



## Capitol Update



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**Proposition 15 AKA "Calif. Schools and Local Communities Funding Act" / AKA "Tax on Commercial and Industrial Properties for Education and Local Gov't. Funding Initiative" / AKA PROP. 13 SPLIT-ROLL TAX INCREASE**

"An amendment to the Calif. Constitution that would increase funding for public schools, community colleges and local government by changing the tax assessment of commercial and industrial property".

**CFRW Executive Committee Recommends:**

**NO**

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**Notice the numerous titles given this proposition?** The first one is the "tricky" title the California Attorney General gave to this measure to help proponents gather signatures. The second title is how it will appear on the ballot, and the third title is what it means.

Prop. 13, passed in 1978 by 65% of the voters, locks your property tax rate base in at 1% of the price you paid for your property, plus no more than a 2% increase per year. Business/commercial and residential properties are all treated the same, as they have been since the 1800's.

But... Surprise!!!.... the state needs more of our money. Apparently, we do not pay enough even though:

- California is one of the 3 highest taxed states in the USA.
- Schools already get an automatic 40% of CA. annual expenditures.
- California teacher salaries/benefits rank #3 in the country.
- Our Gov. found \$50 billion in taxpayer dollars to set aside for illegal aliens during the pandemic.

California does not have a problem with not enough taxes. We have a problem with overspending!!

Prop. 15 would separate business properties from residential tax rolls, and allow the state to

immediately reassess those business properties owned in Ca. by a company or individual (valued at more than \$3 million) to current market value and re-assess them again every 3 years. The fiscal impact of this is expected to be an increase in tax revenue of between \$7 and \$12 billion annually. It would not apply to residential property owners, agricultural property owners, or business property owners with \$3 million or less in holdings in Calif. It will exempt some small businesses from paying any personal property taxes, for other businesses, \$500,000 of property tax will be exempt.

The groups that support this measure are working hard to create an “us against them” feeling between residents and business owners - casting those who own business properties as “not paying their fair share” and not demonize profitable companies as greedy and not contributing enough to California society.

But property tax is just one of the many taxes and fees businesses pay to operate in our state. Allowing a business to have the same protection in property taxes as homeowners means businesses can actually budget and plan costs (like homeowners) when they are deciding to open a or bring a business here, as well as the jobs they create. It is one of the very few benefits California has to offer businesses that may be looking to relocate from other states without those protections, states that are typically far less expensive and friendlier to businesses than California.

**California desperately needs to be attracting businesses, not chasing them and jobs out of this state. [Should Prop. 15 pass, who will be able to stop homeowner's property tax protections from being stripped when we are targeted?](#)**

It is important to note also, that despite the various misleading titles and false ads leading voters to think most of the new revenue generated by this proposition will go to schools and communities, it is untrue. Less than 40% will be split between education offices, schools, and community colleges. **Over 60% will go to the State, counties, and Special Districts first.**

But who IS supporting raising property taxes on businesses? It's the largest and greediest union groups, and left-leaning foundations of the biggest businesses in the country, as it turns out:

- CTA (California Teachers Association) and other Teacher union groups,
- SEIU,
- Joe Biden,
- Kamala Harris and most other Democrats that ran for the 2020 Presidential nomination,
- The Chan Zuckerberg Initiative (Facebook),
- ACLU,
- Indivisible,
- Mi Familia Vota,
- PTA.

Doesn't that cast of characters alone justify a “NO” vote on this initiative?

#### **Opponents to Prop. 15**

- HJTA, Nat'l Fed. Of Independent Businesses,
- every Chamber of Commerce groups, and
- the CAGOP.