (Attachment 1 to the Council report).

BACKGROUND

In 1973, the City of Mountain View adopted a Real Property Conveyance Tax (“Conveyance Tax”), which imposes a tax on the transfer or conveyance of interests in real property if the value of the consideration exceeds one hundred dollars (\$100). The Conveyance Tax is codified in Article V of Chapter 29 of the Mountain View City Code (“Conveyance Tax Ordinance”).

The City submitted a ballot measure to the voters for the November 5, 2024 general election to increase the Conveyance Tax for transactions where the value of the consideration exceeds six million dollars (“Measure G”). Measure G was approved by 72% of the voters, and now transactions exceeding six million dollars are subject to a tax of fifteen dollars (\$15) for each one thousand dollars (\$1000) of the value of the consideration. Transactions that do not exceed six million dollars remain subject to the same tax rate imposed in 1973, one dollar and sixty-five cents (\$1.65) for each five hundred dollars (\$500) of the value of the consideration.

The County of Santa Clara, through the County Clerk-Recorder’s Office, has collected the City’s real property conveyance tax since 1973 pursuant to a memorandum of understanding (MOU). Following voter approval of Measure G, the City and County entered into a new MOU to provide for the collection of the Conveyance Tax as amended by Measure G.

ANALYSIS

Measure G’s amendments to the Conveyance Tax Ordinance primarily addressed the provisions relating to the new tax on transactions exceeding six million dollars. Accordingly, many of the

provisions of the 1973 Conveyance Tax Ordinance remain in effect despite changes to state law and the manner in which the tax is administered. Some of these decades-old provisions have created confusion and frustration for taxpayers and redundancies and inefficiencies for City and Santa Clara County staff in the collection and administration of the tax.

Section 29.86 of the Mountain View City Code authorizes the City Council to amend Article V of Chapter 29, provided that such amendments do not increase tax rates or otherwise constitute a tax increase requiring voter approval, and specifically authorizes the Council to establish exemptions from the tax.

The proposed ordinance amendments will streamline tax administration and collection, and improve efficiency by aligning the exemptions in Chapter 29 with those set forth in the California Revenue and Taxation Code, which governs and supersedes local law in this area. Aligning Chapter 29 exemptions with the California Revenue and Taxation Code will not eliminate any existing exemptions but will instead ensure the City Code is consistent with controlling state law. The proposed ordinance amendments will also streamline the administration and collection of the tax by removing or revising outdated and unclear language. None of the proposed amendments will increase the tax rates or affect the amount of tax revenue collected.

FISCAL IMPACT

There is no fiscal impact with this action.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

General policy and legislative actions

ALTERNATIVES

- 1. Do not introduce the ordinance.
- 2. Provide other direction.

PUBLIC NOTICING

Agenda posting.

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Attachment: 1. Ordinance