

“Yes” or “No” on Proposition 15

SUMMARY OF PROPOSITION 15

Increases funding for K-12 public schools, community colleges, and local governments by requiring that commercial and industrial real property be taxed based on the current market value, instead of the purchase price. Fiscal Impact: Increased property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 Billion in new funding to local governments and schools.

A “YES” vote on this measure means:

If you want commercial properties taxed based on today’s market prices. Taxes on most commercial properties worth more than \$3 million would go up in order to provide new funding to local governments and schools

A “NO” vote on this measure means:

Property Taxes on commercial properties would stay the same, with annual increases equal to the rate of inflation or 2 percent, whichever is lower. Local governments and schools would not get new funding.



Cathy Elliott & Diane Sanders
310.600.3524 or 310.418.7583
SouthbayTitleTeam@gmail.com
CS: 877.363.5935



“Yes” or “No” on Proposition 19

California Proposition 19 Property Tax Transfers, Exemptions, And Revenue for Wildfire Agencies & Counties Amendment

On the ballot in CA as a legislatively referred constitutional amendment on Nov. 3rd, 2020

SUMMARY

Changes some of the tax assessment rules on property transfers by homeowners 55 or older, severely disabled or those who have lost a home in a fire/natural disaster. Those homeowners would be able to transfer their tax assessment to a more expensive home three times (instead of the currently allowed one time) with an upward adjustment. It would also eliminate one exemption that exists when someone transfers a home to a child or a grandchild; if the recipient doesn't use the home as their primary residence, its tax value would be reassessed under Prop 19. The resulting revenue would go to establishing a Fire Response Fund.



Cathy Elliott & Diane Sanders
310.600.3524 or 310.418.7583
SouthbayTitleTeam@gmail.com
CS: 877.363.5935



“Yes” or “No” on Proposition 19

Supports this constitutional amendment to:

- Allow eligible homeowners to transfer their tax assessments anywhere within the state of CA and allow tax assessments to be transferred to a more expensive home with an upward adjustment.
- Increase the number of times that the persons over 55 years old OR severely disabled, or whose homes were destroyed by wildfire or disaster, can transfer their primary residence's tax assessment from one time to three times.
- Require that inherited homes that are NOT used as primary residences, such as second homes or rentals, be reassessed at market value when transferred.
- Allocate additional revenue or net savings resulting from Prop 19 to wildfire agencies and counties.



Opposes this constitutional amendment, therefore continuing to:

- Allow eligible homeowners to transfer their tax assessments within counties and to homes of equal or lesser market value
- Keep the number of times that persons over 55 years old or with severe disabilities can transfer their tax assessments at one time.
- Allow tax assessments on inherited homes, including those not used as principal residences, to be transferred from parent to child or grandparent to grand child.

Cathy Elliott & Diane Sanders
310.600.3524 or 310.418.7583
SouthbayTitleTeam@gmail.com
CS: 877.363.5935



“Yes” or “No” on Proposition 21

PROPOSITION 21

The Rental Housing Measure

The Question:

Should current state law be changed to allow cities and counties to apply rent control housing 15 years old or older and limit rent increases to 15% once a new renter moves in?

A “YES” vote on this measure means:

State law would allow cities and counties to apply more kinds of rent control to more properties than under the current law.

A “NO” vote on this measure means:

State law would maintain current limits on rent control laws the cities and counties can apply.



Cathy Elliott & Diane Sanders
310.600.3524 or 310.418.7583
SouthbayTitleTeam@gmail.com
CS: 877.363.5935



CALIFORNIA PROPOSITION 15 AT A GLANCE

In November 2020, California voters will decide whether to fundamentally change how real property is taxed in the state. Proposition 15, if approved, would establish a “split roll” property tax regime, whereby commercial and industrial properties would be taxed differently than residential properties.

The current property tax system under Proposition 13, taxes all real property – including residential, commercial, and industrial properties – based on the original purchase price, plus the cost of later improvements. When a property is sold, it is reassessed at its new market value (usually the purchase price). It is then taxed at a rate of 1% of that new value until the property is sold again.

CHANGES UNDER PROPOSITION 15

If approved by voters, Proposition 15 would amend the California Constitution to require commercial and industrial properties – except those zoned as commercial agriculture – to be taxed based on their current market value, subject to annual increases not exceeding 2%.

- **Requires frequent reassessment** – beginning with the 2022-2023 fiscal year, affected commercial and industrial real property would be reassessed based on market value at least once every three years.
- **Deferred operative dates** – commercial and industrial real property with at least 50% of the square footage occupied by “small businesses,” would not be reassessed until the lien date for the 2025-2026 fiscal year.
- **Mixed-use properties** – real property used for both residential and commercial purposes would only be assessed on the portion used for commercial or industrial purposes. The Legislature would also be allowed to provide an exclusion for properties with over 75% of square footage used for residential purposes.

The following properties would be excluded from annual reassessment to full market value and would continue to be assessed under the current system:

- **Residential property**
- **Commercial agricultural property**
- **Small business property** (aggregate full-market value less than \$3 million)
- **Business personal property** (computers, desks, copiers, etc. subject to annual property tax)

FISCAL IMPACT

Proposition 15 is estimated to generate \$8 - \$12.5 billion in revenue per year, which would first be distributed to (a) the state, to supplement decreases in revenue from personal income tax and corporation tax due to increased tax deductions, and (b) to counties, to cover the cost of implementing the measure. Then, 60% of remaining funds would be distributed to local governments and special districts, and 40% would be distributed to school districts and community colleges.

Adapted from an article in The National Law Review.

CALIFORNIA PROPOSITION 19 AT A GLANCE

California Proposition 19, the Property Tax Transfers, Exemptions, and Revenue for Wildfire Agencies and Counties Amendment, is on the California ballot for November 3, 2020, as a legislatively referred constitutional amendment.

HOW WOULD THE BALLOT MEASURE CHANGE THE RULES GOVERNING TAX ASSESSMENT TRANSFERS?

The ballot measure would allow eligible homeowners to transfer their tax assessments anywhere within the state and allow tax assessments to be transferred to a more expensive home with an upward adjustment. The number of times that a tax assessment can be transferred would increase from one to three for persons over 55 years old or with severe disabilities (disaster and contamination victims would continue to be allowed one transfer).

HOW WOULD THE BALLOT MEASURE AFFECT INHERITED PROPERTIES?

The ballot measure would eliminate the parent-to-child and grandparent-to-grandchild tax assessment resetting exemption in cases where the child or grandchild does not use the inherited

property as their principal residence. When the inherited property is used as the recipient's principal residence but is sold for over \$1 million above the property's taxable value, an upward adjustment in assessed value would occur. The ballot measure would also apply these rules to certain farms. Beginning on February 16, 2023, the taxable value of an inherited principal residential property would be adjusted each year at a rate equal to the change in the California House Price Index.

WHAT WOULD THE BALLOT MEASURE DO WITH CHANGES IN REVENUE?

The ballot measure would create the California Fire Response Fund (CFRF) and County Revenue Protection Fund (CRPF). The California State Controller would be required to deposit 75 percent of the calculated revenue to the Fire Response Fund and 15 percent to the County Revenue Protection Fund. The County Revenue Protection Fund would be used to reimburse counties for revenue losses related to the measure's property tax changes. The Fire Response Fund would be used to fund fire suppression staffing and full-time station-based personnel.

	Applies to principle residence only	Must be 55 or older to use	This is a one-time use benefit	Replacement property must be equal or lesser value	Available statewide	Can be used by multiple owners	Wildfire Assistance (Prop 171)
Current Prop 60/90	✓	✓	✓	✓	✗	✗	✓ & ✗
Proposed Prop 19	✓	✓	✗	✗	✓	✓	✓

	Applies to principle residence only	Limit placed on transfer value of principle residence	Allowed on multiple residential properties	Allowed on commercial property	Can be used on farmland	Must be filed within 3 years of transfer	Required to reside in the transferred property
Current Prop 58/193	✗	✗	✓	✓	✓	✓	✗
Proposed Prop 19	✓	✓	✗	✗	✓	✗	✓

For more information, please visit [Ballotpedia.org](https://ballotpedia.org).