

## Fact Sheet

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

- For more than 40 years, Prop 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, both residential and business property taxes are calculated based on 1% of their purchase price, and annual increases in property taxes are capped at 2%, which limits increases in property taxes, especially when property values rise quickly.

### Prop 15 Repeals Long-Standing Prop 13 Protections and Makes Our Economic Crisis Worse

- Amid an unprecedented economic crisis, special interests are pushing Prop 15 on the November 2020 statewide ballot that will destroy Prop 13's property tax protections and will be the largest property tax increase in California history. Prop 15 will raise taxes on commercial and industrial property by requiring reassessment at current market value at least every three years. 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.
- We must reject Prop 15 and maintain Prop 13 protections that have kept property taxes affordable and provided every taxpayer who buys a home or business property with certainty that they can afford their property tax bills in the future. Now is not the time to raise taxes and bring more uncertainty to businesses and all Californians.

### Prop 15 Hurts Small Businesses and Drives Up Everyone's Cost of Living

- Small businesses are already struggling. Prop 15 will make it even more difficult for them to reopen their doors or stay in business as a result of this economic crisis. Increasing property taxes on businesses by \$11.5 billion a year will hurt female- and minority-owned businesses the most and 120,000 private-sector jobs will be lost, according to a [Berkeley Research Group study](#). Voters are being asked to consider a measure that will only increase job losses at a time when millions of Californians are unemployed.
- Most small businesses rent the property on which they operate. Prop 15's higher property taxes will mean soaring rents at a time when the federal and state government is trying to provide small businesses with rent relief to keep their doors open. Ultimately, Prop 15's tax hike on businesses will 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.
- California's cost of living is already among the nation's highest. Prop 15 will drive the cost of living even higher.

### Prop 15 Includes No Accountability to Taxpayers

- Prop 15 has no accountability to taxpayers. Sacramento politicians can divert the new local government tax money for other purposes that benefit special interests, just like they have done with the gas tax.
- Prop 15 is misleading. Supporters say Prop 15 is about more money for schools, but nearly 70 percent of the new tax money doesn't go to schools. Instead, it goes to the state and local governments to spend however they want – just like they are doing with the lottery.

### Prop 15 Attacks Homeowners

- If businesses lose their long-standing Prop 13 protections, homeowners will be next. Supporters of Prop 15 even admitted that this initiative was the first step in a plan to end Prop 13, which could mean skyrocketing property tax increases for all California homeowners.

**VOTE NO ON PROP 15!**

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