



FACT SHEET

The Consequences of Assembly Constitutional Amendment (ACA) 8

Los Angeles Democrat Bob Blumenfield has introduced legislation that would result in billions of dollars in higher property taxes. Seeking to repeal an important Proposition 13 protection, ACA 8 would lower the vote threshold for new taxes to repay local infrastructure bond debt from two-thirds to just 55%. All voters vote on infrastructure bonds, but unlike state bonds which are repaid by the state's general fund, local bonds are repaid *exclusively* by property owners.

Could raise taxes by billions

A similar proposal, Proposition 39, which lowered the threshold for school bonds, narrowly passed in 2000 after the measure's billionaire proponents outspent the "no" campaign by 20-1. The result has been billions in higher property taxes.

Harms the economy and kills jobs

California taxpayers already pay the nation's highest income tax, gas tax and sales tax. The state's business climate is rated as third-worst in the nation, according to the Tax Foundation, and corporate taxes are the highest in the West – and while Prop. 13 limits property tax increases, California is still the nation's 19th highest property tax state. The billions in tax increases that could result from ACA 8 will be a new burden on every property owner and could also result in higher rents.

California homeowners would take a huge hit because, even with Proposition 13, the "below the line" charges, fees and assessment that appear on your property tax bill are now out of control. And because the tax increases will be proportional to the value of the property, facilities such as office buildings, shopping malls and factories could face some of the steepest tax increases, resulting in more lost jobs and business closures.

Existing revenues should be used to improve roads

California's highest-in-the-nation gas taxes are meant to pay for roads and transportation infrastructure. However, these funds have continually been raided to pay for unrelated spending. The result has been a road system ranked as one of the worst in the nation. The tax revenue to pay for better roads is already available but must be spent responsibly on its intended purpose.

Broad coalition opposes ACA 8

ACA 8 is opposed by a broad coalition of small business and taxpayer organizations including the Howard Jarvis Taxpayers Association, National Federation of Independent Business and California Chamber of Commerce. A 2014 poll found California voters oppose the proposal by 56% to 31% margin.

Direct attack on Prop. 13

The two-thirds vote for new local bonds dates back to the CA Constitution of 1879. Tax increases that would result from passing ACA 8 would be added directly on to property tax bills above the Prop. 13-required 1% cap.