

Initiative 19-0008 - *California Schools and Local Communities Funding Act* - aka PROPOSITION 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.

Thanks to the overwhelming passage (by 65%) of Prop. 13 in 1978, all California property owners (individuals and businesses alike) are protected from the state arbitrarily raising our property taxes excessively, which, given this State's appetite for your money, would force many, many property owners to lose their homes or businesses.

Prop. 13 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.

Another aspect of Prop. 13 is that it requires approval of any state tax by two-thirds vote of both houses in the State Legislature, and approval of two-thirds of voters for any special purpose tax, such as one designated for parks or roads.

But... sound the bugles.... this state wants more, MUCH MORE!!! **The best way to get MUCH MORE, of course, is to increase property taxes.**

We hear constantly that the state needs more of our money. We don't pay enough-even though:

- CA is one of the 3 highest tax states in the USA;
- Schools already get an automatic 40% of the CA annual expenditures;
- CA teacher salaries/benefits rank #3 in the country;
- We are sitting on tens of billions in revenue surpluses;
- State revenue grew by 23% in just the last 5 years; and
- Governor Newsom can miraculously find enough in the state coffers to give \$125 million in taxpayer dollars to illegal aliens during the current COVID 19 crises.

Now he wants more tax revenues to support schools and communities?

According to the proponents of this "Split Roll" tax (or any tax), if you don't want to pay more you must not care about kids and communities.

So, what is Initiative 19-008? The original version, introduced in 2017, was Initiative 17-005. Its originators—a group misleadingly named "Schools and Communities First"—spent almost \$3.5 million dollars gathering enough signatures to qualify the initiative for the 2018 ballot. However, it was so poorly written that after spending millions gathering the needed signatures, it was decided to re-write it; requiring a new signature campaign at an additional cost of nearly \$5.0 million! The result of that effort is Initiative 19-008 which has now qualified for the November 2020 ballot.

This initiative, now re-written and re-labeled, would create a splitting of property tax rolls. Businesses whose owners have more than \$3.0 million in holdings in CA (note: This is not indicative of a "big" business based on CA real estate prices.) would have their properties

immediately reassessed to current market value, and then reassessed again every three years. The fiscal impact of this is expected to be an increase in tax revenue of between \$7 and \$12.5 billion annually. It would not apply to agricultural property owners, or business property owners with \$3.0 million or less in holdings in CA. Some other business property owners would qualify for an exemption on the first \$500K in personal property. It would also not apply to residential property owners (YET!).

Since the odds of voters agreeing to higher property taxes on themselves is almost nil, *"Schools and Communities First"* wants to create an "us against them" atmosphere between voters and evil "Big Business", and will spend the rest of this campaign season attacking businesses as "greedy profit-makers" who are "not paying their fair share".

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

- CTA (California Teachers Association) and other Teacher union groups,
- SEIU, most of the 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?