

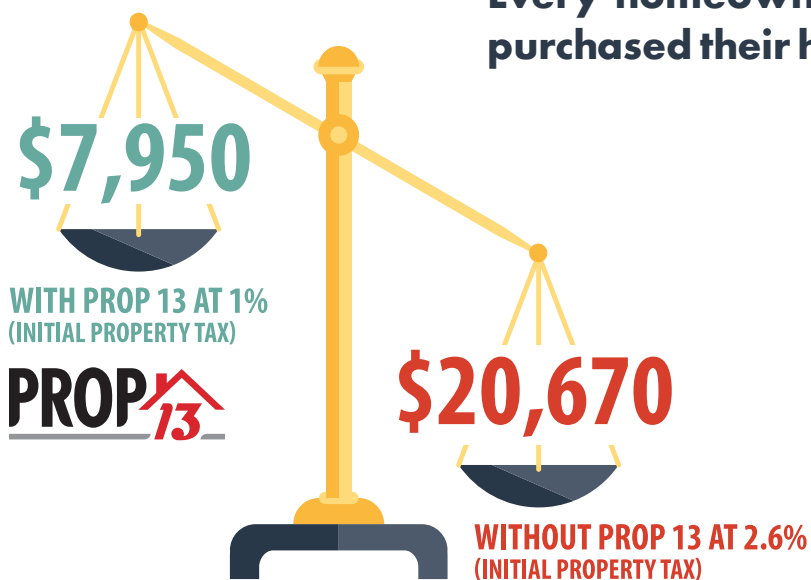
# PROPOSITION 13

PROTECTING THE RIGHTS OF CALIFORNIA HOMEOWNERS

## WHAT IS PROPOSITION 13?

In 1978, California voters approved the *People's Initiative to Limit Property Taxation*, or "Proposition 13". Prop 13 was the outcome of a revolt of California property owners against the roller-coaster tax increases they were subjected to and provided stability for homeowners. Because of Prop 13, there is also a two-thirds vote requirement of both the people and the legislature to increase local and statewide taxes.

1. Tax rate initially set at 1%
2. Annual increases capped at 2%
3. Local Tax Increases require a two-thirds vote of the people
4. CA State Tax Increases require a two-thirds vote of the Legislature
5. Stability for Local Government by acting as a "circuit breaker" to stop volatility of market values from affecting the flow of property tax revenues.



Every homeowner in CA, regardless when they purchased their home, is **protected** under Prop 13.

At the end of 2018 the median home value in OC was \$795,500.00

## ABOUT OC TAX

Founded in 1986, the Orange County Taxpayers Association is a non-partisan, non-profit organization with a deep history of representing taxpayers on governmental tax and spending policy issues. Our mission is to ensure taxes and tax-supported programs are fair, understandable, cost-effective and good for the economy.

Visit [OCTax.org](http://OCTax.org) for membership information, news articles and OCTax's position on tax and public policy issues.

[www.OCTax.org](http://www.OCTax.org)

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# THREATS TO PROPOSITION 13

## SPLIT-ROLL: 2020 BALLOT INITIATIVE

Supporters of Split-Roll would like to convince homeowners they are being unfairly taxed while commercial property owners are taking advantage of the system. **This is not true.** Studies show the assessed value of business properties grow at a higher rate than that of homeowners.

**In fact, business properties pay the largest share of property tax under Prop 13.**

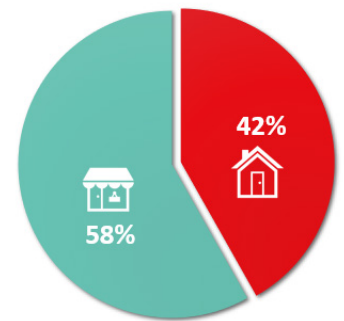
## THE SPLIT-ROLL INITIATIVE

1. Will cause fewer jobs and reduce wages
2. Will raise prices for good & services
3. Will magnify the housing crisis
4. Will leave homeowners vulnerable to losing their Prop 13 protection.
5. Will increase the cost to do business in a state ranked as one of the worst in the nation.

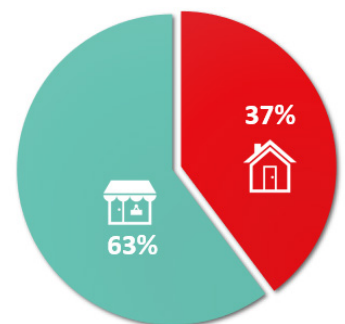


## THE DISTRIBUTION OF CALIFORNIA'S PROPERTY TAX BASE

1979-1980



2011-2012



 Home Owner Occupied Property  
 Business/Non-Home Owner Occupied Property

## DOES OUR STATE NEED MORE MONEY?

The 2019-2020 General Fund Budget is **\$147 BILLION.**

That's a \$3 Billion increase over January 2019 Budget!

And a \$20 billion increase over the 2017-2018 Budget!

## CHANGING 2/3

Meanwhile, the California State Legislature seems intent on eliminating the two-thirds vote requirement for additional add-on parcel taxes. Multiple bills have been, and will continue to be introduced, to lower the voter threshold. Lowering the voter threshold would, as the Howard Jarvis Taxpayers Association states, "gut one of the most important provisions of Proposition 13".



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