Economic Development Analysis of California Proposition 15 and Proposition 19

Updated September 2020
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Voters will face many consequential decisions on California's November ballot, including deciding races for President, Congress, state Senate and Assembly, local offices, and twelve statewide ballot measures.

To assist its members, CALED has prepared analyses on two ballot measures proposing changes affecting property taxes: Proposition 15 and Proposition 19. Both would increase local property tax revenues, but they focus on different aspects of property tax laws and are technically complex.

- Proposition 15 requires periodic reassessments of commercial properties exceeding $3 million in value.
- Proposition 19 allows certain homeowners increased flexibility to transfer their existing property tax basis to a different home, and tightens criteria associated with retaining a lower tax basis on inherited homes for children and grandchildren.

When it comes to politics, Proposition 15 is the more controversial measure with tens of millions anticipated to be spent in television advertising and direct mailers by supporters and opponents. While many supporters, such as local elected officials, see the promise of new ongoing revenues to support struggling budgets, opponents raise concerns over the impacts to businesses and California's economy.

Proposition 19 reflects a compromise placed by the Legislature on the ballot with bipartisan votes. Supporters tout the benefits of providing certain homeowners (seniors, the disabled, and those displaced by disasters) reduced tax burdens when moving to a new home. Opponents raise concerns over provisions that reduce tax benefits for children/grandchildren inheriting property.

Because taxation issues can evoke strong and diverse opinions among our membership, CALED opted not to take formal positions on these measures, and instead provides additional information to members for their review and consideration.

Information on all twelve November ballot measures can be found in the recently released California Secretary of State's Voter Guide: https://vig.cdn.sos.ca.gov/2020/general/pdf/complete-vig.pdf

We hope this information is helpful.

Sincerely,

Gurbax Sahota, President & CEO
California Association for Local Economic Development

Analysis prepared for the California Association for Local Economic Development (CALED) by Dan Carrigg, Daniel Carrigg Consulting, carriggdaniel99@gmail.com.
**Summary**

Proposition 15 proposes a change to Proposition 13 of 1978, to require periodic property tax reassessments on commercial and industrial properties of more than $3 million in value. Single-family and rental properties are exempt. The measure also exempts small businesses, as defined, from property taxation on personal property, and provides a $500,000 exemption to all other business for their equipment and fixtures. The proceeds of the additional property tax revenues derived from this measure, estimated by the Legislative Analyst’s Office to range between $6.5 to $11.5 billion annually, will be allocated, in proportion to existing property tax allocations, to schools, cities, counties and special districts.

More specifically, Proposition 15:

1. Requires, commencing with the FY 2022-23 lien date, commercial and industrial properties to be reassessed at fair market value no less than every three years. Requires the Legislature to adopt, by statute, a phase-in over two more lien dates and fiscal years to implement this requirement. Provides that property owners are obligated to pay the additional tax beginning with the lien date in the fiscal year in which the county assessor has completed the reassessment, and for the Legislature to establish a reasonable timeframe for the owner to pay any increase in taxes. Requires the Legislature to establish an appeals process meeting specified conditions.

2. Delays reassessments on properties that contain more than 50 percent “small businesses” (defined as being independently owned, have fewer than 50 full-time employees and own real property in California) until FY 2025-26, but allows the Legislature, by statute, to extend this date.

3. Excludes from this reassessment:
   - Commercial and industrial properties valued at less than $3 million. This amount shall be adjusted for inflation every two years. This is a cumulative amount for direct or indirect beneficial owners that hold interests in other commercial and industrial properties in this state;
   - Real property used for commercial agricultural production and commodities;
   - All single-family and rental residential properties, and vacant land zoned residential. Requires the Legislature to provide by statute for exemptions for limited commercial uses of residential property such as home offices, home-based businesses and short-term rentals. Authorizes the Legislature to provide by statute for an exemption for including mixed-use properties where 75 percent of the property is residential.

4. Exempts from taxation $500,000 of personal business property and fixtures for all businesses; provides a full exemption from all tangible personal property for “small businesses” that are independently owned, have fewer than 50 full-time employees and own real property in California.

5. Allocates—after deductions to offset county implementation costs and state General Fund losses from increased property tax deductions—revenue derived from this measure (estimated to range between $6.5 to $11.5 billion annually) to schools, cities, counties and special districts. Based upon existing property tax shares, approximately 40 percent would be allocated to schools and 60 percent to cities, counties and special districts.

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Key Documents

- Secretary of State's Title and Summary and Link to Text for Proposition 15: 1
  - 1870. (19-0008A1)
    INCREASES FUNDING FOR PUBLIC SCHOOLS, COMMUNITY COLLEGES, AND LOCAL GOVERNMENT SERVICES BY CHANGING TAX ASSESSMENT OF COMMERCIAL AND INDUSTRIAL PROPERTY. INITIATIVE CONSTITUTIONAL AMENDMENT. Increases funding for K-12 public schools, community colleges, and local governments by requiring that commercial and industrial real property be taxed based on current market value. Exempts from this change: residential properties; agricultural properties; and owners of commercial and industrial properties with combined value of $3 million or less. Increased education funding will supplement existing school funding guarantees. Exempts small businesses from personal property tax; for other businesses, exempts $500,000 worth of personal property. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Net increase in annual property tax revenues of $7.5 billion to $12 billion in most years, depending on the strength of real estate markets. After backfilling state income tax losses related to the measure and paying for county administrative costs, the remaining $6.5 billion to $11.5 billion would be allocated to schools (40 percent) and other local governments (60 percent). ▶(19-0008)
- Secretary of State's Voter Guide (Contains all information including final Pro/Con arguments): https://vig.cdn.sos.ca.gov/2020/general/pdf/complete-vig.pdf

1The wording of this title and summary was recently challenged by an opponent of Proposition 15, the Howard Jarvis Taxpayers Association. The trial court rejected this challenge and an effort to appeal that ruling failed. Supporters of Proposition 15 also successfully challenged several ballot arguments proposed by opponents. https://hidesertstar.com/news/172199/opponents-to-prop-15-suffer-three-blows-in-court-last-week/
Supporters and Opponents:

Proposition 15 promises to be one of the most hotly contested measures on the November 3, ballot. Both supporters and opponents have organized themselves, launched websites, and are aggressively fundraising and building large coalitions. (See websites for lists of current supporting and opposing organizations)

Supporters:
Proposition 15 contains extensive findings and statements of intent making the case for the measure. These provisions outline the revenue needs for schools and local agencies, and make various allegations that large commercial and industrial property owners are avoiding reassessments, resulting in various inequities. The supporter’s campaign website details a list of supporters, led by education, labor, social justice organizations, and local and state officials https://www.yes15.org/who-supports, and highlights the following points https://www.yes15.org/ on behalf of the measure:

Proposition 15:
- Closes property tax loopholes benefitting wealthy corporations
- Cuts small business taxes
- Reclaims billions every year to invest in our schools and local communities
- Exempts homeowners, renters, small businesses and agricultural land so they continue to be protected by Proposition 13
- Prioritizes transparency and accountability by requiring public disclosure of all new revenues and how they are spent.

Supporters also maintain that “just 10 percent of California’s most expensive nonresidential commercial properties account for 92 percent of Proposition 15’s loophole closing revenues.”

Opponents:
Opponents, led by a coalition of business organizations, anti-tax groups, and chambers of commerce https://noonprop15.org/coalition-members/, describe the measure on their website https://noonprop15.org/ as “the largest property tax increase in California history,” and make the following major points in opposition, supported with various underlying arguments:

Proposition 15:
- Hurts small businesses and consumers
- California families can’t afford a higher cost of living
- No accountability
- No taxpayer protections
- Homeowners are under attack

Opponents argue that “The measure will raise taxes on business property, which will ultimately get passed on to consumers in the form of increased costs on just about everything people buy and use, including groceries, fuel, utilities, day care and health care.”
CALED Comments:

1. For an organization like CALED, with membership drawn from both local government and the business community, Proposition 15 touches on two sensitive issues:
   - its potential effects on the state’s business climate, economic development and jobs, and
   - the challenges schools, cities, counties and special districts face obtaining sufficient revenues to upgrade infrastructure and provide local services.

2. From a business and economic development perspective, it would be hard to assert that Proposition 15 would not have negative impacts on California’s business climate. California already has high income taxes, with limited deductibility under federal income tax laws. Combined state and local sales tax rates are approaching 10 percent. Increasing regulations add other costs. If property taxes are increased on some commercial and industrial property owners, there will be impacts, including on job creation. Proposition 15, however, does have exemptions for smaller business of less than $3 million, and offers some tax reduction for business personal property. It could be argued that small businesses are protected from the impacts of this measure, but they also do not exist in an economic vacuum and would likely experience impacts incurred by larger ones. Still, should this measure be approved, local cities and counties could enact local economic strategies to mitigate fiscal impacts on larger businesses and employers, including:
   - Reducing other local applicable taxes and fees
   - Rebating a portion of additional local property taxes received
   - Reducing or streamlining local regulations
   - Assisting with costs of infrastructure and utilities

3. The case for additional local government revenue, however, also has validity. While this new revenue stream will not be completely phased in until 2025, there is no denying that a boost in ongoing property taxes would help many schools, cities, counties and special districts address critical local needs. Essential local services and quality infrastructure are the foundation of a thriving economy. Since Proposition 13, local governments have faced increased constitutional limitations on their ability to raise revenue. Redevelopment was eliminated, and local sales tax rates are approaching unrealistic levels. The supporter’s website contains county-by-county estimates of potential financial benefit. It’s a mixed bag. The largest local revenue boosts will occur in the state’s more affluent economic regions where the economy and land costs have risen the most since Proposition 13. The LAO analysis notes that some rural areas could even experience a revenue loss due to the exemptions provided for business personal property and fixtures. Over time, the reassessment of these larger properties at three-year intervals will continue to grow this revenue stream.

4. Since CALED has a major policy interest in tax increment financing, it is important to flag the provision of Proposition 15 that excludes any increase in property taxes derived from this measure from being factored into “any division of taxes or calculation of growth” for tax increment. While this is an impediment to tax increment financing, a local agency could likely still separately calculate then dedicate—to an Enhanced Infrastructure Financing District or similar entity—a portion of the increased additional property taxes received by its General Fund.

5. No matter what the outcome is for Proposition 15, with the COVID pandemic and a divisive political climate, it is clear that the public debate over taxation at the state and national level will increase. The federal government’s deficit spending level is unsustainable, and will lead to future consequences. The California Legislature also introduced several proposals late

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in the 2020 Session: one to increase the state’s income taxes on millionaires, the other to impose a new wealth tax. And California’s local governments must be wary as well. Ballot fights often beget other ballot fights. Less than two years ago, some of the major opponents to Proposition 15 were proposing a state initiative to make all local revenue measures require a two-thirds vote and limit local fee authority. That measure could return; it qualified for the 2018 ballot, but was withdrawn as part of a Legislative deal to ban soda taxes.

6. Still a consensus on taxation can occasionally occur. The November ballot contains another measure that makes adjustments to Proposition 13, but is much less controversial: Proposition 19. https://elections.cdn.sos.ca.gov/ballot-measures/pdf/aca11.pdf Proposition 19 was placed on the ballot by the Legislature with the passage of Assembly Constitutional Amendment 11 (Mullin), and reflects an effort led by the California Association of Realtors. This measure passed the Legislature with bi-partisan two-thirds votes. If approved, it would also result in increased property taxes for many local governments –especially in high housing cost areas-- by increasing the turnover in residential properties in two ways:

- It will reduce concerns of long-time homeowners, aged 55 or over, about losing the benefit of their lower property tax rates provided by Proposition 13, if they moved. Proposition 19 provides these homeowners, along with the disabled and victims of wildfires and natural disasters, with the ability to transfer, for sales on and after April 1, 2021, all (or a portion) of their existing lower tax rate basis to another home.

- It also addresses what is considered a “loophole” in Proposition 13, by ensuring the children or grandchildren who inherit a home or family farm, on or after February 16, 2021, only continue to receive the Proposition 13 tax benefit if they claim the homeowners exemption and live on the property, with more limited benefits for properties valued over $1 million. This change is considered consistent with the original intent of Proposition 13 of helping homeowners remain in their homes, rather than using it as an investment or vacation property.

Lengthy and Controversial 2020 Election Process:
If the votes are close, California voters may not know the final outcome of Proposition 15 until December. The COVID pandemic has caused California to change its traditional election process and mail ballots to all registered voters. This shift reflects the reluctance of voters to gather at congested voting precincts and the reality that many traditional poll workers are vulnerable seniors. If that’s not enough, the issue has been further compounded by 2020 presidential election politics, with the President raising concerns over voter fraud and the capacity of the US Post Office to handle the volume. County election officials will begin mailing ballots to voters about a month before election day on October 5. Ballots will be accepted that are mailed by election day - with (but in some cases without) postmarks - until November 20, with the final certification by the Secretary of State of the final vote on December 11.
Summary

Proposition 19 proposes three changes to Proposition 13 of 1978: it allows homeowners over 55 years old, victims of wildfires and natural disasters, and the severely disabled to transfer all, or a portion, of their home’s taxable value to another residence anywhere in the state, and removes an existing property tax exemption for inherited property valued at less than $1 million by children and grandchildren. It also requires children and grandchildren who inherit a home or family farm to live on the property and claim the homeowner’s tax exemption to avoid a property tax reassessment of the property, and provides more limited tax benefits for properties assessed at over $1 million above its taxable value.

More specifically, Proposition 19:

1. Authorizes, on and after April 1, 2021, any homeowner over 55 years of age, any victim of a wildfire or natural disaster, or any severely disabled person to transfer the taxable value of their primary residence to another residence, either purchased or newly constructed, anywhere in the state regardless of location or value, subject to the following conditions:
   a. The replacement property must be purchased within two years of selling the primary residence.
   b. If the full cash value of the replacement property is equal to, or less than, the value of original primary residence, the taxable value shall remain unchanged.
   c. If the full cash value of the replacement property is more than the value of the original primary residence, then the taxable value of the replacement property shall be calculated by subtracting the difference between the full cash value of the two residences, then adding the remainder to the taxable value of the original primary residence (taxable value of original + difference between values = total taxable value applied to replacement property).
   d. Limits the owner of a primary residence over 55 years old or a severely disabled person from transferring their taxable value to another residence more than three times.
   e. Requires any person seeking to claim a tax reduction under this provision to file an application with the county assessor, containing information detailed in statute to substantiate the claim. The application must be filed within three years of the purchase of the replacement dwelling or the completion of the newly constructed dwelling.

2. Narrows the existing exemption provided for transfers of a primary home between parents and children and grandchildren. Currently, a parent’s primary home can be transferred to children and grandchildren without triggering a property tax reassessment; there is no requirement that the property must be used as the transferee’s primary residence. The Constitution also allows for the transfer of up to $1 million in any other property (second home, commercial property, etc.) without triggering a property tax reassessment. This measure limits those provisions as follows:
   a. Provides that on or after February 16, 2021, the transfer of a family home or family farm between parents and their children shall not be deemed under the law as “purchased” or a “change of ownership” that would trigger a property tax reassessment if “at the time of purchase or transfer of the property” the recipient transferee (child/children) claim the homeowners exemption on the property. Transfers of other non-primary home property valued up to $1 million without triggering a property tax reassessment will no longer be allowed. Transfers between grandparents to grandchild/grandchildren can only occur if all of the parents of the grandchild/grandchildren are deceased.

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b. Provides that the county assessor may levy additional taxes (above the property’s current taxable value) based upon the following additional calculation:

- If the assessed value of the transferred home/farm equals less than its taxable value plus $1 million, then the additional amount of taxes levied will be zero. \( AV = \text{less than } TV + $1\text{ million: then no increase in taxable value} \)

- If the assessed value of the transferred home/farm equals more than its taxable value plus $1 million, then the additional amount of taxes levied will be the difference between the assessed value and the taxable value plus $1 million. \( AV = \text{more than } TV + $1\text{million: then taxable value will increase} \)

- Requires the Board of Equalization to adjust the $1 million amount used in this formula annually based upon changes to the House Price Index.

- Requires the person inheriting the property to claim the homeowner’s exemption or disabled veteran’s exemption “at the time of purchase or transfer of the property.”

3. Requires the state Department of Finance to annually calculate the benefit to the state’s General Fund from the enactment of this measure (value derived to the state from the increased income tax and property tax which reduces the state’s obligations for school funding under Proposition 98 of 1988). The value of this estimated state benefit (less 10 percent to offset state costs) would be transferred from the state General Fund as follows:

a. 75 percent to the California Fire Response Fund, a special fund created for allocations to support wildfire suppression. Of this amount, 20 percent shall be allocated to the Department of Forestry and Fire Protection, with the remaining 80 percent to local fire districts. These funds are required to be appropriated annually by the Legislature to expand fire suppression staffing and to supplement, not supplant, existing state or local funds used for those purposes. The funds allocated to local fire districts shall as grants for a minimum of 10 years to ensure stable funding, as follows:

- 50 percent to fire suppression staffing in underfunded special districts formed after July 1, 1978, which employ full-time or full-time equivalent station-based personnel who are immediately available to comprise at least 50 percent of an initial full alarm assignment.

- 25 percent to fire suppression staffing in underfunded special districts which employ full-time or full-time equivalent station-based personnel who are immediately available to comprise at least 50 percent of an initial full alarm assignment.

b. 15 percent to the County Revenue Protection Fund, a special fund created to offset negative fiscal impacts experienced by cities, counties and other local agencies. Allocation of these revenues shall be determined as follows:

- Each county shall calculate the revenues received by the county, and each local agency within the county, based upon this measure. This calculation shall include any increases based upon the sales and reassessments of original primary residences for outbound property owners (selling in one county then buying in another), and any decreases to counties where the replacement dwellings are located.

- Any county or local agency with a positive gain in revenue shall not be eligible for a revenue allocation.

- For counties and any local agency negatively impacted by this measure, as calculated by the California Department of Tax and Fee Administration, they shall be allocated funding to offset negative gains, or if insufficient funding is available, a pro-rata amount.
Proposition 19
Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfires and Natural Disasters Act

Key Documents

Proposition 19 was placed on the ballot by the Legislature with the passage of ACA 11 (Mullin), and reflects an effort led by the California Association of Realtors. This measure passed the Legislature with bi-partisan two-thirds votes.

- Secretary of State’s Title and Summary:
  - “Permits homeowners who are over 55, severely disabled, or whose homes were destroyed by wildfire or disaster, to transfer their primary residence’s property tax base value to a replacement residence of any value, anywhere in the state.
  - Limits tax benefits for certain transfers of real property between family members.
  - Expands tax benefits for transfers of family farms.
  - Allocates most resulting state revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes.”
- Copy of Legislative Analyst’s Office Analysis of Proposition 19: https://lao.ca.gov/ballot/2020/Prop19-110320.pdf
- Summary of Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:
  - Local governments could gain tens of millions of dollars of property tax revenue per year. These gains could grow over time to a few hundred million dollars per year.
  - Schools could gain tens of millions of dollars of property tax revenue per year. These gains could grow over time to a few hundred million dollars per year.
  - Revenue from other taxes could increase by tens of millions of dollars per year for both the state and local governments. Most of this new state revenue would be spent on fire protection.
- Secretary of State’s Voter Guide (Contains all information including final Pro/Con arguments): https://vig.cdn.sos.ca.gov/2020/general/pdf/complete-vig.pdf

Supporters and Opponents:

Supporters:
The California Association of Realtors is the lead advocacy organization for this measure. The final Senate Floor analysis of ACA 11, lists the California Professional Firefighters as a co-source, and these additional supporting organizations: California Business Properties Association, California Business Roundtable, and California Farm Bureau Federation. The supporters have launched a website here https://www.yeson19.vote/

Supporters state on their website the following “facts” about Proposition 19:

- Limits property tax increases on primary residences for seniors, people with severe disabilities, families, and wildfire and natural disaster victims.
- Generates hundreds of millions of annual funding for fire protection, local government and school districts
- Supports life-saving fire & emergency response
- Closes unfair loopholes that will generate hundreds of millions for local governments, school districts and fire protection
- Provides tax relief for California family farms

Opponents:
The final Senate Floor analysis of ACA 11 lists primary opposition as the Howard Jarvis Taxpayers Association. The opponents have not yet launched a campaign website.

Argument from Opponents in the Senate Floor Analysis of ACA 11: “ACA 11, if approved by the voters on the November 2020 ballot, would limit the ability of parents to transfer their Proposition 13 tax base to their children unless the child decides to live in the home as their primary residence. The ACA 11 measure also eliminates a $1 million property tax exemption for parent to child transfers beyond the primary residence, which could include investment property or commercial buildings. Either of these situations could result in a potentially significant property tax increase of California property owners.”

CALED Comments:

1. From a CALED economic development perspective, Proposition 19 appears to be a win-win. It represents modest property tax reform that has business organization support, and also produces more local revenue. Local economic development activity will increase through the turnover of existing housing stock. Local benefits will include increased property taxes associated with reassessments, and additional sales tax, construction employment and other economic activity associated with home sales and improvements.

2. Proposition 19 represents the latest effort led by the California Association of Realtors to address what they consider a disincentive in the law that limits the interest or ability of longtime homeowners to move from their homes. The Realtors maintain that many older “empty nester” homeowners remain in their homes because they don’t want to incur a tax penalty associated with moving. They also maintain that addressing this issue will help respond to California’s housing shortage by freeing up existing housing stock when homeowners move, and triggering for new home construction when replacement units are purchased and built.

Under the existing Constitution, homeowners, 55 and older, the disabled, and disaster victims can already keep their existing Proposition 13 property tax base years, when they move to a home for equal or lesser value within the same county, or to one of eight counties in the state that have agreed to accept these transfers. They can only use this option once in their lifetime. Proposition 19 removes these impediments by allowing eligible homeowners to relocate anywhere in the state, up to three times over a lifetime, and allows for the purchase of a more expensive replacement home with a reduced tax base than would otherwise apply.

The Realtor’s previous proposal was Proposition 5, an initiative on the November, 2018 ballot. Proposition 5 was opposed by the California Professional Firefighters and other groups based on concerns of property tax losses of $1 billion annually to local governments, with a disproportionately negative impact on fire districts and rural areas, and failed by 60 percent of the vote. The Realtor’s returned to the ballot with another proposed initiative for the November 2020 ballot, but agreed to remove that measure from the ballot in exchange for the Legislature’s approval of ACA 11.

ACA 11 (now Proposition 19) reflects a compromise with the California Professional Firefighters and other opponents of the previous Proposition 5 of 2018. Key changes include an agreement to close what is asserted as “a loophole” in Proposition 13 where children/grandchildren receive generous property tax benefits on inherited property even when they don’t live on the property. This change will produce property tax revenue that offsets the negative impacts of the expanded homeowner transfer provisions, and is considered consistent with the original intent of Proposition 13 of helping homeowners remain in their homes, rather than using it as an investment or vacation property. One wrinkle with the language is it requires the homeowner’s exemption to be claimed by the transferee “at the time of purchase or transfer of the property.” This raises a question of whether the transferee must continue to claim the homeowner’s exemption after the initial transfer to receive the tax benefits. Other provisions provide additional funding for state and local fire agencies and payments to negatively impacted local agencies. This measure passed the Legislature with more than two thirds votes in both houses.

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3. The changes made in ACA 11 (now Proposition 19) have vastly improved the projected fiscal impact to local governments compared to the previous Proposition 5. The Legislative Analyst went from predicting up to $1 billion annually in losses, to positive impacts of a "few hundred million" from Proposition 19.

4. Proposition 19 will reduce concerns of long-time homeowners, aged 55 or over, about losing the benefit of their lower property tax rates if they moved. Yet it remains to be seen how much this revised property tax incentive will motivate older empty nesters to put up "for sale" signs. While maintaining a lower property tax base can be a factor, there are many other considerations and costs associated with moving that must be considered. The property tax impacts may not be the biggest fiscal issue. Proposition 13 caps assessments to one percent of assessed value. On a $500k home that would be $5,000 annually; yet if Realtor fees on that sale equal six percent, the cost would be six times that at $30k. Still, this incentive could be the tipping point that inspires some to move to a different area of the state for their retirement years.

5. The ability to use the transfer provision up to three times is less understood, because most retirees will likely seek to stay in one place after relocating. Perhaps one additional move will be made by a retiree when a spouse dies. But this provision may be also be used by older investors who plan to upgrade and flip properties. The provisions requiring children/grandchildren inheriting properties to live on the property will inspire more home sales, since the costs will increase for retaining the property for a rental or vacation home.

Lengthy and Controversial 2020 Election Process:
If the votes are close, California voters may not know the final outcome of Proposition 19 until December. The COVID pandemic has caused California to change its traditional election process and mail ballots to all registered voters. This shift reflects the reluctance of voters to gather at congested voting precincts and the reality that many traditional poll workers are vulnerable seniors. If that’s not enough, the issue has been further compounded by 2020 presidential election politics, with the President raising concerns over voter fraud and the capacity of the US Post Office to handle the volume. County election officials will begin mailing ballots to voters about a month before election day on October 5. Ballots will be accepted that are mailed by election day - with (but in some cases without) postmarks - until November 20, with the final certification by the Secretary of State of the final vote on December 11.

The California Association for Local Economic Development (CALED) supports a network of more than 800 members whose combined talents and expertise are a valued resource for communities in search of economic development opportunities as well as growing and retaining existing businesses. We developed this analysis to assist California's economic developers in understanding the economic development impacts of Propositions 15 and 19.

For more information contact CALED at (916) 448-8252 or visit caled.org