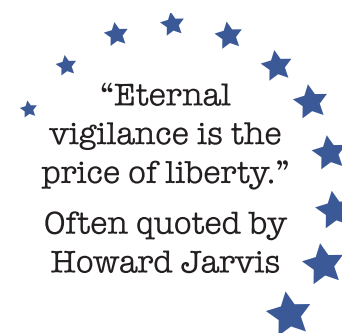


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Taxing Times



The Official Newsletter of the Howard Jarvis Taxpayers Association ★ Howard Jarvis, Founder ★ Vol. 46, Issue 1 ★ Winter 2019–2020

TAXPAYERS SCORE A MAJOR VICTORY, NEW THREATS AHEAD

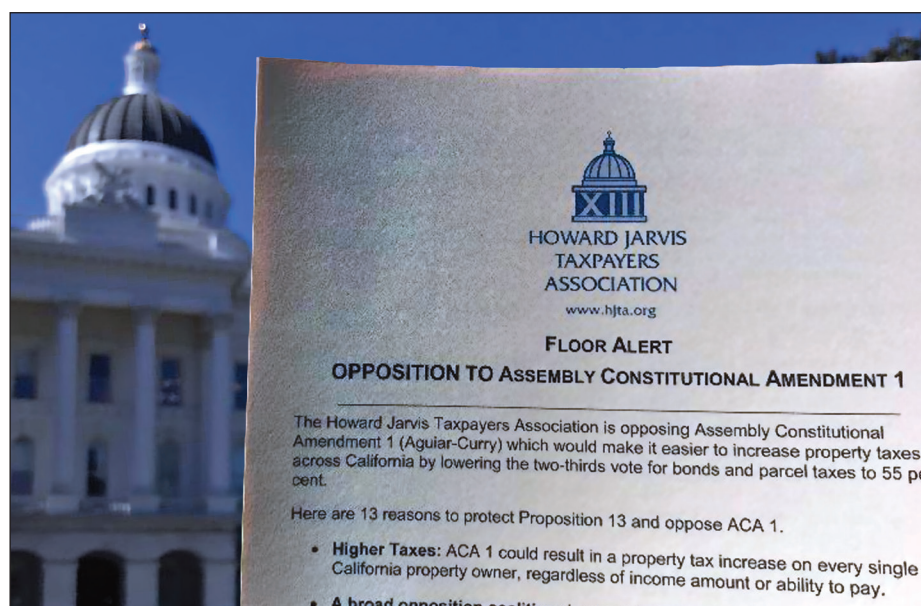
A measure that would have made it easier to raise local taxes throughout California was solidly defeated in a vote on the floor of the state Assembly, a critical victory for taxpayers that was achieved with the help of phone calls and petitions from Members of the Howard Jarvis Taxpayers Association.

Assembly Constitutional Amendment 1 would amend the state constitution to allow taxes for infrastructure or affordable housing to pass with the approval of only 55 percent of the electorate, instead of the two-thirds vote

required by Proposition 13. The measure needed a two-thirds vote in the Assembly to advance to the Senate, but it fell 10 votes short of the 54 needed.

The author of ACA 1, Assembly Member Cecilia Aguiar-Curry, D-Napa, immediately asked for reconsideration, meaning the measure could come up for one more vote. However, it was not brought up for a vote for the rest of the legislative session, which ended in September. Constitutional amendments proposed by the Legislature

Continued on page 9



HJTA WINS COURT VICTORY TO STOP TAXPAYER FUNDING OF CAMPAIGNS

A state appeals court has ruled that tax dollars may not be used to finance political campaigns, tossing out a law passed by the Legislature that attempted to authorize the practice.

The Howard Jarvis Taxpayers Association and retired state Senator and Judge Quentin L. Kopp filed a

lawsuit challenging the validity of Senate Bill 1107, a 2016 California law that sought to allow campaigns to be financed with public funds under some circumstances.

The Third District Court of Appeal ruled that the people of California had banned the practice of public funding of campaigns

when they passed Proposition 73, coauthored by Kopp, in 1988.

“California voters decided to prohibit taxpayer dollars from being used as political slush funds,” said HJTA President Jon Coupal. “If politicians want to change that, they have to take the issue back to the voters.”

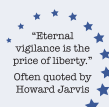
Voters were asked to approve the public financing of campaigns in 2006, when Proposition 89 was on the ballot. It lost by a margin of 74% to 26%.

The loss in the Third District Court of Appeal was even more decisive. The judges' ruling was unanimous. □

Taxing Times

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Answered**

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Report Card**

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**Grassroots
Report**

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PRESIDENT'S MESSAGE

THE GAS-TAX BAIT AND SWITCH

By Jon Coupal

Cassandra of Greek mythology was blessed with the gift of prophecy and doomed by the curse that no one would ever believe her.

Conservatives in California know just how she felt.

California's modern-day Cassandras have repeatedly warned about the misuse and diversion of public funds for roads and highways. In no other area have California voters been lied to more frequently and more brazenly than with transportation spending.

Nearly 30 years ago, voters were told that California's roads, freeways and bridges were crumbling and that spending on transportation was so seriously inadequate that a gas tax increase and other taxes were desperately needed to save California from ruin.

Based on the promises from special interests — in a very well-funded political campaign — in 1990 voters approved in Proposition 111 a nine-cents-a-gallon tax increase combined with a 55 percent increase in truck weight fees.

Demonstrating that not much has changed in three decades, promoters of Prop. 111 trotted out long lists of projects that would be completed with the billions of dollars in new revenue. Advertising focused on the

benefits of Proposition 111, without ever mentioning taxes.

Sound familiar?

Fast-forward to 2017 with the infamous passage of Senate Bill 1, a massive tax increase of another 12 cents per gallon on gasoline, an additional 20 cents per gallon on diesel fuel and a sharp increase in the cost of vehicle registration. Passage was secured in the Legislature through a toxic mix of threats and pork.

There was far more political blowback from the 2017 tax hike than politicians were anticipating.

Nervous legislators responded by swearing up and down that, unlike all the broken promises before, this time the money would actually go to roads and highways.

To show they meant it, the Legislature put Proposition 69 on the June 2018 statewide ballot and claimed it would protect those dollars against the type of diversion that had occurred in the past. But it soon became clear that Prop. 69, mythically named the "Transportation Taxes and Fees Lockbox," was just another smokescreen.

An initiative that would have repealed the gas and vehicle tax hikes, Proposition 6, was defeated

in 2018 following a massive political campaign that claimed that without the extra tax money, bridges would be unsafe and people would be killed by poorly maintained infrastructure.

Again, the advertising in opposition to the repeal was highly sophisticated and targeted. Voters in Los Angeles were told that all road projects in the Southland would stop dead in their tracks if Prop. 6 passed. Similar scare tactics were used in San Francisco, Sacramento and the Central Valley.

Once again, a promise in writing to dedicate gas tax dollars for road construction and maintenance was written in disappearing ink.

In September, Governor Gavin Newsom signed an executive order that has redirected gas tax money to fund railway systems and other projects, rather than repairing and upgrading the state's broken highways and roads. The governor and Caltrans claim that the diversion of funds is justified by the need to do something about climate change.

Upon hearing of the cancellation of projects to widen bottlenecks on Highway 99, Fresno Assembly Member Jim Patterson, one of California's responsible legislators, said angrily, "Instead of

building capacity on our highways to move people and freight, Governor Newsom is funding his pet rail projects throughout the state."

Patterson called it a "theft of funds meant to improve our roadways" and warned that it is "a glimpse into the future."

Cassandra couldn't have said it better.

"The Central Valley is just the beginning," Patterson predicted. "Other road projects will likely be next" to be canceled.

Conservative observers in California have, over the last two decades, implored voters not to trust the current political establishment. Sadly, warnings about corruption, incompetence and misuse of public funds have too often gone unheeded as voters keep electing the same irresponsible politicians. Citizens are now paying the price for their disbelief.

Under the current political regime, Californians are suffering with the worst roads and yet pay the highest transportation taxes.

Cassandra warned of the downfall of Troy. Of course, that's just a myth, unlike the U-Haul trucks you see on the road as Californians flee the state. Those are entirely real. □

Happy Holidays from your
BOARD OF DIRECTORS



Gloria Phillips
John Suttie

Craig Mordoh,
Chairman
Bill Kelso

Gary Holme
Trevor Grimm,
In Memoriam – 1938–2019

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 202, Los Angeles, CA 90005, e-mail us at info@hjta.org, or call us at 213-384-9656.

 Howard Jarvis
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!

YOUR answered

COULD I BE PAYING LESS IN PROPERTY TAXES?

Did you know that Proposition 13 protects all California property owners from tax increases? Even if you bought your home just a few years ago, Prop. 13 is protecting you by preventing the sudden and shocking tax increases that would occur if your property were reassessed to market value on a regular basis. That's what used to happen before voters passed Prop. 13 in June 1978.

Under Prop. 13, the assessed value of your property is the fair market value at the time of sale (usually the purchase price), and for as long as you own it, the assessed value can rise no more than two percent per year, no matter how high the market value of the property may rise.

You might be able to save even more on property taxes if you are eligible for certain exemptions. Check this list to see if you're missing out on any savings:

Homeowners' Exemption

If you own a home and it is your principal place of residence, you may apply for the Homeowners' Exemption, which exempts \$7,000 of your property's assessed value. The Homeowners' Exemption will save you \$70 per year in property taxes. The application form is available from your county assessor's office.

Veterans' Exemption

If you are a single veteran with assets of less than \$5,000, a married veteran with assets of less than \$10,000 or an unmarried surviving spouse of an eligible veteran, you may apply for the Veterans' Exemption, which will subtract \$4,000 from the assessed value of your property, saving you \$40 per year. It is not necessary for the veteran to reside on the property in order to qualify.

Disabled Veterans' Exemption

Individuals who are severely disabled as a result of injury or disease incurred in military service may be eligible for an exemption of up to \$150,000 of the assessed value of their homes. Unmarried surviving spouses may also qualify. The Veterans Administration must certify the veteran's disability.

Disaster Relief

If your property is damaged or destroyed by a calamity such as flooding or fire, you may be eligible for tax relief. To qualify, the loss must exceed \$10,000 of current market value, and you must file a claim with your county assessor's office within 12 months from the date that the destruction or damage occurred. Ask for the form titled, "Application for Reassessment: Property Damaged by Misfortune or Calamity."

Severely and Permanently Disabled Resident Exclusion

If you, or your spouse who lives with you, are severely and permanently disabled, you may buy a home of equal or lesser value and transfer the trended base year value of your current home (the assessed value under Prop. 13) to your new residence. Also, additions and modifications to your home are exempt from reassessment if the changes are made for the purpose of accessibility for a permanent resident with a severe and permanent disability.

Decline-in-Value Review

If the current market value of your home is less than the current assessed value as of January 1, you may be eligible for a temporary reduction in assessed value. To apply, contact your county assessor's office and ask for a Decline-in-Value Review Application.

BEWARE OF PETITIONS TO CHANGE PROPERTY TAXES

Many Members have called our offices to ask if HJTA is behind the signature-gathering efforts going on in front of supermarkets and in shopping malls throughout the state.

The answer is no, HJTA is not associated with any petitions for ballot initiatives in 2020. And we are not supporting any of the currently circulating measures that would change property taxes in California.

So we'd like to clear up any confusion. HJTA *does not* recommend that you sign these initiative petitions:

19-0008 – This is an attack on Proposition 13 that would revoke Prop. 13's protection from business properties, also known as the "split roll." On October 17, Attorney General Xavier Becerra

issued a title and summary for this petition that HJTA believes are extremely misleading. He titled it, "Increases funding for public schools..." and did not state what the measure would actually do—raise taxes on property owners. Our lawyers quickly informed the attorney general of our views, which are shared by other organizations in the coalition that is opposing this measure. Rest assured, we are not resting on this.

19-0003 – This measure, sponsored by the California Association of Realtors, would expand portability of Prop. 13 base-year assessments, removing some restrictions to make it easier for older homeowners to buy a replacement property and transfer their current property

tax assessment to the new home. However, this change would come at an unacceptably high price. The measure also would revoke Proposition 13's protection from inherited homes that parents leave to their children, unless the children use the home as their principal residence. If the heirs don't move in, the home will be reassessed to market value.

HJTA believes that no one should be forced to sell their family's home because of a sharp increase in property taxes upon the death of a parent. Transfers of property between parents and children, and sometimes grandparents and grandchildren, are exempt from reassessment under current law, and HJTA thinks that's the way it should stay.

19-0004 – This is another

version of the measure sponsored by the California Association of Realtors. Like 19-0003, it would expand portability and revoke the exemption from reassessment for property transferred between parents and children.

All these measures are currently in the signature-gathering process to potentially qualify for the November 2020 ballot.

If you would like more information about parent-child and grandparent-grandchild transfers of property under current law, visit our website at www.hjta.org and look for "Propositions 58 and 193" under the "Propositions" tab. For more information about senior transfers of base-year assessments to a replacement property, click "Propositions 60 and 90." □



THE LEGAL FRONT

PROTECTING THE TWO-THIRDS VOTE REQUIREMENT

By Tim Bittle, Director of Legal Affairs

My partner here at HJTA, Laura Dougherty, wrote a column in February about our efforts to defend the two-thirds vote against multiple attacks — in the Legislature, in the courtroom and at the ballot box. I want to update you with news from the front lines in each of these battles.

As most of our readers know, local taxes are classified as either “general taxes” or “special taxes.” “General taxes” are unrestricted taxes that are deposited in the General Fund and can be budgeted at the discretion of the governing body for any public purpose. “Special taxes” are taxes that have strings attached because they have been dedicated to one or more specific purposes. They are either segregated in a separate fund or accounted for through separate bookkeeping entries.

All new taxes and tax increases require voter approval. General taxes need the approval of only a simple majority. Special taxes, however, need two-thirds approval. The only exception is for taxes to repay school bonds, which, although they are special taxes, require only 55% approval thanks to Proposition 39.

The two-thirds vote requirement for all other special taxes provides an important protection for taxpayers. General taxes come to the ballot at a disadvantage because voters naturally distrust the government when it asks for a tax increase but refuses to make any commitment as to how the money will be spent. Conversely, special taxes enjoy a huge advantage at the ballot box because they are almost always “dedicated” to some popular public service, such as police protection or park maintenance. When people are convinced by the pro-tax campaign that, without more funding, their police or parks are at risk, they will generally vote to raise taxes.

I put quotation marks around the word “dedicated” in the preceding paragraph because municipal budgeting is a shell game. The thing that really needs more money might be (and often

is) the city’s pension debt for retired public employees. But no one would vote to raise taxes for that. So the city “dedicates” the tax to parks, which frees up money in the parks budget that now can be transferred to the pension fund. To offset the advantage of this sort of gamesmanship, Propositions 13 and 218 provide the important protection of a two-thirds vote requirement for special taxes.

Government officials, however, want to have their cake and eat it too. That is, they want the election advantage that comes with linking the tax to a popular public service, but they don’t want the higher approval threshold that comes with it. So they get creative.

One way government officials try to evade the two-thirds vote requirement is through the use of

Propositions 13 and 218 provide the important protection of a two-thirds vote requirement for special taxes.

an “advisory measure.” They will propose the tax as an undedicated general tax needing only a simple majority vote. We’ll call that Measure A. Then, in a separate companion measure on the same ballot (Measure B), they’ll ask voters to “advise” them to spend the new tax revenue on police or parks. HJTA challenged this bifurcated special tax scheme in a case called *Johnson v. County of Mendocino*. We lost. Fortunately, however, these A/B schemes are not very popular because statistics show that voters usually approve the advisory measure but reject the tax measure.

Another way government officials try to evade the two-thirds vote is by proposing a general



tax, but including in the ballot language a detailed description of popular public services that are supported by general taxes. For example, this was the ballot question for Measure K, a proposed sales tax increase on the November 2018 ballot in Yuba County:

“To maintain and protect essential services such as 9-1-1 emergency medical/fire response; improving wildland fire containment; maintaining 24-hour sheriff’s patrol; attracting/retaining jobs, businesses, and qualified sheriff deputies; and other essential services, shall the measure to establish a 1 cent sales tax for 10 years in unincorporated Yuba County, providing an estimated \$4,300,000 annually requiring accountability, citizens’ oversight/audits, and all revenue controlled locally, be adopted?”

When Yuba County declared that Measure K passed with 53% of the vote, HJTA sued the county, arguing that the ballot question described a special tax, which triggered the two-thirds vote requirement. We won.

As time goes on, hostility toward the two-thirds vote requirement intensifies, resulting in even bolder attacks on this important right. On the legislative front, a bill was introduced this year that could have amended the constitution to drastically reduce the two-thirds vote. That bill, ACA 1, would have expanded the 55% vote currently applicable only to school bonds so that it applied to many other special taxes as well.

ACA 1 cleared all of its policy committee hurdles, but — thanks to the tireless work of HJTA’s lobbyist, David Wolfe — when the bill came up for a full vote on the Assembly floor, it fell far short of the votes it needed to pass.

On the judicial front, as Laura described in her February column, the city attorney for the City of San Francisco published an opinion letter declaring that the two-thirds vote requirement applies only to special taxes proposed by government officials. In his opinion, it does not apply to special taxes proposed by a citizens’ initiative. Leaping on that opinion, San Francisco government officials, supposedly acting as mere “citizens,” circulated initiative petitions proposing higher taxes for a variety of new city programs. Once they obtained the requisite number of signatures, they placed those initiatives on the ballot, then declared them passed with bare majority approvals. This then raised the question in other cities, including Oakland and Fresno, as to whether special tax initiatives on the ballot in those cities had passed with bare majorities. HJTA sued San Francisco. Another group of plaintiffs sued Oakland. In Fresno, where the initiative proponents sued the city, and the city took a “neutral” position, HJTA intervened to defend the two-thirds vote.

As of this writing, we have decisions from the trial courts in San Francisco and Fresno. HJTA

Continued on page 9

2019 HJTA LEGISLATIVE REPORT CARD

Our report card is designed to help Californians gauge how their state representatives are actually performing on taxpayer-related issues, including but not limited to tax increases and direct attacks on Proposition 13.

This year, we changed our scoring system slightly to remove policy committee votes so that only floor votes are considered. This allows all legislators to vote on a bill at the same time and removes the potential risk of grade inflation. Abstention votes on legislation count as half credit.

For the first time, a Democrat — Assemblywoman **Cottie Petrie-Norris** (Laguna Beach) — received a perfect 100 percent. Fourteen other legislators also received perfect scores: Assembly Members **Bill Brough, Vince Fong, Tom Lackey, Devon Mathis, Melissa Melendez, Jay Obernolte** and **Randy Voepel**, and State Senators **Patricia Bates, Ling Ling Chang**, Senate Republican Leader **Shannon Grove, Brian Jones, Mike Morrell, Jeff Stone** and **Scott Wilk**.

The 2019 scores stem from nine bills. For more information about our methodology and scoring system, go to www.hjta.org, or e-mail Legislative Director David Wolfe at david@hjta.org. Find your representatives at findyourrep.legislature.ca.gov or in the White Pages.

SENATOR SUMMARY			
SENATOR	PARTY	GRADE	%
Allen	D	F	0
Archuleta	D	F	6.3
Atkins	D	F	0
Bates	R	A	100
Beall	D	F	0
Borgeas	R	A	93.8
Bradford	D	F	0
Caballero	D	F	0
Chang	R	A	100
Dahle	R	B	80
Dodd	D	F	6.3
Durazo	D	F	0
Galgiani	D	F	12.5
Glazer	D	F	18.8
Gonzalez	D	F	0
Grove	R	A	100
Hertzberg	D	F	6.3
Hill	D	F	0
Hueso	D	F	0
Hurtado	D	F	18.8
Jackson	D	F	0
Jones	R	A	100
Leyva	D	F	0
McGuire	D	F	0
Mitchell	D	F	6.3
Monning	D	F	0
Moorlach	R	C	75
Morrell	R	A	100
Nielsen	R	B	87.5
Pan	D	F	0
Portantino	D	F	0
Roth	D	F	12.5
Rubio, Susan	D	F	0
Skinner	D	F	0
Stern	D	F	0
Stone	R	A	100
Umberg	D	F	31.3
Wieckowski	D	F	0
Wiener	D	F	0
Wilk	R	A	100

LEGISLATOR SUMMARY							
ASSEMBLY MEMBER	PARTY	GRADE	%	ASSEMBLY MEMBER	PARTY	GRADE	%
Aguiar-Curry	D	F	0	Kalra	D	F	0
Arambula	D	F	5	Kamlager-Dove	D	F	4.5
Bauer-Kahan	D	D	59.1	Kiley	R	A	90.9
Berman	D	F	0	Lackey	R	A	100
Bigelow	R	A	90.9	Levine	D	F	31.8
Bloom	D	F	0	Limon	D	F	0
Boerner Horvath	D	D	68.1	Low	D	F	0
Bonta	D	F	0	Maienschein	D	F	31.8
Brough	R	A	100	Mathis	R	A	100
Burke	D	F	0	Mayes	R	D	63.6
Calderon	D	F	4.5	McCarty	D	F	0
Carrillo	D	F	0	Medina	D	F	4.5
Cervantes	D	B	86.3	Melendez	R	A	100
Chau	D	F	0	Mullin	D	F	0
Chen	R	A	90.9	Muratsuchi	D	F	36.4
Chiu	D	F	0	Nazarian	D	F	4.5
Choi	R	A	95.4	Obernolte	R	A	100
Chu	D	F	0	O'Donnell	D	F	4.5
Cooley	D	F	40.8	Patterson	R	A	95.4
Cooper	D	F	4.5	Petrie-Norris	D	A	100
Cunningham	R	B	81.8	Quirk	D	F	0
Daly	D	F	22.7	Quirk-Silva	D	A	90.9
Diep	R	B	86.3	Ramos	D	F	27.3
Eggman	D	F	0	Rendon	D	F	0
Flora	R	A	90.9	Reyes	D	F	0
Fong	R	A	100	Rivas, Luz	D	F	0
Frazier	D	F	27.1	Rivas, Robert	D	F	0
Friedman	D	F	0	Rodriguez	D	F	4.5
Gabriel	D	F	4.5	Rubio	D	F	9.1
Gallagher	R	A	95.4	Salas	D	B	86.3
Garcia, C.	D	F	22.7	Santiago	D	F	0
Garcia, E.	D	F	13.6	Smith	D	D	54.6
Gipson	D	F	0	Stone	D	F	0
Gloria	D	F	0	Ting	D	F	0
Gonzalez	D	F	18.2	Voepel	R	A	100
Gray	D	F	13.6	Waldron	R	A	90.9
Grayson	D	F	4.5	Weber	D	F	0
Holden	D	F	0	Wicks	D	F	0
Irwin	D	D	68.1	Wood	D	F	0
Jones-Sawyer	D	F	0				

SENATOR SUMMARY:

A = 8 (90–100%)
B = 2 (80–89%)
C = 1 (70–79%)
D = 0 (51–69%)
F = 29 (0–50%)

ASSEMBLY MEMBER SUMMARY:

A = 17 (90–100%)
B = 4 (80–89%)
C = 0 (70–79%)
D = 5 (51–69%)
F = 53 (0–50%)

Brian Dahle resigned his Assembly seat in Assembly District 1 after winning a special election for the Senate District 1 seat. His Assembly votes are included in his Senate score.

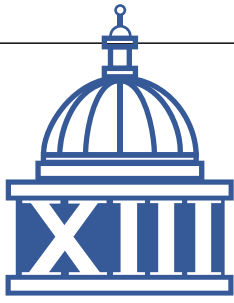
Due to Assembly District 1 being vacant, only 79 Assembly Members are scored.

For AB 116, AB 723 and SB 268, only floor votes taken in September are included in the scorecard due to the bills being gutted and amended.

For SB 96, only the final floor votes in both the Assembly and Senate are counted in the scorecard.

For SB 128, only votes taken before March 30 are counted due to the bill being gutted and amended.

UNDER THE DOME



LEGISLATURE FEELS THE HEAT FROM TAXPAYERS

By David Wolfe, Legislative Director

California's 2019 legislative session recently came to a merciful end, with over 1,000 bills sent to Governor Gavin Newsom for his signature or veto. But as often happens, it was the bills *not* sent to the governor that will bring taxpayers the most relief. Chief among these proposals was the most dangerous threat to Proposition 13 in the last five years, which thankfully was defeated.

Proposition 13 has been called the third rail of California politics. Touch it, and the electric shock risks ending your political career. However, few have been as bold in their attack on this landmark proposition as Assembly Member Cecilia

Emboldened by a two-thirds legislative supermajority in the Assembly, Aguiar-Curry attempted to muscle the bill through.

Aguiar-Curry, D-Winters. She introduced Assembly Constitutional Amendment 1 (ACA 1), a bill to make it easier to raise taxes at the local level by lowering the vote needed to approve bonds and special taxes from two-thirds to just 55 percent.

Typically, direct assaults on Prop. 13 fail to receive votes of the full Assembly or Senate. It is difficult for Democrats in marginal or suburban districts to support these bills, so legislative leaders hesitate to bring them to the floor for a vote. But emboldened by a two-thirds legislative supermajority in the Assembly, Aguiar-Curry attempted to muscle the bill through.

ACA 1 received just 44 votes, 10 votes shy of the 54 needed for passage. Seventeen of 61 Democrats either opposed or abstained on the bill. While we are thankful that Proposition 13 remains intact, we are under no illusions that the battle is over. Aguiar-Curry has already publicly pledged that she intends to try again.

The defeat of ACA 1 is not the only victory for taxpayers. Interestingly, a number of punishing tax-hike proposals never came up for full legislative votes. These included Senate Constitutional Amendment 5, which would have lowered the vote required to pass local education parcel taxes from two-thirds to 55 percent. Other proposals that didn't make it to floor votes were taxes on handguns and ammunition, sweetened beverages, water from your tap, opioids, tires and crude oil as it comes up out of the ground.

Also not coming up for a vote were proposals for an estate tax in addition to the federal exaction, and a sales tax on previously exempt business-to-business services. All told, Californians were spared tens of billions of dollars in tax hikes because the proposals stalled early in the legislative process.

Unfortunately, two taxes were passed by the Legislature. Assembly Bill 142 doubles the existing \$1 car battery tax at the point of sale to \$2. Two Republicans provided the critical votes for passage. The other tax was Senate Bill 96, which will impose a surcharge of up to 70 cents per month on your cell phone bill to pay for a new statewide 911 emergency service.

Recent devastating disasters in Sonoma and Napa counties,

Paradise and Montecito highlight the need for an upgrade. But the surcharge could result in revenue totaling \$400 million annually, far more than the \$175 million of one-time funds needed to replace the system. This tax hike is yet another example of California's misplaced priorities, because

Other proposals that didn't make it to floor votes were taxes on handguns and ammunition, sweetened beverages, water from your tap, opioids, tires and crude oil as it comes up out of the ground.

funding public safety should always have the first call on general fund revenue without the need to raise taxes.

Why were several Democrats reluctant to jump on the tax hike train? Three reasons stand out. The first was the recall of Josh Newman, the state senator who was removed from office last year following his votes on the gas tax, cap and trade and single-payer health care. Second, the massive failure of Measure EE in June, a large parcel tax proposed by the Los Angeles Unified School District, caused politicians to rethink California's appetite for higher taxes. Third, recent polling this year shows little appetite for regressive property tax increases. Various Public Policy Institute of California (PPIC) polls show Proposition 13 with over 60 percent support, roughly the same amount it was approved by over 40 years ago. A majority of Californians across all

demographics and geographic locations oppose increased local parcel taxes. And a potential upcoming commercial property tax increase, called split roll, is already opposed by a majority of Californians before the statewide ballot measure campaign against it has even begun.

Coming into 2019, many HJTA members called our office, clearly discouraged over what they perceived to be a dominant Democrat supermajority ready to take apart Proposition 13. But the forces in favor of tax hikes were not successful, in no small part because of the phone calls and e-mails from all of you. No matter how large the supermajority, when the public is informed about what its government is doing, it's the taxpayers who come out on the winning side. Thank you for your advocacy that makes such victories possible.

As I write this, Governor Newsom is signing and vetoing hundreds of bills, a process he has until October 13 to complete. HJTA submitted letters to him on 14 bills. Go to the "Legislative Action" page at www.hjta.org to see his final position on these bills. Any questions can, as

Funding public safety should always have the first call on general fund revenue without the need to raise taxes.

always, be directed to me, david@hjta.org. For thirteen years now, it remains a pleasure to serve you in the hallways of the state Capitol.

GRASSROOTS REPORT

GEARING UP FOR A BUSY YEAR AHEAD

By Eric Eisenhammer, HJTA Director of Grassroots Operations

One of the questions we're asked most often is, "How is HJTA going to protect Proposition 13?" The answer, of course, is that we're all going to protect Proposition 13 — all of us, working together.

Everything you'll need to know can be found on the Howard Jarvis Taxpayers Association website at www.hjta.org. Here's a brief tour:

1 Our **Tell-a-Friend** neighborhood handout is a two-page printable flyer that can also be e-mailed. It's designed to provide a quick overview of the work HJTA does to protect taxpayers, and it includes a convenient tear-off membership application. The Tell-a-Friend flyer will also be available in Spanish. Check the website for the latest updates. For printed copies, call our Los Angeles office at 213-384-9656 or our Sacramento office at 916-444-9950.

2 See your shocking tax bill if we LOST PROP. 13. Click the button with that wording on the HJTA website to show your friends and neighbors how high their property taxes would be if Proposition 13 had never passed. Our Guessing Game tax calculator will show you the scary what-if tax bill. Simply type in the current market value of any property and press the button. (Before Prop. 13 passed in 1978, property tax assessments were based on current market value, and the statewide average tax rate was 2.67%.) You can even use a smartphone to try the calculator. Go to www.GuessingGame.org and show your neighbors what their tax bill would be without Prop. 13. Make sure they're sitting down.

3 Support the campaign to Protect Prop. 13. HJTA's special campaign committee, Protect Prop. 13, is dedicated to working on ballot measures — supporting

HJTA Website Home Page

Pledge

5 HOWARD JARVIS TAXPAYERS ASSOCIATION

PLEDGE TO STAND UP FOR TAXPAYERS

I, _____, am a candidate for the office of _____ in the election to be held on _____.

I hereby make the following pledge:

I support Proposition 13, the initiative constitutional amendment passed by voters in 1978 to limit taxes and give taxpayers greater control over taxation.

I believe Proposition 13 is fair, valuing property for tax purposes as of the date of purchase and allowing only limited annual increases for inflation, in order to prevent the taxation of "paper profits."

I believe taxpayers have a right to vote on all tax increases.

I support California's system of citizen access to the initiative process.

I believe that a two-thirds vote of the electorate should be required to approve local bonds that must be repaid by property owners.

I support the Right to Vote on Taxes Act, Proposition 218, passed by voters in 1996 to strengthen the right of local taxpayers to vote on taxes and require a vote of property owners to approve assessments on property.

Signed, _____

Date: _____

STAY
CONNECTED!

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

THE PRIMARY ELECTION

is Tuesday, March 3, 2020.

the MAIL Bag

"Thank you
for all you do."
—L.C.,
Los Altos

"I am sending
an additional
voluntary special
HJTA donation to
recruit and fight
for Prop. 13."

—G.P., San Jose

"Save
Prop. 13."
—R.M.,
Meadow Vista

"If we let them get
any foothold in
diminishing Prop.
13, it will eventually
trickle to all of us!"

—D.M., Burlingame

"WE LOVE
YOU!"

—M.R.,
Pacific Palisades

"Thank you
for continuing
to defend and
protect Prop 13!"

—D.T.,
San Diego County

"Thank you,
HJTA."

—V.J.,
South Gate

"Thank you
for all your
hard work
and keeping
us informed!"

—E.B.,
San Clemente

"I couldn't afford
to stay if I lost
my Prop. 13 taxes.
Thank you!"

—L.A.,
Solana Beach

"Thank you
for all you do
for California!"

—S.H.,
Los Angeles

"Thank you
for your work
on saving
Prop. 13!"

—P.W., Vista



A GREAT IDEA

Pass Along Taxing Times!

When a Member passed along the following suggestion, we at HJTA thought it was terrific!

When I finish reading my paper, I never throw it away. I always place it in some public place, which is often a common space at work or some other public place where I believe someone not acquainted with the HJTA would benefit. I am careful to remove my personal identification from the head of the paper since I often place the paper at work and the placement of anything political is forbidden. Again the point is to spread the message to others and introduce them to what far too many do not realize, which is the ill economic effects created by California's elected class.

Taxing Times





With politicians and special interests plotting the destruction of Proposition 13 at every turn, the Howard Jarvis Taxpayers Association launched a statewide radio ad campaign in October to defend the landmark taxpayer protection and urge Californians to fight new efforts to dismantle it. In the ad, HJTA President Jon Coupal told listeners:

Proposition 13 [is] the initiative that has saved millions of Californians from being forced out of their homes by big increases in property taxes.

But there's more work to do. California already has the nation's highest income tax, highest state sales tax, highest gas tax and highest vehicle taxes.

And now, politicians and special interests want even more of our money. They're out to destroy Proposition 13 and increase your property taxes.

HJTA DEFENDS PROP. 13 IN RADIO AD CAMPAIGN

You can help stop this insanity. To learn more about threats to California taxpayers and Prop. 13, go to hjta.org and join the Howard Jarvis Taxpayers Association. HJTA is your insurance against higher property taxes.

The ad ran in all of California's major media markets.

Jon Coupal said the informational campaign was made possible by the support of HJTA Members. "I would like to extend my personal thanks to our Members for their generous donations," he said. "We're informing all Californians about the importance of protecting Proposition 13, and we couldn't do it without you."



TAXPAYERS SCORE A MAJOR VICTORY *Continued from page 1*

require a two-thirds vote in each house, and the approval of a simple majority of voters statewide.

The failure of ACA 1 in the Assembly dashed the hopes of tax-raisers who wanted to push the measure through the Senate quickly enough to get it on the March statewide ballot. Now Aguiar-Curry has only the option of the November ballot, where a traffic jam of other tax increase proposals is beginning to develop.

One measure that has already qualified for the November ballot is an initiative called "The California Schools and Local Communities Funding Act." The initiative would cut deeply into Proposition 13 by revoking its protections from business properties. Office buildings, shopping malls, factories, warehouses and most other commercial property would be reassessed to current market value at least every three years.

This is the so-called split roll,

which would split the county assessors' lists of taxable properties (the tax roll) into two categories: residential (homes and apartments) and commercial (businesses and industrial properties). For the first time in California history, commercial properties would be taxed differently from residential. Currently, all properties are assessed under Proposition 13 at the fair market value at the time of the most recent sale, plus an annual adjustment for inflation of no more than two percent.

Under the "Schools and Local Communities Funding Act," most business properties would be hit with a massive tax increase, repeated every few years as property values increased.

Although this initiative had previously qualified for the November 2020 ballot, proponents have written a new version to address criticism of some aspects of the measure as well as poor polling results.

Signature gathering is underway again.

Another tax increase that could be on the November 2020 ballot comes from the California School Boards Association and the Association of California



School Administrators. The "Full and Fair Funding" initiative would increase California's income tax, already the highest in the nation with a top marginal rate of 13.3 percent. The proposed initiative would increase the

personal income tax rate on high earners by up to three percentage points, bringing the top marginal rate to 16.3 percent, while also increasing the state's corporate tax rate by five percentage points on companies with more than \$1 million in earnings.

And that's not all. Governor Newsom signed a \$15 billion bond measure that would authorize state borrowing to pay for school construction. It will be on the March statewide ballot, misleadingly numbered "Proposition 13."

It will be a challenging year, but taxpayers can prevail by working hard to spread the word about reckless tax increases, wasteful spending and threats to Proposition 13. Invite your friends to sign up for e-mail alerts from HJTA and to join if they're not already members. You can find more information online at our website, www.hjta.org. □

THE LEGAL FRONT

Continued from page 4

lost in San Francisco but won in Fresno. Appeals are expected to follow. If the courts of appeal divide as well, the California Supreme Court will be forced to resolve the split. The composition of that Court has changed considerably in recent years due to

Jerry Brown appointing four new members to that seven-member court while he was governor. We will continue to keep you updated as we fight these battles to protect Proposition 13, Proposition 218 and the two-thirds vote for special taxes. □

HJTA.ORG

Your source for everything
Proposition 13 and
for information valuable
to California taxpayers



ARE YOU ELIGIBLE FOR AN EXEMPTION FROM PARCEL TAXES?

Property owners in Los Angeles County received an unwelcome surprise on their recent property tax bills—a new parcel tax for the “Safe Clean Water” program, approved by voters as Measure W on the November 2018 ballot.

The new tax is 2.5 cents per square foot of “impermeable area,” such as driveways, decks, homes and garages. Officials used satellite photography and computer software to calculate the tax for each parcel of property in the county.

Measure W provided for an exemption for low-income senior citizens. If you are the owner-occupier of your home and all the adults living there are age 62 or over, and if your household qualifies as “low income” as determined annually by the California Department of Housing and Community Development, you’re eligible for an exemption from the tax.

For fiscal years 2019–20 and 2020–21, the L.A. County low-income limit is a household

income of \$58,450 if one person lives in the household, \$66,800 if two people live there, and \$75,150 if there are three residents.

To receive the Low-Income Senior-Owned exemption, you’ll have to complete an application form and submit it, along with required documentation, postmarked by May 1, 2020.

The application for the exemption is available on the HJTA website at <https://www.hjta.org/resources/taxpayer-tools/Low-Income-Senior-Owned-exemption>.

Property owners must file a new application for the exemption every year, no later than May 1. Applicants must reach the age of 62 (or older) before June 30 of the current fiscal year in order to get the exemption for the following fiscal year. (The fiscal year is the same as the tax year, running from July 1 through June 30.)

For the first Safe Clean Water fiscal year (FY 2019–20), Low-Income Senior-Owned tax exemption applications will be

accepted until May 1, 2020, and are valid for both FY 2019–20 and 2020–21.

Separately, there is an appeals process for property owners who believe **their tax has been calculated incorrectly. Appeals can be filed with the L.A. County Flood Control District. Credits may be available for property owners who have made stormwater-capture improvements on their property.**

For more information, call the Safe Clean Water Program at 833-ASK-SCWP (833-275-7297) or e-mail SafeCleanWaterLA@pw.lacounty.gov.

Many local parcel taxes passed by voters include exemptions for some eligible taxpayers. If you think you might be eligible, check your property tax bill for the phone numbers of districts and agencies that are collecting parcel taxes. Give them a call and ask if there are any exemptions for seniors, low-income households or other qualifying taxpayers.



HOWARD JARVIS
TAXPAYERS
ASSOCIATION

**IS THE
TAXPAYERS’
RESOURCE**

Visit the
HJTA
website
at
www.hjta.org.

Thank you
to all HJTA
Members
for making
this work
on your
behalf
possible.

THE GUESSING GAME

**HOW HIGH WOULD YOUR TAXES BE
WITHOUT PROPOSITION 13?**

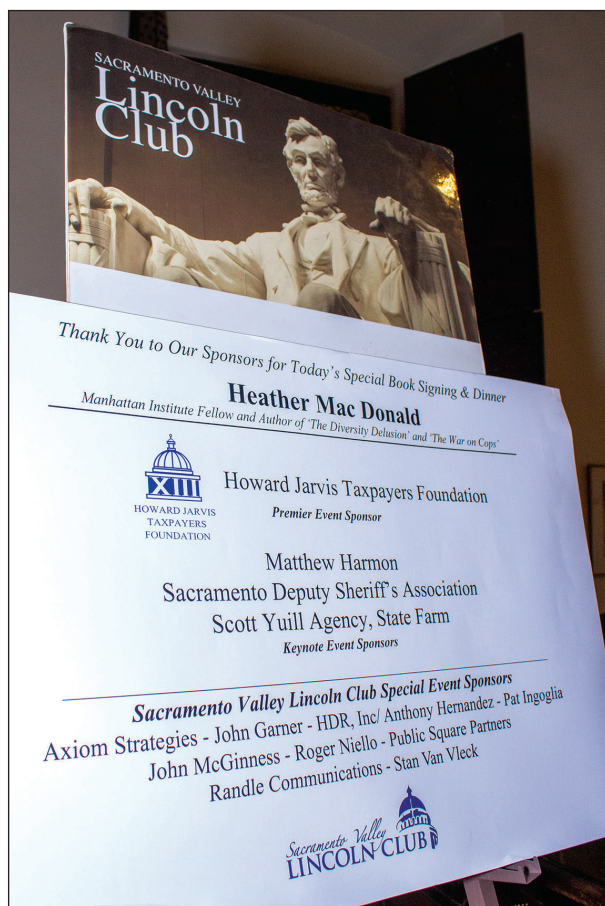
**TRY OUR TAX CALCULATOR
ONLINE AND FIND OUT!**

<http://guessinggame.org>

Guess no more! Your property taxes may be a game to politicians but not to Howard Jarvis Taxpayers Association, the taxpayers’ resource. Visit us online and enter the estimated current market value of your home to find out how much you could be paying in property taxes without Proposition 13.

FOUNDATION REPORT

HJTF HIGHLIGHTS GREAT WORK



The Howard Jarvis Taxpayers Foundation funds legal and educational efforts on behalf of taxpayers, and in September we were pleased to be the premier event sponsor when the Sacramento Valley Lincoln Club presented Heather Mac Donald, Manhattan Institute Fellow and author of *The Diversity Delusion* and *The War on Cops*.

The Foundation also honored Marin's Coalition of Sensible Taxpayers, also known as CO\$T, with the 2018 Taxfighter of the Year award. HJTF Chairman Jon Coupal dropped by to personally present the award to CO\$T's president and founder, Mimi Willard.



TAX BYTES

EXPERIENCING TECHNICAL DIFFICULTIES

The budget for the California state government's long-overdue accounting program, Fi\$Cal, has now soared past \$1 billion. Work on the project began in 2004, and the deadline for completion has just been extended, again, to July 2020. A Department of Finance official blamed the delay on state workers being slow to adapt to change.

FAIR-LEE EXPENSIVE

The Fairs and Exhibitions branch of the California Department of Food and Agriculture failed to oversee spending by a district agricultural association that ran up hundreds of thousands of dollars in improper expenses. The association spent \$30,048 on illegal and excessive out-of-state travel, ran up \$132,584 on credit cards with no receipts and took 15 people out to a dinner of lobster, crab, steak, prime rib and premium liquor that cost \$2,376.66.

MORE TECHNICAL DIFFICULTIES

A new computer program in the Department of Consumer Affairs ballooned in cost from a \$27 million estimate to \$100 million. When the program was used by the Board of Registered Nursing, it increased the time needed to license new nurses from six weeks to five months.

CAN'T SPEND IT FAST ENOUGH

California Treasurer Fiona Ma gave the keynote speech at the Bond Buyer's California Public Finance Conference and asked the audience to reach out to her office with creative financing ideas because the state's \$21 billion surplus isn't enough for all the new spending the state government wants to do.

STILL HAVING TECHNICAL DIFFICULTIES

A new payroll system for the University of California that has been in the works since 2011 has now cost \$504 million, up from an original estimate of \$170 million, and it still isn't working.

TAXPAYER ALERT

ON MARCH 3, VOTE NO ON THE \$15 BILLION BOND MEASURE

A bond measure on the March 3 statewide ballot would authorize \$15 billion in new debt to be repaid by California taxpayers. This unnecessary borrowing will cost nearly \$600 million in annual General Fund money to pay off, every year for the next 30 years. While the state might be able to absorb this cost now, it may be less able to accomplish that during a recession.

It's just too much. But for politicians, it's never enough.

As recently as November 2016, voters passed Proposition 51, a \$9 billion General Obligation bond for schools and community

colleges. That followed an \$8 billion bond, Proposition 1D, in 2006.

Borrowed money isn't free money. California already has more than \$158 billion of outstanding bonds and authorized, unissued bonds. How much are we paying? In 2000–2001, General Fund payments for bond debt added up to \$2.9 billion annually. Last year it was up to \$8.1 billion.

Bond debt can become a devastating burden on taxpayers, who are obligated to pay it ahead of other expenses for government services.

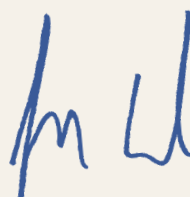
There's another huge problem with this massive

statewide bond measure: It nearly doubles the bond limits at the *local level*. Local bonds are repaid exclusively through *property taxes*, meaning that if this bond passes, your property taxes almost surely will increase as well. That's why the Howard Jarvis Taxpayers Association opposes this measure.

You can find all the HJTA PAC's ballot measure recommendations, candidate endorsements and other helpful information on our website at www.hjta.org/election-information/for-voters. Look for the link under the "Resources" tab on the menu. □

THANK YOU, HJTA MEMBERS...

...for helping to protect Proposition 13 and for supporting our work on your behalf!



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 pass along this coupon or just 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 202, 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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