

Fact Sheet

Background: Prop 13 Has Helped All Californians for More Than 40 Years

- For more than 40 years, Proposition 13 has provided certainty to homeowners, farmers, and businesses that they will be able to afford their property tax bills in the future.
- Under Prop 13, residential and business property taxes are calculated based on 1% of their purchase price, and annual increases in property taxes are capped at 2%.

Split-Roll Property Tax Measure Destroys Prop 13 & Makes Our Economic Crisis Worse

- Amid an unprecedented economic crisis, special interests are qualifying the largest property tax increase in state history for the November 2020 statewide ballot.
- This type of property tax is known as a “split-roll tax” because it splits the property tax roll, assessing business property differently than residential property.

Split Roll Tax Measure: Key Highlights

- Changes the California Constitution to create a split-roll property tax system
- Ends Prop 13 assessment protections for most commercial and industrial property
- Continues taxing commercial and industrial property at highest and best use
- Requires reassessment to current market value no less than every three years
- Allows reassessment as often as annually
- Limits property owners’ due process in the assessment appeals process
- Increases property taxes by an estimated \$8 billion to \$12.5 billion annually
- Allows landlords to pass property tax increases onto tenants, especially through triple net leases

Higher Taxes on Commercial and Industrial Property Owners and Tenants

- Commercial and industrial property owners will pay higher property taxes based on current market values with no caps.
- Tenants with triple net or similar leases will pay higher annual pass-through costs and other commercial tenants will pay higher rents with no caps.

Calculate Your Commercial and Industrial Property Tax Increase

1.	Current market value at highest and best use (land and improvements)	\$ _____
2.	Current assessed value (land and improvements)	\$ _____
3.	Increase (1 minus 2)	\$ _____
4.	Total property tax rate (CA average shown/insert actual if possible)	x .0153
5.	Split-roll tax increase (4 x 3)	\$ _____

No Taxpayer Protections, Transparency or Accountability

- Supporters say the property tax increase is about more money for schools, but more than two-thirds of the new tax money does not go to schools. Instead, it goes to the state and to local governments to spend however they want.
- Sacramento politicians can divert the new local government tax money for other purposes, just like they are trying to do with the gas tax. Worse, there are no requirements that new money for schools must be spent in the classroom to benefit student learning.

About Californians to Save Prop 13 and Stop Higher Property Taxes

Californians to Save Prop 13 and Stop Higher Property Taxes, a coalition led by the California Taxpayers Association, California Business Roundtable, Howard Jarvis Taxpayers Association, California Chamber of Commerce and California Business Properties Association, is leading the official campaign to defeat the split-roll measure in November 2020.

Help Us Defeat the Split-Roll Property Tax Measure

To defeat the split-roll property tax measure in November 2020, we must begin our work now. Please calculate the cost of reassessment and consider contributing some percentage of that annual tax increase to the campaign. For a detailed briefing, questions or to contribute, please contact Jason Lotridge at (916) 497-0015 or jason@russomcgarty.com. You can download a contribution form at www.StopHigherPropertyTaxes.org.