

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA, CALIFORNIA, OPPOSING PROPOSITION 15 ON THE NOVEMBER 3, 2020, BALLOT AND AFFIRMATION OF SUPPORT FOR PROPOSITION 13 FOR ALL PROPERTY OWNERS

THE CITY COUNCIL OF THE CITY OF LA HABRA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, on June 6, 1978, Proposition 13, officially titled the “People’s Initiative to Limit Property Taxation,” was overwhelmingly approved by California’s voters, reducing property tax rates on homes, businesses and farms, and capping the rate of tax increases in the future; and

WHEREAS, on the same ballot, voters rejected Proposition 8, which proposed a “split-roll” property tax that for the first time in California history would have allowed the government to discriminate against property owners based on the type of property owned; and

WHEREAS, prior to Proposition 13, rapidly rising inflation and subjective property assessments led to an inequitable property tax system that forced families to sell their homes and business owners to close their doors due to soaring property tax bills; and

WHEREAS, Proposition 13 provides certainty for taxpayers with respect to their property tax liability, eliminating the unpredictable year-to-year changes that occurred under the system it replaced; and

WHEREAS, Proposition 13 provides a stable revenue source for the government, in contrast to the volatile personal income tax, which California heavily relies upon for revenue; and

WHEREAS, Proposition 13 allows businesses to flourish and grow by providing a more stable business climate in the state; and

WHEREAS, with exponentially rising costs of living in the state of California, Proposition 13 makes it easier for families to achieve the American Dream of home and business ownership; and

WHEREAS, property tax revenue in the state of California grew significantly following the passage of Proposition 13, with the 2019-20 assessors’ rolls reporting taxable property value of \$6.6 trillion in the state, suggesting property tax revenue of at least \$72.5 billion, plus billions more for local levies used to repay bonds, including school bonds; and

WHEREAS, assessed values increase under Proposition 13 due to changes in ownership, new construction, and an annual adjustment for inflation that is limited to 2 percent per year to protect property owners while still providing additional revenue for local governments; and

WHEREAS, homeowners have been the biggest beneficiaries of Proposition 13, as their cumulative share of the total property tax burden has gone down more than 5 percent since its passage, from 41.84 percent in 1979-80 down to 36.65 percent in 2016-17; and

WHEREAS, Proposition 13 remains just as popular with voters today as it was when it was approved, with recent surveys citing that 65 percent of likely voters' support Proposition 13; and

WHEREAS, proposed alternatives to Proposition 13 that would increase property taxes on California businesses would harm the ability of employers to hire or retain California employees and lead to more businesses and jobs leaving the state; and

WHEREAS, proposed alternatives to Proposition 13 could negatively affect renters, who would see their rents increase as landlords experienced higher operating costs and passed these costs down to their tenants; and

WHEREAS, proponents of the "Schools and Communities First" tax increase initiative qualified for the November 2020 ballot seek to undermine and remove taxpayer protections provided by Proposition 13 by requiring businesses to pay higher property taxes than all other property owners; and

WHEREAS, the "split-roll" initiative would increase the cost of food by increasing property taxes on agricultural buildings and some crops; and

WHEREAS, the County Assessors' Association found that the "split-roll" initiative would result in a net loss of revenue for some counties due to the cost of newly created exemptions for select property owners; and

WHEREAS, assessors repeatedly have stated that the "split-roll" initiative would be impossible to implement given unavailability of data needed to administer the proposed exemptions, unavailability of qualified candidates to fill the approximately 900 new government positions that would be needed, and the limited timeframe set by the initiative; and

WHEREAS, since the passage of Proposition 13, voters have rejected, by wide margins, changes that would have businesses pay property taxes at a higher rate than those imposed upon residential owners, as evidenced by the defeat of Proposition 167 in 1992;

NOW, THEREFORE, BE IT RESOLVED, that in recognition of the benefits that Proposition 13 provides for all property owners, California's economy and the residents of this community, the City of La Habra opposes the split-roll property tax increase, Proposition 15 on the November 3, 2020 ballot, and reaffirms its support for Proposition 13 for all property owners.

PASSED, APPROVED AND ADOPTED this 17TH day of August, 2020.

Tom Beamish, Mayor

ATTEST:

Laurie Swindell, CMC,
City Clerk

STATE OF CALIFORNIA }
CITY OF LA HABRA } ss
COUNTY OF ORANGE }

I, Laurie Swindell, City Clerk for the City of La Habra, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. ____ introduced and adopted at a Regular Meeting of the City Council of the City of La Habra held on the 17th day of August, 2020.

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Witness my hand and the official seal of the City of La Habra this 17th day of August, 2020.

Laurie Swindell, CMC,
City Clerk