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Taxing Times

★ ★ ★ ★ ★
★ "Eternal vigilance is the price of liberty."
★ Often quoted by
★ Howard Jarvis ★
★

The Official Newsletter of the Howard Jarvis Taxpayers Association ★ Howard Jarvis, Founder ★ Vol. 46, Issue 2 ★ Spring 2020

TAXPAYERS SEND A MESSAGE: "NO" TO MORE DEBT AND TAXES

California voters sent a clear warning to state and local lawmakers on March 3, turning out to vote against a \$15 billion statewide school construction bond backed by Governor Gavin Newsom, scores of special-interest groups and a \$10 million ad campaign.

The measure was labeled on the ballot as "Proposition 13," which Assembly co-author Patrick O'Donnell, D-Long Beach, was quick to blame for the measure's poor performance. While votes were still being counted, O'Donnell said he would introduce legislation to retire the number 13 so that no future statewide measure would ever again be confused with the landmark Proposition 13 adopted by voters in 1978.

There was widespread concern

among voters throughout California that the March ballot's Proposition 13 might be a sneak attack on the 1978 measure that would result in higher property tax assessments. In fact, the measures were unrelated. The numbering picked up where the previous election left off — Proposition 12, the last statewide measure.

However, confusion over "13" can't explain the unprecedented failure of school bond measures up and down the state. More than 100 school districts had local bonds on the March 3 ballot. In early returns, voters were rejecting most of them.

The March 3 "Prop. 13" included, along with \$15 billion of new borrowing that would cost taxpayers \$26 billion with interest, an extra provision raising the debt caps that limit local school district

borrowing. The measure enabled school districts to take on nearly twice as much debt as current law allows.

The Howard Jarvis Taxpayers Association led the campaign to defeat the costly proposition. Although vastly outspent by special interests that would cash in on lucrative government contracts, HJTA worked to educate voters that when local school districts borrow money by issuing school bonds, the cost of those bonds is paid by adding extra charges to local property tax bills. These charges are listed in the section at the bottom that's labeled "indebtedness." So by raising the debt caps, this "Prop. 13" would result in higher property tax bills.

HJTA ran radio ads, distributed flyers, fielded thousands of phone calls, blasted messages on

social media and gave countless interviews to television, radio and print reporters. Our website was listed as a resource under "for more information" in the state's official Voter Information Guide. Millions of Californians wanted more information about this "Prop. 13" before they voted.

With nearly all votes counted, the "Proposition 13" bond measure trailed 54 to 46 percent.

Political experts expressed shock. One lobbyist who works for multiple school districts said school bonds had "an incredible track record" with voters and pointed out that in the last election, more than 80 percent of local bond measures passed.

This time, voters appeared to be sending a clear message: "Enough is enough." □

FIGHT AGAINST THE ATTACK ON PROPOSITION 13! *GET INVOLVED!*

An initiative that is headed for the November ballot would directly attack Proposition 13, removing its protection from business properties

and requiring counties to reassess them to market value on a regular basis.

This is the "split roll" proposal,

so called because it splits the list of taxable properties (the county assessor's tax roll) into separate sections for business and

residential properties, then treats them differently for tax purposes.

This would be a massive tax

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Taxing Times

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Headquarters
621 S. Westmoreland Avenue, Suite 200
Los Angeles, CA 90005-3971
(213) 384-9656



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PRESIDENT'S MESSAGE

IN CALIFORNIA, MORE LAWS MEAN LESS FREEDOM *By Jon Coupal*

Progressives in California, more than elsewhere, forget the history and inspiration behind the founding of the United States. Our very system of government — with divided powers among the three branches of government — reflects an effort to ensure that political power never becomes consolidated in one person or institution.

The same is true with respect to the federal government's relationship to the states. Again, the national government is (or was intended to be) a government of limited constitutional powers, and powers not specifically enumerated in the Constitution were reserved to the respective states. And capping it all off was a Bill of Rights, the first ten amendments to the Constitution.

If it isn't obvious by now, it should be. The primary function of government in America, either at the national level or by the states, is to preserve liberty. But to progressives, this simple statement sounds as foreign as ancient Greek. To them, the primary function of government is to redistribute wealth and expand government

into all aspects of our lives. They possess the false belief that decisions by elites who control our public institutions are superior to the decisions made by ordinary citizens.

This "government is better" thinking is reflected in several of the new laws that took effect on January 1. For example, the controversial Assembly Bill 5, which severely restricts the use of "independent contractors," is inflicting real damage to California's gig economy as companies are no longer able to contract with individuals who seek part-time or seasonal work in a way that provides people with flexibility over where and when they work.

Two more new laws that restrict freedom include a mandated increase in California's minimum wage, which forces employers to pay more to their employees than the market would otherwise require, and a new rent control law prohibiting owners of rental housing from raising rents more than a certain amount annually.

Here's the real irony. What all three bills have in common, besides restricting freedom,

is that each will produce outcomes exactly opposite of that intended by progressives. AB 5 means less flexibility for gig workers, including Uber and Lyft drivers, freelance writers, photographers and a legion of other jobs that provide good revenue to those who perform them. It also means loss of employment. Even before AB 5 went into effect, dozens of freelance writers were told that their contracts would not be renewed.

Loss of jobs is also an inevitable result of California's mandatory increase in the minimum wage. Even with the strong national economy, there has been a huge increase in restaurant closures throughout California due to this law. This may explain why, over the last year, Texas has increased its total employment by an amount more than 10 times that of California.

The imposition of rent control has likewise resulted in a "petard hoisting" for California. Even before the law took effect, landlords fearful of future unanticipated costs increased their rents to the maximum

amount allowed — and will continue to do so indefinitely — resulting in potential higher rents than a free market would dictate. Similarly, investors will now have to assess the risks associated with the California rental housing market, which already has a questionable reputation, before putting their cash on the table.

Unfortunately, it is doubtful that California's elected leadership will soon experience an epiphany about the damage that flows from their policies. It is even less likely they will ever grasp what the protesters in Hong Kong, Tehran and Caracas already know: that humans, by their nature, are better off when government interferes in their lives as little as possible.

Rights, properly understood, are restrictions on government actions, not an entitlement to free stuff. We have a "right" to speak, to assemble and to practice our religious beliefs. We have a right to be free from unreasonable searches and seizures and, yes, a right to bear arms. This is why we have a Bill of Rights, not a Bill of Freebies. □

A special message to our Members and Supporters from Jon Coupal

We were shocked, as I am sure you were, by the sudden disruption and continuing uncertainty caused by the emergence of the public health threat from the new coronavirus. Our first concern is for your well-being, both in health and financial security.

The Howard Jarvis Taxpayers Association regularly sends mail asking for the support of its Members to continue the work we're doing to protect California taxpayers and Proposition 13. Please be assured that while we depend on the contributions from our Members, your HJTA is in a strong position to weather this storm. Your financial security is our primary concern. Only donate if you feel comfortable doing so.

HJTA is continuing its work through this national emergency. We are fighting for taxpayers in the courts, monitoring legislative proposals and preparing to protect Proposition 13 from any ballot measures that may attempt to undermine it. We have confidence that together we will come through this stronger than before.

Thank you for your support. We wish you the best of health.

HOW TO READ YOUR PROPERTY TAX BILL



By Jon Coupal

Californians are keenly aware that they bear a heavy tax burden.

Progressives claim that the tradeoff is low property taxes, but that's just not the case. California ranks 17th out of 50 states in per capita property tax collections. What can be said about Proposition 13 is that it has made property taxes reasonable, not low.

When property tax bills arrive, many property owners are surprised that the annual increase is more than they had anticipated. But that isn't because Prop. 13 isn't working, it's because there are far more items listed on property tax bills than ever before. It's important that taxpayers know how to read their property tax bills.

When reviewing your tax bill, the best place to start is to pull out last year's bill and do a side-by-side comparison. For most California counties, the property tax bill will show three categories of charges. They are the General Tax Levy, Voted Indebtedness and Direct Charges and Special

Assessments.

The General Tax Levy is what most people think of when talking about property taxes. It is based on the assessed value of land, improvements and fixtures. This charge usually makes up the largest portion of the tax bill, and it is the amount limited by Proposition 13.

The annual increase in the General Levy of Assessment should be no more than 2 percent, unless there have been improvements to the property, like adding a room to the house. However, if a property had previously received a "reduction in value" reassessment under Proposition 8, the taxable value may go up more than 2 percent to reflect the recovery in the market value. But remember, in no case will the taxable value be more than the initial Prop. 13 base-year assessment plus 2 percent annually from the date of purchase.

The second category of charges is Voted Indebtedness. These charges reflect the

repayment cost of bonds approved by the voters. Local general obligation bonds for libraries, parks, police and fire facilities and other capital improvements are repaid exclusively by property owners. Because a minority of the population is required to pay the entire amount, the California Constitution of 1879 established the two-thirds vote for approval of these bonds.

In some counties, parcel taxes may appear under this second category of property exactions even though parcel taxes are rarely used to repay debt. Parcel taxes are taxes on property ownership but are not imposed as a percentage of taxable value. Although there is no upper limit on the amount of parcel taxes you have to pay, they remain — for now — subject to Prop. 13's two-thirds vote requirement.

The third type of levy found on the typical property tax bill is for direct assessments. These are charges for services related to property such as street

lighting, regional sanitation, flood control, etc. Because of Prop. 218, property owners must be given a meaningful say in approving new assessments. Before an assessment can be imposed or increased, property owners must be informed in writing and must be given the opportunity to cast a protest vote on the new charge.

Finally, in order to control how much bond debt and direct assessments appear on your bill, pay close attention to your ballot in the upcoming election. There are hundreds of bond and tax proposals throughout California. Some may be worthwhile. Most are not.

For more information regarding property tax bills, go to www.hjta.org. If you have a question about your property tax bill, you can contact your county assessor or county tax collector, or call the government agency responsible for each levy on your bill. It's your money and you have a right to know that your bill is 100 percent accurate. □

Howard Jarvis
XIII Taxpayers Association

BOARD OF DIRECTORS



Gloria Phillips	Bill Kelso
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PRESERVE THE BENEFITS OF PROPOSITION 13

At the Howard Jarvis Taxpayers Association, we have received a number of inquiries from those wishing to help us preserve the benefits of Proposition 13 for their children, grandchildren and heirs. If you would like more information about making an endowment to the Howard Jarvis Taxpayers Association or the Howard Jarvis Taxpayers Foundation, visit www.hjta.org and click on "Take Action," then click on "Heritage Society," write to us at 621 S. Westmoreland Ave., Suite 200, Los Angeles, CA 90005, e-mail us at info@hjta.org, or call us at 213-384-9656.

Howard Jarvis
XIII Taxpayers Association

Heritage Society

We thank and appreciate the following for their generous donations:

The Selck Family,
in the name of Lester John Selck and Jane Selck

The Gardner Grout Foundation

The Benson Foundation

The Allan W. and Elizabeth A. Meredith Trust

Baker Family Donor Advised Fund
at the Rancho Santa Fe Foundation

The Stanley E. Corbin Trust

The V. Lorel Bergeron Trust

A big "Thank You" to the Members of the *Heritage Society* who help make our work on behalf of taxpayers possible!



THE LEGAL FRONT

A TAX HIKE FOR DOING NOTHING? “VACANCY” TAXES SWEEP CALIFORNIA

By Laura Dougherty, Senior Staff Attorney

For decades, it has been deemed a privilege to use your property. Now it's becoming a privilege to *not* use your property, or to make mild use of it, including keeping it as a garden.

Since 1926, zoning has been an accepted form of land use regulation across the United States. Since 1947, impact fees on development have been accepted too. In other words, it's generally a privilege to develop your land. If you are in the coastal zone, the joke is that your children and grandchildren will need permits for their sand castles because those are technically development.

The government holds and grants these privileges through permitting procedures. Under this reality, developers and even homeowners were extorted for

Some vacant lot owners have told us that their lot is vacant because they are legally prohibited from building on it.

many years through excessive fees and dedication demands in exchange for permission to build. Fortunately, a series of landmark cases at the United States Supreme Court corrected this, beginning with *Nollan v. California Coastal Commission* (1987) 483 U.S. 825, which was litigated by HJTA's own Tim Bittle.

In California, the Mitigation Fee Act further implemented those changes. Development fees are still legal, but there must be a “nexus” tying the purpose and amount of the fee to the project's negative public impacts to ensure that no one is paying for more than the actual impact of their

home or business. This is a fair policy, and it is why development fees are generally exempted from taxpayer protections in our state constitution, like Propositions 218 and 26. Development fees must already be proportionate.

But trending now are issues of “non-use” of land, or mild uses — such as a private playground or garden — where your local government would prefer something else, such as housing. “Vacant” parcel owners are being taxed even if they create no nuisances and do not violate any zoning ordinances, building codes or health codes.

1 Vacant Lot Registration Fees

One municipal trend is to charge “registration fees” to vacant lot owners. Cities including Long Beach, Pasadena, Azusa, Montebello, Palm Springs, Rosemead, Sacramento and Richmond have implemented vacant lot registration subprograms in their code compliance divisions. Owners of vacant lots must register and pay an annual fee. (Some cities also require registering a foreclosure in progress.) Some of these fees are exorbitant, and they may be disguised taxes. Rosemead appears to be the only city running a subprogram but not charging a fee to register. Perhaps their leaders were mindful of Propositions 218 and 26, and realize that watching all lots has always been the job of code enforcement.

As for the majority of cities charging wide-ranging fees to vacant lot owners, the rationale is that they or their properties are to blame for blight and should



pay extra to be monitored. (A question for another day is whether this blame is assigned rightly.) The fees do not cover clean-up, only monitoring. But monitoring is already a function of code enforcement because it is a code violation to allow weeds or trash to build up on your property, among other things. Those who violate existing law are already reported and already pay the price through fines and abatement charges. Through these new registration fees, vacant lot owners are simply being charged extra, even if they keep their lot perfectly clean and maintained.

Some vacant lot owners have told us that their lot is vacant because they are legally prohibited from building on it. Zoning changes rendered their lot too small to constitute a legal

HJTA is watching this growing trend of taxing property for non-use or mild use.

building site, or too close to a sensitive habitat, etc. No one wants to buy an unusable lot, so the only thing they can do with it is pay to keep it maintained and pay the taxes. This new fee, they say, adds insult to injury. Others say they hope to build someday, but cannot afford to build yet. The more that taxes and fees increase, the longer their hope is deferred. They understand government's desire to see potential housing sites developed, but the new fees and taxes are counterproductive to that end. Some say they would feel better about the fee if it were used to provide housing for veterans or the homeless instead of funding a duplication of existing bureaucracy.

If you keep a garden on your



lot, some cities will exempt you from the fee if you convert your personal garden into a community garden. Beware, however, that if you invite the public to plant tomatoes on your property, you may need to buy more insurance. And if the public doesn't weed between their tomatoes, you will need to do it or face a citation.

Where vacant lot fees have been enacted without voter approval, and if the courts approve of them at all, they will be limited under Proposition 26 to the government's reasonable cost of registration and inspection. That limitation disappears, however, if voters approve a vacant parcel tax. Watch for vacant parcel taxes on your ballot. They are tending to pass because most voters don't own vacant lots, or don't realize that “vacancy” — evolving in definition — may include them if they need to keep their property temporarily unoccupied. Please watch and educate your community on the hardship and damage these taxes may cause.

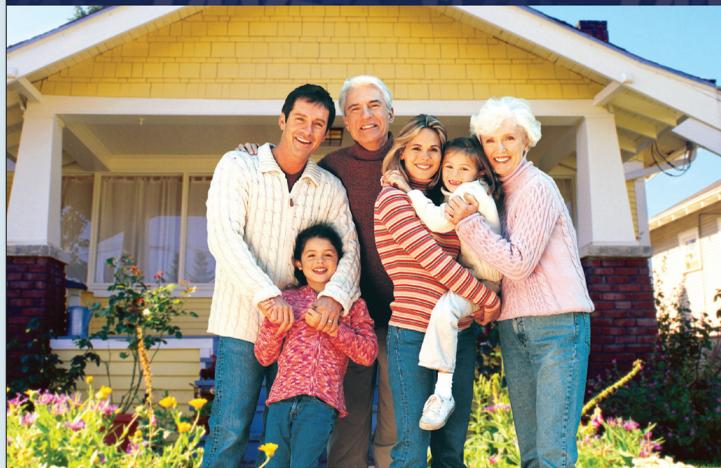
2 Vacant Parcel Taxes

In 2018, Oakland voters passed Measure W, a “Vacant Property Tax” with a twist. Measure W defined “vacancy” as “used less than 50 days per year.” Notice how the definition of vacancy was expanded to apply to *all* parcels, improved or unimproved. The tax is \$6,000 per year or \$3,000 for condominiums. How the Oakland City Council will make determinations of “used less than 50 days per year” is uncertain.

Continued on page 10

HJTA EXPANDS OUTREACH EN ESPAÑOL

PROTEGIENDO LOS
CONTRIBUYENTES DE CALIFORNIA



Entendiendo la Proposición 13
y Cómo Leer
Su Factura de Impuestos de Propiedad

Una publicación de Servicio de la
Howard Jarvis
Taxpayers Foundation
Fundación de Contribuyentes de Howard Jarvis

HJTA is always working to get the message out to every California taxpayer that Proposition 13 is protecting homes and families. With that in mind, we've enhanced our Spanish-language communications.

Our website at www.HJTAEspanol.org now features a Spanish translation of the Guessing

Game, the popular calculator that estimates how high the taxes would be on any property today if Proposition 13 had never passed.

The Guessing Game is now shocking California homeowners in two languages.

www.HJTAEspanol.org also features our neighborhood handout

DILE A UN AMIGO

Fortalece la voz de los contribuyentes en California. Únase a HJTA.

LA ASOCIACIÓN DE CONTRIBUYENTES HOWARD JARVIS

Estamos luchando por el futuro de su familia en California.

La Asociación de Contribuyentes Howard Jarvis es el grupo que puso la Proposición 13 en la boleta de votación, limitando los aumentos en la factura anual del impuesto a la propiedad salvando los hogares de millones de personas. Pero la batalla no ha terminado. Cuento con HJTA para...

- Defenderse en contra de las leyes propuestas y las medidas electorales que amenazan con aumentar los impuestos sobre las familias de California.
- Mantenerlo informado con nuestro periódico exclusivo, *Taxing Times*, y nuestro informe de calificaciones legislativo sobre cómo los representantes votan en cuestiones del contribuyente.
- Luchar en los tribunales contra tarifas ilegales, cargos e impuestos que usted no debería tener que pagar.
- Proteger la Proposición 13.

Visite nuestro sitio web en www.hjtaespanol.org para obtener más información.

¡Únase con HJTA hoy! ¡Y díle a un amigo! Somos fuertes, pero seremos aún más fuertes con usted como miembro. Vamos a luchar juntos por el futuro de California.

¿Necesita más copias de esta página? Envíenos un correo electrónico: info@hjta.org. Llámenos: 213-384-9656 o 916-444-9950. Descárgalo: www.hjtaespanol.org/amigo.

APLICACIÓN DE MEMBRESÍA DESPLEGABLE: ¡Ayuda a mantener bajos los impuestos a la propiedad!

Gracias por unirse a la Asociación de Contribuyentes Howard Jarvis!

Su membresía ayuda a fortalecer la voz de los contribuyentes en California, protege la Proposición 13 y defiende contra aumentos injustos de impuestos.

Tome en cuenta: HJTA es una asociación organizada bajo el Código de Rentas Internas Sección 501(c)(4), y las donaciones no son deducibles para fines del impuesto sobre la renta.

Mi información de contacto: *Información Requerida

Nombre:* _____ Apellido:* _____
 Dirección 1:* _____
 Dirección 2: _____
 Ciudad:* _____ Estado:* _____ Código postal:* _____
 E-mail:* _____ Teléfono: _____

Adjunto se encuentra mi contribución de membresía de \$15 para La Asociación de Contribuyentes Howard Jarvis, lo que me da derecho a los beneficios completos de la membresía.
 Adjunto se encuentra algo extra, para un total de contribución de \$ _____.

190210-04 **Por favor, vea el otro lado para llenar su información de pago.**

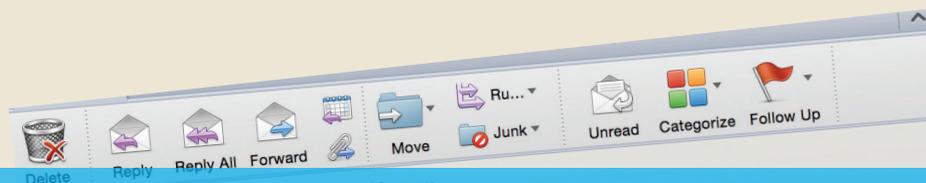
in Spanish. This convenient flyer helps our Members introduce friends and neighbors to the Howard Jarvis Taxpayers Association and the work we do to fight for taxpayers. The handout includes a tear-off membership form that makes joining HJTA quick and easy. It can be downloaded and e-mailed

or printed to share. Tell a friend, or *dile a un amigo!*

Our informative booklet *Understanding Proposition 13 and How to Read Your Property Tax Bill*, is now available in Spanish. For printed copies of the booklet or the *Dile a un amigo* handout, please call our office at 213-384-9656 or e-mail info@hjta.org.

**STAY
CONNECTED!**

Sign up for e-mail alerts at HJTA.org.



Howard Jarvis
Taxpayers Association
established in 1978



UNDER THE DOME



HJTA PREPARES FOR BUSY LEGISLATIVE YEAR

By David Wolfe, Legislative Director

It's challenging to provide a legislative overview for the first *Taxing Times* issue of the year, which goes to press before the text of nearly 2,500 newly introduced bills is available to review.

However, HJTA is focused on many topics in the Capitol outside of legislation. Perhaps the most important document legislators pass every year is the state budget. The budget hasn't received as much focus in recent years after voters dropped the passage requirement from two-thirds to a majority vote in 2010.

Revenues from the state General Fund, special funds and bond funds have increased by \$92 billion to a record in this year's proposed budget of \$222 billion.

Since that point, while budgets have been approved on time, spending has spiraled out of control. Revenues from the state General Fund, special funds and bond funds have increased by \$92 billion to a record in this year's proposed budget of \$222 billion. To put that in perspective, between the years 2000–2010 the figure increased by *only* \$34 billion.

All taxpayers should be troubled by this lack of fiscal restraint, which unfortunately

receives very little media attention. Here's what's important to know about the budget that Governor Gavin Newsom released in January. The \$222 billion budget represents a \$2.3 billion increase from last year's budget and 2.2 percent overall. California continues to have a budget surplus of at least \$7 billion. Education funding overall is slated to see a record budget amount of \$84 billion. This is \$330 million more than last year, despite the fact that average daily attendance cumulatively across all school districts has declined in four of the last five years.

While to most people it seems like there is plenty of money to go around, taxpayers need to be concerned about a couple of different areas. The first is that the budget fails to take into account an inevitable (and looming) recession. Many numbers speak to this. The budget surplus has declined from over \$20 billion last year to \$7 billion this year. Also, while state budget reserves continue to increase, there is only about \$21 billion in the fund. This will allow us to fund only two years of a moderate recession and likely only one year in the event of a recession as severe as the one in 2008.

This budget also fails to prioritize the concerns of California residents. This is especially true regarding homelessness and housing. While this budget proposes \$1 billion for homeless programs,

including grant funds designated specifically for cities and counties, California has increasingly adopted a "housing first" motto that fails to take into account the social services and "wraparound" treatment that California's 130,000 homeless individuals truly need. Yes, there's a need for more housing, but there's

Education funding overall is slated to see a record budget amount of \$84 billion.

also a need for treatment of substance abuse and mental illness, as well as programs for job training and workforce development. We have yet to see a comprehensive program from the Newsom administration that combines these elements together effectively.

To be clear, though, more housing is needed. An estimated 20 percent of California's homeless population are in that situation simply because they cannot afford a place to live. One-third of California renters spend half of their take-home pay on rent, and only about 25 percent can afford a median-priced home (\$600,000) in California. But a number of things conspire against affordable housing in California, including the \$330,000 average cost of building a unit of

affordable housing, as well as the numerous government mandates imposed on new development such as inclusionary zoning, solar panels on new development and environmental lawsuits. It's little wonder then that housing construction actually declined last year to less than 100,000 new units. To put that number in perspective, California needs 180,000 units of new housing annually just to keep pace with demand.

While it is easy for our eyes to glaze over discussing a billion dollars here or there, it is imperative that we all gain a better understanding of how our tax dollars are spent. Reviewing the state budget is the best way to do that.

In our next issue, I'll have a complete rundown on all

It is imperative that we all gain a better understanding of how our tax dollars are spent.

the legislative bills HJTA is engaging on in 2020, including any new legislative attacks on Proposition 13. If you can't wait that long, feel free to go to the legislative action page at www.hjta.org or send me an e-mail at david@hjta.org. For thirteen years now (yes, it's been that long!), it remains my pleasure to serve you in the hallways of the State Capitol.

Can't wait for the next issue of *Taxing Times*?

Get daily tax news and updates at our website.

HJTA.ORG

GRASSROOTS REPORT

HJTA SOCIAL MEDIA SHARES TAXPAYER TRUTH

By Eric Eisenhammer, HJTA Director of Grassroots Operations

Your Howard Jarvis Taxpayers Association consistently ranks at the top in California’s constellation of political social media powerhouses.

While that’s not a recent development, our track record of sharing objective, factual information on the state of affairs around us has skyrocketed the number of people we reach.

In the three months preceding the March primary, we saw impressions, clicks and engagements increase 60%, 100% and 160% respectively on our Facebook page alone. In fact, of 1,482,677 impressions, we recorded 325,913 engagements.

That means for every five people who see a post from us, one takes some kind of action, such as sharing the information with their friends. In the realm of social media, this is an unheard-of engagement stat, truly showing how much the Howard Jarvis Taxpayers Association is trusted as a reliable resource.

And make no mistake, there is a shortage of quality information available to the public right now, with even some “official” sources regularly trying to distract and mislead.

Take the official social media feed of Governor Gavin Newsom’s office for example,



which promotes more spending as the answer to our state’s problems and presents our fiscal situation as healthy, in spite of unfunded liabilities that may surpass the \$1 trillion mark, skyrocketing taxes and a disturbing lack of progress on issues people care about, such as improving the quality of our roads.

Or take the “educational” mailers, paid for with our tax dollars, that voters often receive promoting the ostensible benefits of various tax increase proposals, with no mention of the endemic waste, fraud and abuse our government consistently refuses

to address. What kind of information is most appreciated by HJTA’s social media followers? Consistently among the top topics is the volume of jobs and businesses fleeing California for Texas and other less hostile localities. Another highly engaged topic: examples of our government wasting our tax dollars with no real accountability. And, of course, our funny memes reach hundreds of thousands of people. Because sometimes the reality of the situation we experience is so ridiculous, one must at least be able to laugh. □

THE GUESSING GAME

HOW HIGH WOULD YOUR TAXES BE WITHOUT PROPOSITION 13?

TRY OUR TAX CALCULATOR ONLINE AND FIND OUT!

<http://guessinggame.org>

the MAIL Bag

"I just heard the great HJTA radio ad against the 2020 Prop. 13. Thank you."

—Steve S.

"I support what you do 100% and tell everyone about the wonderful work that Howard Jarvis did and how all of you continue his work in fighting for us. Thank you for all you do."

—Sharon H.

"Love you guys!!!"

—Mark T.

"Thanks for all your work!"

—Melissa W.

"The liberals in Sacramento and throughout the state are out of their minds. It is time for Tax Revolt #2."

—Gary E.

"I appreciate you advertising what the proposition really was about."

—Sharon S.

"Thanks so much for your opposition to CA Prop. 13 (the 'new' Prop. 13)."

—Don T.

"Thanks for all you do and the well-written info on Prop. 13."

—Kathleen K.



ON THE AIR



HJTA BATTLES BIG-SPENDING OPPONENTS

Your Howard Jarvis Taxpayers Association is gearing up for a fight this fall to protect Proposition 13 from the special interests who want to destroy it. They're putting an initiative on the November ballot that will revoke Prop. 13's protection from business properties.

We expect our opponents to outspend us. They usually do, given that HJTA depends on small donations from our Members to fund our efforts to protect taxpayers.

We work hard to get our message out to all California voters. During the campaign ahead of the March 3 primary, HJTA aired radio ads statewide to expose the truth about the measure labeled "Proposition 13."

HJTA President Jon Coupal told listeners:

There is a measure on the ballot that is numbered 13, but it has nothing to do with the famous Proposition 13 passed in 1978. This Proposition 13 lets the state borrow \$15 billion for school construction projects. As a result, our children will be paying billions in interest costs for the next 35 years!

*Just as bad, this Proposition 13 will raise property taxes. It will let local school districts take on nearly double the debt that current law allows. Listen carefully: This cost will be **in addition to** what you already pay on your property tax bill. Californians already pay some of the highest taxes in the country. Enough is enough.*

We urge you to vote no on this Proposition 13. Visit us at www.hjta.org for more information.



HJTA Vice President of Communications Susan Shelley spoke with CBS-LA's political reporter Randy Paige about HJTA's opposition to the "Proposition 13" on the March ballot.

In addition to radio ads, your HJTA team gave countless interviews to TV, radio and print reporters to make sure the taxpayers' voice was heard.

Many people called and e-mailed to ask why we didn't have TV commercials to counter the ads from our big-spending opponents. The answer, of course, is that TV ads in California are extremely expensive. That's why we'll be joining with a coalition of concerned Californians in the campaign to protect our Proposition 13 in November. With your help, we will prevail. If you'd like to sign up in advance to get a free yard sign this fall, or if you'd like to donate or volunteer, please visit our website at www.hjta.org/protectprop13 and join the fight! □

FIGHT AGAINST THE ATTACK ON PROPOSITION 13! *Continued from page 1*

increase on every business in California, raising the price of everything you buy. It would raise taxes on supermarkets, shopping centers, car dealerships, office buildings, movie theaters, medical offices, restaurants, hotels and every other commercial

or industrial property statewide. Even the smallest kiosk that sells gifts in a shopping mall during the holiday season would see a rent increase due to the reassessment of the mall property and the huge tax increase that would result.

HJTA will be fighting to protect Proposition 13 from this attack, which we believe is "step one" of a long-term plan to destroy Proposition 13 completely and raise taxes on every homeowner.

We're counting on you, our valued Members, to help us win this war.

You can help by signing up for HJTA e-mail alerts and keeping your friends informed too. Visit our website

at www.hjta.org. There you can sign up for e-mails and download our Neighborhood Handout to "tell a friend" about HJTA. Show your friends our Guessing Game tax calculator by clicking the blue button labeled, "See Your Shocking Tax Bill if We Lost Prop. 13."

For information about our campaign to stop the split-roll initiative, click the button labeled, "Support the Campaign to Protect Prop. 13." That will take you to the page on our website where you can request a free yard sign for the November election (they'll be available later this year, after we know the proposition number that will be assigned to the split-roll ballot measure).

You can also download our flyer titled, "What is 'Split Roll'

(and why should I be terrified of it)?" The flyer may be printed or e-mailed, or call our offices to request copies.

And there's one more thing you can do to help. Call your state representatives and urge them to oppose the costly and damaging split-roll initiative. Tell them you're a Member of the Howard Jarvis Taxpayers Association and you support Proposition 13 — without any changes to this landmark taxpayer protection. You can find the names and contact numbers for your representatives by going online to findyourrep.legislature.ca.gov, or check the government pages of your local phone book.

Together, we will win this battle to protect taxpayers. Thank you for your support! □

I would love to see a sign in every yard.

—Jennifer L.

THE LEGAL FRONT

Continued from page 4

Namely, what qualifies as a “use”?

Hardships naturally include lots that are not worth paying \$6,000 to own, such as unbuildable lots, and homes owned by part-time residents, such as professors teaching abroad, touring musicians, deployed soldiers, missionaries in the field or snowbirds. On hearing about Measure W, we also wondered what would happen to a community garden or a retiree’s garden. Indeed, we received many inquiries about these hardships, including a woman in her 80s who gardens on her adjoining unbuildable lot. She received notice she would be charged \$6,000 per year. Is gardening not a “use” of property? Did Oakland voters really want that to happen to her?

There is a sliver of good news in the world of vacant lots and parcel taxes. Parcel taxes are often marketed to voters for school district funding. But in Assembly

Through these new registration fees, vacant lot owners are simply being charged extra, even if they keep their lot perfectly clean and maintained.

Bill 2458, it was recognized that dirt lots do not create a need for education. Thus, effective January 1, 2019, the statute authorizing parcel taxes for school districts was amended such that “unimproved property *may* be taxed at a lower rate than improved property.” But it’s not retroactive and it’s

merely optional as to any new tax proposal. Please watch your local government’s consideration of these taxes and speak up for inclusion of this exemption.

3 Vacant Storefront Taxes

The San Francisco Board of Supervisors has just proposed a vacant storefront tax to go into effect next January. But this assumes there are small-business entrepreneurs waiting on the sidelines who can afford to do business — and to cut through the red tape — in San Francisco. Many have commented that this assumption is false. Of course, the commercial property owners would like to have their space fully rented. Like making unused residential lots harder to use, taxing vacant storefronts will only make it harder to do business in large cities.

The board of supervisors and city attorney acknowledge that a two-thirds vote is required

under Propositions 13 and 218 to pass this new tax, but as with residential vacant parcel taxes, grassroots campaigning will be important to highlight the negative potential impact.

HJTA is watching this growing trend of taxing property for non-use or mild use. Because the word *vacancy* has a negative connotation, the two-thirds vote is easier for your local government to attain, so we encourage grassroots campaigning against any unwise measures as soon as you spot them.

Finally, if you own a vacant lot and are subject to a vacant lot fee or tax, especially one that received no voter approval, please send information to our office. Mail it to: Legal Department, HJTA, 921 11th Street, Suite 1201, Sacramento, CA 95814. Or e-mail it to info@hjta.org. Please put “Vacancy taxes” in the subject line. □

YOUR answered

WILL MY PROPERTY TAXES GO UP IF I BUILD A “GRANNY FLAT” IN THE BACKYARD?

California lawmakers passed a number of laws last year aimed at encouraging homeowners to build accessory dwelling units, also known as ADUs, “granny flats,” “in-law suites” and garage conversions. The Legislature considered these laws a step in the right direction to create more housing in the face of a stubborn shortage that is driving home prices and rents higher and higher.

One of these new laws, Assembly Bill 68, effectively zoned every single-family lot in California for three residences: the main house, a stand-alone ADU, and what the law calls a “junior accessory dwelling unit,” that is, a garage or extra room that has been remodeled to become a separate residence.

Other new laws prohibit cities from charging home-

owners excessive fees or causing delays in the permitting process to build these units. Additionally, local governments are not allowed to require off-street parking for the new residents or insist that the property owner live on-site. Even homeowner associations are no longer allowed to have restrictions on ADUs in their communities if those limitations conflict with state law.

However, with all the effort to encourage the construction of accessory dwelling units, lawmakers skipped over one critical matter: property tax reassessments.

Homeowners who add a granny flat in the backyard or convert a garage to an apartment will receive a new property tax bill. It will reflect the current market value of

that improvement, just as if they added a room addition.

It doesn’t matter whether the granny flat is rented out for extra income or if it’s really granny who’s living in it. The new or renovated square

Homeowners who add a granny flat in the backyard or convert a garage to an apartment will receive a new property tax bill.

footage will be reassessed to market value as of the date of completion of construction.

Adding an accessory dwelling unit or two will not affect the assessment of the

rest of the property. It won’t cause you to “lose Prop. 13.” The tax assessment on your home, except for the new construction, stays the same. As before, it can go up no more than 2 percent per year.

However, if you’re considering adding a granny flat to your property, or adding a shower and a kitchen to the garage and renting it out to help pay the bills, be aware that your property tax bill will go up. The new construction will have a base-year value as of the date of completion. After that, the assessed value of that portion of your property may increase no more than 2 percent per year under Proposition 13.

For more information about reassessment of new construction or renovations, contact your county assessor’s office.

FOUNDATION REPORT

AARON STARR AND ALICIA PERCELL HONORED AS THE HJTA TAXFIGHTERS OF THE YEAR 2019

By Debra Desrosiers

The Howard Jarvis Taxpayers Association is proud to name Aaron Starr and Alicia Percell as the 2019 Taxfighters of the Year. The husband-and-wife team, residents of Ventura County, organized the efforts to qualify *four* initiatives enhancing taxpayer protections that will appear on the November 2020 ballot in the City of Oxnard.

One of their initiatives would require all city meetings to begin no earlier than 5:00 p.m. and require staff presentations to be video-recorded and available to the public prior to the meeting. Another initiative would require the city to meet a minimum level of street maintenance and pavement condition in order for the city to continue collecting a previously voter-approved sales tax increase known as “Measure O.” A third initiative would require the chief financial officer to be elected rather than appointed by the city manager. Their fourth initiative, “permit simplicity,” would allow pre-approved individuals to self-certify building permits to expedite the building approval process.

Fighting for taxpayers is nothing new for Aaron and Alicia. Back in 2016, they successfully spearheaded Measure M, a repeal of a massive sewer rate increase, with 72 percent voter approval. Following the passage of Measure M, the City of Oxnard sued to invalidate the measure, but the superior court upheld Measure M in 2018. The City of Oxnard subsequently appealed the ruling and the case is currently on appeal.



HJTA President Jon Coupal praised Aaron and Alicia for their contributions to our state and community, saying, “HJTA wants to recognize that the voices and efforts of just one or two people can unify a whole community to fight for smart reforms and good legislation. Every individual has the power to act as a guardian for taxpayer rights.”

The Taxfighter of the Year Award is presented annually to honor an individual or group that shows exceptional dedication to protecting taxpayers. This often includes the contribution of a great deal of time, personal funds and energy. Howard Jarvis said the successful passage of Proposition 13 could be summed up in three words: “and then some.” Howard Jarvis would be proud of the unrelenting and consistent efforts Aaron and Alicia make for taxpayers...and then some.

TAX BYTES

HIGH-SPEED SPENDING

The California High-Speed Rail Authority released its draft 2020 Business Plan in February, showing that the cost of the bullet train has gone up by another billion dollars. The report says ridership and revenue for the planned Merced-to-Bakersfield line may be negatively impacted by the need for passengers to take a conventional train to and from the Bay Area and a bus between Bakersfield and L.A.

HIGHWAY ROBBERY

The California Department of Transportation, winner of the Independent Institute’s 2016 Golden Fleece Award for fraud, waste and abuse, now has an Inspector General in charge of making sure tax money is spent as intended. The IG’s first report identified \$13 million spent for “disallowed” purposes, including \$2.5 million on mulch that couldn’t be used because it didn’t meet government standards.

CON GAMES

The California Lottery short-changed schools by \$36 million that should have gone to education during the 2017–2018 fiscal year, according to the state auditor. The Lottery is required to increase its funding for education in proportion to increases in net revenue, but it doesn’t.

MATH MAJOR

The California Public Employee Pension System’s highest annual pension for 2019 went to one of the CalPERS fund’s own investment managers. Curtis Ishii took home a pension of \$418,608, a new record. According to Transparent California, 35,598 CalPERS beneficiaries collected six-figure pensions in 2019, a 15 percent increase from 2018 and up 143 percent from 2012.

SOCIAL MEDIA OUTREACH

HJTA is actively involved in Twitter and Facebook. This is part of an ongoing effort to reach out and spread the word to younger generations about the importance of Proposition 13 to all Californians.



Thank You FOR RECRUITING NEW PROP. 13 SUPPORTERS!

HJTA's hat is off to all of you who have recruited new Members to the taxpayers' cause. Please keep up the good work!

The tax revolt that passed Proposition 13 has always depended on grassroots supporters. Howard Jarvis always fought for average taxpayers who pay

government's bills, and we at HJTA continue his crusade.

Everyone knows at least one person, and probably more, who should join our movement.

The vast majority of those who know about Proposition 13 support it, but many are not aware that their taxpayer protections are

under constant attack by Sacramento politicians.

Taxpayers' best defense is an informed public. You can support Proposition 13 by helping HJTA recruit new Members who will strengthen the taxpayers' cause in Sacramento and throughout the state.

Please use the coupons below to send us the name

and address of at least one taxpayer who would benefit from learning more about Proposition 13 and the tax-fighting work of HJTA. If you know of more than one, provide their information or pass a coupon on to them, and we will be glad to reach out to them as well.

HJTA MEMBERS: HELP HJTA HELP YOU

Howard Jarvis Taxpayers Association is California's number-one taxpayer advocacy organization. By recruiting new Members, we strengthen the taxpayers' cause in Sacramento and throughout the state.

Help protect Proposition 13! Every HJTA Member knows at least one person who should join HJTA. Please send us their names and addresses. HJTA will send them information on our ongoing work and a membership application. Thank you!

Mail to: HJTA, 621 South Westmoreland Avenue, Suite 200, Los Angeles, CA 90005-3971

Please send information on the tax-fighting work of the Howard Jarvis Taxpayers Association and a membership application to:

Name: _____

Street Address: _____

City: _____ State: _____ ZIP: _____

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