



## From the Polls and the Rolls: Facts About California Property Taxes and Revenues

### *Did you know?*

#### **Over thirty years after its passage, Proposition 13 is still very popular with California voters:**

- A March 2011 Public Policy Institute of California survey found that Proposition 13 is still favored by a margin of 2-1. 59% of likely voters still support Prop. 13 and 58% believe that it has mostly been a good thing for California.
- An October 2009 Field Poll found that a 52 percent to 37 percent majority of voters oppose amending Prop. 13 to tax business property at a higher rate than residential property. More voters now oppose the idea of increasing this property tax than have done so in previous Field Poll surveys dating back to 1981.
- A June 2008 Field Poll found that twice as many Californians would still support Prop. 13 (57 percent) as would oppose it (23 percent).
- That Field Poll also showed that opposition to Prop. 13 has dropped by 10 percent.
- The Public Policy Institute of California reported in June 2008 that 59 percent of Californians believe Prop. 13 property tax protections are good for the state.
- When reminded that Prop. 13 places limits on annual property tax increases and requires voter approval of new local taxes, 60 percent support Prop. 13 according to a May 2008 survey conducted by Arnold Steinberg and Associates, Inc.

#### **California property owners do not want Proposition 13 changed:**

- A recent poll by the National Federation of Independent Business, California found 80% of small business owners strongly opposed split roll proposals.
- The March 2011 PPIC poll also found that among homeowners, 63% called Prop. 13 “a good thing.”

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- Fifty seven percent of Californians do not want Prop. 13 changed, and 67 percent believe that if Prop. 13 were changed they would end up paying higher taxes, according to the Steinberg poll.
- Changing Prop. 13 to gradually raise property taxes of long time property owners so they are similar to recent purchasers of property was opposed by 66 percent in the Field Poll.
- Under Proposition 13, property owners are no longer burdened by unfair tax assessments.
- With Prop. 13 protections, property owners no longer see 50 percent to 100 percent tax spikes in a year.
- Since Prop. 13's inception, assessed value of homeowner property has grown at an average of 8.1 percent per year and assessed value of non-homeowner property subject to Prop. 13 has grown an average of 8.4 percent per year, according to the California State Board of Equalization.
- Proposition 13 has a significant stabilizing effect on property tax revenues that protects local governments from severe year to year swings in revenue. Proposals to increase property taxes on businesses can only worsen the volatility of property tax revenue to local governments.

### **Increases in business property tax revenues have outpaced homeowner property tax revenues since the passage of Proposition 13:**

- The Board of Equalization shows that business property is assessed much closer to market value. From 1988-89 through 2007-08, business property was assessed at 74.3 percent of market value, while homeowner property was assessed at 65.7 percent of market value.
- In 2008-09, tax assessments on non-homeowner property subject to Proposition 13 were \$827 billion higher than those of homeowner property.

### **Recent studies show that increasing business property taxes will cost jobs and further damage our economy:**

- A 2009 study by the Center for Government Analysis found that because minority, women and Latino-owned businesses operate on thinner margins than other firms,

these companies will be least able afford the increased rents due to increased business property taxes.

- According to a recent study by a former California legislative analyst, increasing property taxes on business by even one percent will lead to the loss of 43,000 additional jobs.