

Why can't the Town afford to provide a higher level of service, considering the wealth of the community and high home prices?

High home prices do not contribute as much to the budget as one might expect

The Town only receives 26 cents of each property tax dollar;¹ the remainder goes to the County, schools, and other agencies.

Property taxes account for about 77% of General Fund revenues, so limited property tax revenue also limits Town resources.²

Despite high home sales prices, State Proposition 13,³ approved in 1978, limits increases in property taxes to 2% maximum each year (until property is sold). Many homes are assessed and taxed at values much lower than market sales values, thus property tax revenues do not fully reflect high home values.

Sales Taxes are minimal due to our small commercial footprint

The Town has few other sources of tax revenue since it does not have multiple shopping malls, big box stores, or other major commercial activities that typically generate revenues. San Anselmo, population 12,760, received \$1.2 million (1% rate, not including Measure D ½%) or \$96 per resident. By comparison, Mill Valley, a similar size city of 14,700 received \$206 per resident in Fiscal Year 2019-20. Fairfax generated about \$90 per resident.

Sales tax revenue constitutes 6.47% of the General Fund in the 2020-2021 budget; the Town's General Fund receives 1.5 cents of the 8.75 cent sales tax rate per \$1.00 taxable sales in San Anselmo including Measure D ½%. Measure D, passed in 2013, expires March 31, 2024.

Despite limited resources, the Town must still fund street maintenance, police, fire and other services, while performing essential upgrades to aging infrastructure and facilities.

¹ [Town of San Anselmo: Budget and Work Plan 2020-2021, pg. 36.](#)

² [Town of San Anselmo: Budget and Work Plan 2020-2021, pg. 36.](#)

³ For an explanation of Prop. 13, see: <https://www.californiataxdata.com/pdf/Prop13.pdf>