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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 3 ★ Fall 2020

## ATTACK ON PROPOSITION 13 MAKES THE NOVEMBER BALLOT: **NO ON 15**

The long-expected attack on Proposition 13 will be Proposition 15 on California's statewide ballot in the November 3 election.

Proposition 15 would revoke Proposition 13's protection from business properties, effectively raising taxes on nearly every business in California, not just once, but over and over again.

California has always taxed all property under the same rates and rules, a practice that goes back to the 1800s. Proposition 15 would, for the first time in California history, “split the roll,” dividing the county assessors' list of taxable properties into different categories based on how the properties are

used and how much they are worth, then taxing them differently.

Under Proposition 15, commercial and industrial properties would be reassessed to current market value every three years.

Because 1978's Proposition 13 limits annual increases in the assessed value of any property to no more than 2 percent until there is a change in ownership, the owners of long-held business properties who lose Proposition 13 will see massive tax increases when their properties are reassessed.

What business properties would be affected? Supermarkets, shopping malls, office buildings,



movie theaters, sports arenas and stadiums, car washes, car dealerships and auto repair facilities, warehouses, factories and distribution centers, film and

television production facilities, theme parks, convention centers, hotels and restaurants, hair salons, nail salons, gyms, yoga studios,  
*Continued on page 10*

## POLITICIANS SEEK A BILLION-DOLLAR TAX INCREASE WITH PROPOSITION 19

State lawmakers made a last-minute deal to put a tax-hiking constitutional amendment on the November ballot for voter approval.

The measure is Proposition 19. It takes away two important

taxpayer protections that are enshrined in the State Constitution, and it replaces them with a billion-dollar tax increase.

Proposition 19 would eliminate Proposition 58, the 1986 measure that allows parents to transfer a

home and limited other property to their children without the property being reassessed to market value. This allows the transfer of property within families while keeping the property tax bill the same under Proposition 13.

If Proposition 19 passes, children taking ownership of the family home would receive a new property tax bill for 1 percent of the property's current market value. The measure makes an exception  
*Continued on page 9*

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**Sacramento's Budget Games Are Abusive to Taxpayers**

*See page 2*

**Using Technology to Fight for Taxpayers During COVID Lockdown**

*See page 4*

**Endorsements and Ballot-Measure Recommendations**

*See pages 7 and 8*



## PRESIDENT'S MESSAGE

# SACRAMENTO'S BUDGET GAMES ARE ABUSIVE TO TAXPAYERS

By Jon Coupal

California's budget process has become so warped it would make even Niccolò Machiavelli blush. The annual spending plan was never easy for citizens, the media and even political insiders to understand. But for the last decade, it has been perverted into a wholly political process devoid of transparency.

Sacramento politicians will crow that they have faithfully performed their constitutional duty by passing an "on-time" budget. True, the main budget bill (Senate Bill 74) was passed on June 15, just hours before the constitutional deadline. But no one should be fooled into thinking that the technical passage of the budget bill has any real meaning. Ever since 2010, it has become common to enact politically motivated legislation in so-called budget "trailer bills" as a means to avoid public scrutiny.

2010 was the year when the budget process was corrupted by the passage of Proposition 25, ironically titled the "On-Time Budget Act of 2010." ("Trailer bills" and their cousins, "junior

budget bills," are now passed well after the constitutional deadline of June 15.) Voters were told three things about Prop. 25: First, budgets would now be passed on time; second, the budget process would be transparent; and third, legislators would forfeit their pay if the budget was not passed on time. All three were lies. Moreover, because the primary goal of Proposition 25 was to reduce the vote threshold for passage of the budget bill from two-thirds to a simple majority, it deprives the minority party of any meaningful input or oversight.

Proposition 25 perverted the budget process in three distinct ways. First, since 2010, dozens of bills have been designated as "budget related" that have nothing to do with the budget. These bills frequently have some token appropriation for a nominal amount (e.g., \$1,000) in a weak effort to say the legislation is somehow related to the budget. This now means that there really isn't any budget bill at all but an endless series

of bills that are introduced throughout the year.

Second, a related abuse by the majority party has been to use the "trailer bill" label to avoid constitutional requirements for legislation that would otherwise require a two-thirds vote. The most common abuses involve bypassing state constitutional provisions that require a two-thirds vote for General Fund appropriations and the general application of the "urgency clause" for bills to take effect immediately.

Third, as noted previously, the majority party has succeeded in redefining an "on-time budget" for purposes of getting their paychecks. This has led to the bizarre situation of legislation identified as "budget bills" being enacted nearly a year after the June 15 deadline, despite legislators having collected their paychecks in the meantime.

There have been innumerable abuses, but a few stand out as particularly egregious. This year, for example, hidden within the Public Safety "trailer

bill" is language broadening the definition of banned semiautomatic weapons. This substantive legislation will avoid public hearings because it will be deemed "budget related."

Howard Jarvis Taxpayers Association has had some, but not complete, success in fighting these abuses. HJTA won a legal action over a "budget trailer bill" that moved Governor Jerry Brown's huge 2012 tax increase proposal (Proposition 30) from the eighth position on the ballot order to number one. (Unfortunately, the decision arrived too late to impact the election and, not surprisingly, Proposition 30 passed.)

HJTA has another lawsuit related to trailer bill abuses that has been pending in the court of appeal for more than two years. But what is really needed is a new constitutional amendment to repeal Proposition 25, stop these budget abuses and finally give Californians the transparency they deserve over how their tax dollars are being spent. □

## THANK YOU FOR YOUR PATIENCE!

Your Howard Jarvis Taxpayers Association is working hard to inform all Californians about pending legislation and ballot measures that would raise taxes and harm families. As part of this effort, HJTA's contact information will be listed in the official statewide Voter Information Guide that will be mailed to the households of 20 million registered voters in September.

That means the phones will ring "off the hook" in our Sacramento and Los Angeles offices. We apologize in advance for any delays you may experience when you call us. Our great staff will do everything possible to assist you as soon as it is humanly possible. If you have trouble getting through on the phone, you can also e-mail us at [info@hjta.org](mailto:info@hjta.org).

Helpful information is available on our website at [www.hjta.org](http://www.hjta.org). Candidate endorsements and ballot-measure recommendations from the HJTA Political Action Committee may be found by clicking the banners for "Endorsements" and "Ballot Measures." Check back before you vote, as more endorsements may be added before Election Day.

Thank you for your support. We greatly appreciate you!





# IN MEMORIAM

## ERNEST F. DYNDA

### HJTA LIFETIME TAXFIGHTER

JUNE 20, 1934 – MARCH 25, 2020



It's with great sadness that we share the news of the passing of a longtime friend of HJTA and California taxpayers.

Ernest F. "Ernie" Dynda passed away peacefully on March 25 at the age of 85 in the city he helped to establish in 1982, Agoura Hills. Always active in community affairs and especially with the Las Virgenes Chamber of Commerce, Ernie served two terms on the Agoura Hills City Council.

Following his service on the city

council, Ernie became president and CEO of the United Organization of Taxpayers, serving in that role for almost 30 years. UOT was founded in 1965 by citizen taxpayers who were concerned about escalating property taxes. The group elected Howard Jarvis to be state chairman.

UOT became a guiding force behind Proposition 13 in 1978. The organization's president at that time was Chuck Betz. In 2016, Ernie and Chuck were presented with the HJTA Lifetime Taxfighter Award, a rare honor that previously had been bestowed on President Ronald Reagan.

Four years ago, UOT was merged into HJTA to create one even stronger organization.

Ernie Dynda was born in Chicago and moved to California in 1959 following his service in the U.S. Army. His professional career was with General Motors in the AC Delco parts division.

All Californians owe a debt of gratitude to Ernie for his many years of volunteer work as an advocate for Proposition 13 and responsible taxation.

Ernie and his wife, Carole, were married from 1964 until her death in 2003. They are survived by their daughter, Allison Dynda Sain, who lives with her family in Agoura Hills.

HJTA extends its deepest condolences to the family and friends of Ernie Dynda, a true fighter for California's future.

Howard Jarvis  
XIII Taxpayers Association

## BOARD OF DIRECTORS



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Howard Jarvis  
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# 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!

## 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](http://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](mailto:info@hjta.org), or call us at 213-384-9656.





# THE LEGAL FRONT

## USING TECHNOLOGY TO FIGHT FOR TAXPAYERS DURING COVID LOCKDOWN

By Timothy A. Bittle, Director of Legal Affairs



Governmental reactions to the COVID-19 virus have affected the practice of law in many ways. I say “reactions,” plural, because in the last four months there have been times of disagreement among the various levels and branches of government about who’s in charge and what the public is allowed to do.

The Sacramento office of the Howard Jarvis Taxpayers Association has been obeying the orders of the state and county Departments of Public Health. Both allow employees to report to office workplaces only to the extent that telecommuting is not practicable. Since the HJTA legal team has been able to function at full capacity from home, Laura and I have been utilizing technology to do our jobs remotely.

All California courts are closed to the public except as otherwise ordered. But that does not mean the courts are not operating. New cases can be commenced by depositing one’s complaint in a drop box that stamps the pleading with the date and time of filing. From there, gloved clerks will process it. Once you have a case number and are assigned to a department, everything else can be done electronically, similar to e-mail.

Even before COVID, lawyers could appear at court hearings telephonically using a service known as CourtCall. In the past, I used CourtCall only for low-stakes matters like Case Management Conferences and routine motions

— never for hearings that could affect the disposition of the case. For one thing, some percentage of communication is nonverbal. That means, if opposing counsel is in the courtroom and I’m just

*Since the HJTA legal team has been able to function at full capacity from home, Laura and I have been utilizing technology to do our jobs remotely.*

on a speaker, opposing counsel has an advantage. Besides that, some unscrupulous opponents, if they’re in the courtroom and I’m on CourtCall, will deliberately regulate the distance and direction of their microphone and the volume of their voice so that the judge can hear them, but I cannot.

While the courts are closed, however, no one can appear in person. On May 26, for example, I participated in oral argument before the First District Court of Appeal in one of our cases, *HJTA v. Bay Area Toll Authority* (the case challenging the \$3 toll increase on Bay Area bridges). Everyone was participating from home by telephone, including me, the two lawyers on the other side, and the

three appellate justices. Because the lawyers wanted to be heard by the justices, there were no microphone shenanigans. And as for nonverbal communication, we were all at an equal disadvantage.

On the positive side, I was able to “attend” court without driving to San Francisco or paying to park. I didn’t need to wear a suit. And when answering a question, I could consult my notes without worrying about breaking eye contact with the justice who asked it.

Those last two perks, however, were not present on May 5 when I participated in oral argument before the California Supreme Court in another of our cases, *Wilde v. City of Dunsmuir* (where we’re defending the right of voters to use the referendum power to vote on rate increases). Supreme Court hearings are not done by telephone. They are “video conferenced” through a laptop camera using a service similar to Zoom, called Bluejeans. The Supreme Court justices appeared in boxes across the top of my screen, with opposing counsel below them, like *Hollywood Squares*. The chief justice and Justice Corrigan were in the courtroom, at opposite ends of the dais, wearing masks. The other five justices, like the lawyers, were remoting in from their homes.

I took precautions beforehand to ensure there was a blank wall behind me, that the lighting was even and that my laptop camera was parallel to my face, not peering up my nostrils. I can’t say the same thing for other participants. I also erected a giant sheet of cardboard behind my

laptop and mounted all my notes to it so that I could glance at them without looking down.

Having appeared before the Supreme Court several times before, I know from experience that it’s a waste of time to prepare opening remarks of any length because, before you can

*The Supreme Court justices appeared in boxes across the top of my screen, with opposing counsel below them, like Hollywood Squares.*

finish your second sentence, the questions start. And they never stop. So I prepare for Supreme Court oral argument by trying to think of every question I might be asked, and how to quickly but effectively answer it.

This video-conferenced hearing, however, was much different. Maybe the synergy was lacking that comes from having all seven justices together on the same bench, or maybe there was a spouse or grandchild in the next room and they didn’t want to sound impolite, but for whatever reason, the justices asked almost no questions. They mostly listened in silence to me and the other lawyers, not just in our case but in the other cases on calendar as well. It was surreal. Since I wasn’t prepared for a long monologue, I made my points and submitted before my half hour was up. I actually liked having control of the conversation.

Thanks to technology, your legal representatives at HJTA are able to continue filing briefs, making court appearances and fighting for the rights of taxpayers without missing a beat. □



# HJTA TESTIFIES BEFORE THE ASSEMBLY ABOUT THE ATTACK ON PROPOSITION 13

In June, HJTA President Jon Coupal testified before state lawmakers during a joint hearing of the California Assembly's Revenue & Taxation and Local Government committees.

The committees called the informational hearing to learn more about the split-roll property tax proposal that has since qualified for the November ballot as Proposition 15. It would remove Proposition 13's protection from commercial and industrial properties and require them to be reassessed to market value every three years.

Jon testified that the measure is a direct attack on Proposition 13 that would be devastating for California businesses, employees and consumers. He reminded the committee that the opponents of Prop. 13 have long



sought to come after homeowners next.

Also testifying against the split-roll measure was Julian Canete, president and CEO of the California Hispanic Chambers of Commerce, and Santa Clara County Assessor Larry Stone, who told the committee that the California Assessors Association had studied the split-roll initiative extensively and concluded that it would be "impossible" to implement.

Because of COVID-19 restrictions, witnesses testified by video from a separate room in the Capitol.

To watch or listen to a recording of the hearing, go online to [assembly.ca.gov/media-archive](https://assembly.ca.gov/media-archive) and scroll down to June 4 to find the links for "Joint Hearing Assembly Revenue and Taxation and Local Government Committee."

## GRASSROOTS REPORT



# COVID-19 IS NO MATCH FOR OUR CREATIVITY

By Eric Eisenhammer, HJTA Director of Grassroots Operations

With the election around the corner, many Californians are dealing with information overload when it comes to politics. Promises and accusations fly back and forth on every media channel, and separating fact from fiction becomes a challenge for citizen taxpayers.

That's why your Howard Jarvis Taxpayers Association offers analysis and recommendations online at [www.hjta.org](http://www.hjta.org) as well as tools you can use to get involved as an advocate for taxpayer rights.

Proposition 13 is under direct attack this year. At [www.hjta.org](http://www.hjta.org), you can request a yard sign or join with other taxpayers as a

volunteer. At the home page, click the blue button that reads, "Support the campaign to protect Prop. 13."

Other tools you can use to become a more informed voter include our Legislative Report Card, which grades elected officials on how reliably they voted in support of taxpayer interests; endorsements of candidates and recommendations on ballot measures from the HJTA Political Action Committee; and HJTA's Pledge to Stand Up for Taxpayers, which candidates running for any office are invited to sign.

Our main social media pages — [facebook.com/HowardJarvis](https://facebook.com/HowardJarvis)

and [twitter.com/HJTA](https://twitter.com/HJTA) — also offer ways for you to be involved. In addition to sharing action items and news that exposes Sacramento's corruption, we also like to offer taxpayers creative ways to engage in the fight.

To celebrate Proposition 13's recent 42nd birthday, we invited taxpayers to make their own videos and share them with the hashtag #HappyBirthdayProp13. Among the notable leaders who responded with videos, which are posted on our Facebook page, were Assembly Member Tom Lackey, Rocklin Councilmember Joe Patterson, California Farm Workers & Families President

Jesse Rojas, Central Valley Taxpayers Association President Chris Telfer and Contra Costa Taxpayers Association President Sue Pricco.

With travel restrictions ruling out some of the engagements we once could do in person, we've also been using social media and Zoom to participate in online town hall meetings around California.

Are you part of an organization that would like to request an online presentation (or an in-person presentation, circumstances permitting)? We'd love to hear from you! Simply e-mail [Debra@hjta.org](mailto:Debra@hjta.org), and we'll work with you to make it happen. □



# UNDER THE DOME



## COVID-19 SHAKES UP THE CAPITOL

By David Wolfe

It is hard to describe the change that has occurred in the Legislature this year. Back in the early spring, I filled this column with a foreshadowing of what the legislative year might look like, including 2,500 legislative bill proposals and a General Fund state budget of \$222 billion. But then COVID-19 struck the United States, and like seemingly everything else in life, the California Legislature turned upside down. The 2,500 legislative bills instead became slightly over 500. A \$222 billion budget dropped to \$200 billion and will likely be cut further later in the fall without additional help from the federal government or new tax increases.

*Assembly Constitutional Amendment 1 and Senate Constitutional Amendment 5, which would lower the two-thirds vote for local bonds and parcel taxes, have remained on ice and have not moved forward.*

At first glance, you might be looking at those top-line comments and think that it's been an easy year. After all, 500 bills are not many to review and analyze. However, that workload reduction was offset by how difficult it has become to lobby in the state Capitol and get in touch with legislators or staff. Only one to two staff members per

legislator are allowed in the Capitol at a time. Lobbyists with appointments are allowed to enter the Capitol to lobby or testify on bills. However, when the meetings are over, they are physically escorted

*Thank you for making the calls, signing the petitions and sending the e-mails to ensure that Proposition 13 remains protected.*

out of the building by Capitol security. There's no loitering or randomly walking down the halls.

Testimony on legislative bills can occur in the Capitol, but most of the seating is blocked off to ensure appropriate social distancing, and individuals are forced to speak behind a sheet of plexiglass. Most lobbyists now call into legislative hearings by phone to provide support and opposition testimony. While not as direct and effective as going into the Capitol itself, it is safer and less time-consuming than maneuvering through the layers of security just to enter the building.

Temperatures are taken upon entering the Capitol, face coverings are required and only one person can be in an elevator at a time. It is far more difficult to connect with legislators. Conversations that before would have happened in minutes or hours now take place an entire day or even a week later.

Given these hurdles in the

legislative process, HJTA has had a banner legislative year so far. Proposition 13 remains fully protected with no new constitutional amendments introduced that undermine its existing two-thirds vote protections. Two existing constitutional amendments, Assembly Constitutional Amendment 1 and Senate Constitutional Amendment 5, which would lower the two-thirds vote for local bonds and parcel taxes, have remained on ice and have not moved forward. This is a testament both to the enduring popularity of Proposition 13 and to your continued efforts. Thank you for making the calls, signing the petitions and sending the e-mails to ensure that Proposition 13 remains protected. You have made it clear to lawmakers that touching the third rail of California politics (Prop. 13) and getting metaphorically electrocuted in an election year is very unwise.

*HJTA has had a banner legislative year so far.*

The good news also extends to tax increases. Before the coronavirus struck in earnest, legislators and the governor had introduced everything from soda and vaping taxes to removing the mortgage interest deduction on a second home. A bill made popular in Seattle, a per employee "head tax" on major corporations, also went down to defeat. Three of these four bills never even received a legislative hearing, proving



that there was no appetite for higher taxes in the face of a 16 percent state unemployment rate.

Finally, HJTA was successful in potentially killing a major piece of legislation pertaining to transparency about what occurs in the Legislature during a state of emergency. While the bill, Assembly Constitutional Amendment 25, represented a well-intentioned effort to keep the Legislature active and functioning during a major crisis, the practical effect fell far short. The bill allowed for legislative proxy voting, meaning that one Assembly Member could, in theory, cast the votes of the other 79. It stated that if a state of emergency existed in only one county, important legislative transparency provisions could be waived. It said legislators could be replaced if they were deemed "disabled or missing" without defining what those terms meant, and further stated that any newly appointed legislators didn't need to be from the same geographic location or even the same political party. Especially in the midst of a crisis, political consistency in government is imperative. As drafted, ACA 25 only creates more confusion and a new political process that would be ripe for abuse.

# ENDORSEMENTS AND BALLOT-MEASURE RECOMMENDATIONS

The Howard Jarvis Taxpayers Association PAC has endorsed these candidates for the November 3, 2020, Statewide General Election:

**NEW THIS YEAR:** Every registered voter will be sent a vote-by-mail ballot in early October. **Save this page and watch for your ballot in the mail!**

## ENDORSEMENTS

### STATE ASSEMBLY

<b>MEGAN DAHLE</b>	<b>1</b>
Assembly District 1	
<b>JAMES GALLAGHER</b>	<b>3</b>
Assembly District 3	
<b>FRANK BIGELOW</b>	<b>5</b>
Assembly District 5	
<b>KEVIN KILEY</b>	<b>6</b>
Assembly District 6	
<b>CATHY COOK</b>	<b>8</b>
Assembly District 8	
<b>DEVON MATHIS</b>	<b>26</b>
Assembly District 26	
<b>VINCE FONG</b>	<b>34</b>
Assembly District 34	
<b>TOM LACKEY</b>	<b>36</b>
Assembly District 36	
<b>CHARLES W. COLE</b>	<b>37</b>
Assembly District 37	
<b>SUZETTE MARTINEZ VALLADARES</b>	
<b>LUCIE LAPOINTE VOLOTZKY</b>	<b>38</b>
(Dual Endorsement) Assembly District 38	
<b>RICARDO BENITEZ</b>	<b>39</b>
Assembly District 39	
<b>ANDREW KOTYUK</b>	<b>42</b>
Assembly District 42	
<b>JEFFI GIRGENTI</b>	<b>45</b>
Assembly District 45	
<b>BURTON BRINK</b>	<b>49</b>
Assembly District 49	
<b>TONI HOLLE</b>	<b>52</b>
Assembly District 52	
<b>PHILLIP CHEN</b>	<b>55</b>
Assembly District 55	
<b>CHRIS RAAHAUGE</b>	<b>60</b>
Assembly District 60	

<b>ALI MAZAREI</b>	<b>61</b>
Assembly District 61	
<b>KELLY SEYARTO</b>	<b>67</b>
Assembly District 67	
<b>STEVEN CHOI</b>	<b>68</b>
Assembly District 68	
<b>RANDY VOEPEL</b>	<b>71</b>
Assembly District 71	
<b>JANET NGUYEN</b>	<b>72</b>
Assembly District 72	
<b>LAURIE DAVIES</b>	<b>73</b>
Assembly District 73	
<b>MELANIE BURKHOLDER</b>	<b>76</b>
Assembly District 76	
<b>JUNE YANG CUTTER</b>	<b>77</b>
Assembly District 77	

### STATE SENATE

<b>BRIAN DAHLE</b>	<b>1</b>
Senate District 1	
<b>ALEXANDER GLEW</b>	<b>13</b>
Senate District 13	
<b>VICKI NOHRDEN</b>	<b>17</b>
Senate District 17	
<b>SCOTT WILK</b>	<b>21</b>
Senate District 21	
<b>ROSILICIE OCHOA BOGH</b>	<b>23</b>
Senate District 23	
<b>HOUMAN SALEM</b>	<b>27</b>
Senate District 27	
<b>LING LING CHANG</b>	<b>29</b>
Senate District 29	
<b>JOHN MOORLACH</b>	<b>37</b>
Senate District 37	

### U.S. CONGRESSIONAL DISTRICT

<b>TOM McCLINTOCK</b>	<b>4</b>
U.S. Congressional District 4	

<b>CHRIS BISH</b>	<b>6</b>
U.S. Congressional District 6	
<b>BUZZ PATTERSON</b>	<b>7</b>
U.S. Congressional District 7	
<b>JAY OBERNOLTE</b>	<b>8</b>
U.S. Congressional District 8	
<b>TED HOWZE</b>	<b>10</b>
U.S. Congressional District 10	
<b>ALISON HAYDEN</b>	<b>15</b>
U.S. Congressional District 15	
<b>DAVID G. VALADAO</b>	<b>21</b>
U.S. Congressional District 21	
<b>DEVIN G. NUNES</b>	<b>22</b>
U.S. Congressional District 22	
<b>KEVIN McCARTHY</b>	<b>23</b>
U.S. Congressional District 23	
<b>ANDY CALDWELL</b>	<b>24</b>
U.S. Congressional District 24	
<b>RONDA BALDWIN-KENNEDY</b>	<b>26</b>
U.S. Congressional District 26	
<b>JOHNNY J. NALBANDIAN</b>	<b>27</b>
U.S. Congressional District 27	
<b>ERIC EARLY</b>	<b>28</b>
U.S. Congressional District 28	
<b>AGNES GIBBONEY</b>	<b>31</b>
U.S. Congressional District 31	
<b>MIKE CARGILE</b>	<b>35</b>
U.S. Congressional District 35	
<b>YOUNG KIM</b>	<b>39</b>
U.S. Congressional District 39	
<b>GREG RATHS</b>	<b>45</b>
U.S. Congressional District 45	
<b>MICHELLE STEEL</b>	<b>48</b>
U.S. Congressional District 48	
<b>BRIAN MARYOTT</b>	<b>49</b>
U.S. Congressional District 49	
<b>DARRELL ISSA</b>	<b>50</b>
U.S. Congressional District 50	

FOR YOUR RETURN

# BALLOT-MEASURE RECOMMENDATIONS

# VOTE **NO** ON 15, 18, 19 & 21

## PROPOSITION 15

### WHY WE'RE AGAINST IT

**This is the treacherous “split roll” property tax, a direct attack on Proposition 13.**

Proposition 15 would repeal part of Prop. 13 and require reassessment to market value of business properties. It would raise taxes on supermarkets, shopping malls, office buildings, factories, movie theaters, hotels, restaurants, sports stadiums, warehouses, self-storage facilities, major retailers and other businesses where Californians work or shop. Even the smallest businesses that lease space will face higher rents, or will have to pay the higher property taxes as part of their “triple net” lease agreement. Those higher costs are passed on to consumers. Proposition 15 would raise prices, increase the cost of living and put countless jobs at risk as companies cut back or leave the state. The proponents of this measure are seeking to weaken Proposition 13, and we can guess why. They could come after homeowners next. Protect Prop. 13.

**VOTE NO on PROPOSITION 15.**

## PROPOSITION 18

### WHY WE'RE AGAINST IT

**Proposition 18 would change the voting age in California to allow 17-year-olds to vote in primaries and special elections if they will turn 18 by the date of the next general election.**

While some states allow this, California is different from other states because under Prop. 13 and Prop. 218, tax increases must go on the ballot for voter approval. These proposed tax increases are frequently on primary and special election ballots. Proposition 18 would allow high school students to vote on tax increases. This is unwise. The voting age in California should not be changed.

**VOTE NO on PROPOSITION 18.**

**BEFORE YOU VOTE,  
be sure to check the HJTA website  
for the updated list of endorsements and  
ballot-measure recommendations.**

**[www.hjta.org/endorsements-by-the-hjta-pac/](http://www.hjta.org/endorsements-by-the-hjta-pac/)**

## PROPOSITION 19

### WHY WE'RE AGAINST IT

**Proposition 19 takes away important taxpayer protections that have been enshrined in the State Constitution since 1986.**

That's when 76% of voters approved Proposition 58 to allow parents to transfer a home and limited other property to their children without an increase in property taxes. Proposition 19 eliminates Proposition 58 and a similar measure, Proposition 193, which gives the same protection to transfers between grandparents and grandchildren if the children's parents are deceased. Proposition 19 would require property transferred within families to be reassessed to market value as of the date of transfer, resulting in a huge property tax increase for long-held family homes. The only exception is if the children move into the home within a year and make it their principal residence. This is a billion-dollar tax increase on California families. Proposition 19 contains other provisions, which HJTA has supported in the past, to expand the opportunities for older homeowners to transfer the base-year value of their home (under Prop. 13) to a replacement home. This was on the ballot in November 2018 as Proposition 5, but voters rejected it. Now, with a massive tax increase added, the price is too high. HJTA opposes this measure.

**VOTE NO on PROPOSITION 19.**

## PROPOSITION 21

### WHY WE'RE AGAINST IT

**Proposition 21 would change state law to allow radical rent control laws to be passed in cities that are already suffering from an inadequate supply of housing.**

In 2016, California's nonpartisan Legislative Analyst's Office issued a report that found that expanding rent control “likely would discourage new construction” by limiting the profitability of new rental housing. Under current law — the 1995 Costa-Hawkins Rental Housing Act — housing providers have the right to raise the rent on a vacant unit to market value after a tenant moves out. The same law also bans rent control on units constructed after February 1995 and on single-family homes and condos. Proposition 21 would repeal this law and allow unelected rent boards (or elected rent boards) to impose radical rent control and regulations, even on single-family homes.

**VOTE NO on PROPOSITION 21.**

Register to vote or check the status of your registration at [www.RegisterToVote.ca.gov](http://www.RegisterToVote.ca.gov)



# NEW THIS YEAR: ALL REGISTERED VOTERS WILL BE MAILED A BALLOT



For the first time, all registered voters in California will receive a ballot in the mail, whether they requested a vote-by-mail ballot or not.

Gov. Gavin Newsom ordered the change to election procedures for the November 3, 2020, statewide general election because of uncertainty about the safety of voting at a crowded polling place while COVID-19 remains a threat to health.

In addition to the governor's order, the Legislature passed and the governor signed Assembly Bill 860, which similarly requires all counties to mail a ballot to every registered voter. Ballots may be returned by mail, dropped off at a polling place or deposited in a ballot drop-box where available.

If you vote by mail, remember to sign the ballot envelope. Without a valid signature, the ballot cannot be counted.

AB 860 also requires counties to offer all voters the option of casting a ballot using a

certified remote accessible vote-by-mail system. This technology allows voters to mark their ballot using their own home computer or other device, then print the ballot using their own printer. The printed ballot is then mailed to the county election offices, where an employee copies the voter's choices onto an official ballot to be scanned and tallied.

Vote-by-mail ballots postmarked by Election Day will be counted if they arrive at county offices up to 17 days after November 3. That, too, is a change in the law. Previously, counties were required to accept ballots only three days after the election.

Ballots will be mailed to households beginning on or about October 5. This is a good opportunity to contact friends and neighbors to encourage them to watch the mail for their ballot. Inform them about the important propositions that will be before the voters in this election, as well as any local measures they

may not be aware of.

Voters may give their completed ballots to another person to be dropped off at a post office, polling place or ballot drop-box. If you live in a community where some residents would welcome that assistance, don't hesitate to offer. It's perfectly legal to deliver someone else's ballot for them. Just be sure they've signed the ballot envelope after sealing their ballot inside.

Another way to help is by encouraging eligible voters to register to vote. It's easy and secure to register online at [RegisterToVote.ca.gov](https://www.register-to-vote.ca.gov), and they can do it right on their phone. Anyone who is already registered to vote may check the status of their voter registration at that same link to make sure everything is still correct.

Although many voters are expected to opt for the ease of voting by mail, counties will also provide in-person polling locations. Check with the office

of your county Registrar of Voters for addresses and early voting options.

If you vote by mail, you'll be able to follow the progress of your ballot using the secretary of state's ballot-tracking system or a similar system in your county.

Then get ready to be patient. Because vote-by-mail ballots take more time to process than ballots cast at a polling place, the increased reliance on mail balloting means the results of some elections may not be known for days or even weeks.

Before you vote, be sure to check for updates to the "Election Information" pages at [www.hjta.org](https://www.hjta.org), your source for the only official HJTA endorsements, as well as the list of candidates who have signed HJTA's Pledge to Stand Up for Taxpayers.

However you choose to cast your ballot, please don't miss this important election. Every vote counts in the battle to protect Proposition 13.

## POLITICIANS SEEK A BILLION-DOLLAR TAX INCREASE WITH PROPOSITION 19 *Continued from page 1*

only for homes that the children move into within one year and use as their principal residence.

Because it's not always possible for family members to immediately relocate, Proposition 19 would force many people to sell their family's property, even if it was a bad time to sell or if they hoped to move in at a later date. To keep the home, they would have to pay 1 percent of the new market value in property taxes every year.

Even though Proposition 58 was approved by 75.7% of voters, Proposition 19 would eliminate it.

Similarly, Proposition 19

takes away another taxpayer protection, Proposition 193, which prevents reassessment of property transferred between grandparents and grandchildren in the event that the children's parents are deceased.

The nonpartisan Legislative Analyst's Office has projected that Proposition 19 will eventually cost taxpayers more than a billion dollars in higher property taxes.

That's too high a price to pay for another provision in Proposition 19, the expansion of opportunities for older homeowners to move to a replacement property and transfer the base-year tax assessment from

their former home to their new one. Current law (Propositions 60 and 90) allows homeowners age 55 and older to transfer their "Prop. 13" tax assessment one time, to a home that's of equal or lesser value, and only within the same county or to a county that accepts the transfers. Proposition 19 removes these restrictions and would allow three transfers instead of one.

A similar measure was on the November 2018 ballot as Proposition 5. Voters rejected Proposition 5 by a margin of 60 percent to 40 percent.

Now it's back, this time with

a huge tax increase on California families.

"Proposition 19 eliminates one of the best tools parents have to help their children," said Assembly Member Ken Cooley, D-Rancho Cordova, "and it doesn't cost parents anything, not one cent." Cooley joined HJTA President Jon Coupal and Senator Patricia Bates, R-Laguna Niguel, in signing an argument against Proposition 19 that will appear in the statewide official Voter Information Guide. It will be mailed to the households of all registered voters in September. □

## ATTACK ON PROPOSITION 13 MAKES THE NOVEMBER BALLOT: NO ON 15 *Continued from page 1*

dry cleaners, shoe repair shops, hardware stores and electronics retailers, every Target, Walmart, and Costco — nearly every business where Californians are employees or customers.

Residential property and agricultural land are exempted, but buildings on agricultural land such as processing facilities would be subject to reassessment.

Although the initiative appears to exempt small businesses, this is an illusion. Business owners who own the building in which their business operates may qualify for an exemption if the property is valued at \$3 million or less, but small businesses that lease their space from larger businesses will likely see sharp increases in their rent. For businesses that have “triple net” leases, which require the tenant to pay the owner’s cost of insurance, maintenance and property taxes, the higher property taxes will be billed to the small business owner. These higher operating costs are typically passed through to customers in the price

of products and services.

Proposition 15 would mean higher prices across California’s economy and could accelerate job losses as higher taxes put more financial pressure on employers already struggling to keep their workers on the payroll. A massive tax increase on nearly every business in the state risks delaying or even preventing an economic recovery in California, while other states thrive.

In a highly unusual move, the California Assessors Association has taken an official position against Proposition 15.

The assessors said provisions in the initiative intended to exempt small business properties from reassessment would require complex research to determine whether any of the owners are actually bigger businesses. That’s because there’s no exemption for small business properties if one of the owners also owns other business properties with a combined value above the \$3 million threshold.

Another complicated provision would delay reassessment for several years for properties occupied by a sufficient percentage of small-business tenants, as defined by the number of employees and other factors.

The initiative would be “impossible” to implement as written, the assessors told state lawmakers in a letter. They said the measure would cost \$1 billion in the first three years, without counting the cost of higher salaries to recruit and retain experienced commercial property assessors needed to handle the new workload. Related departments, such as the offices of the county treasurer–tax collectors, would also incur higher costs.

The proponents of Proposition 15, operating under the banner, “Schools and Communities First,” say the initiative would collect \$12 billion per year to be divided up between local governments and school districts.

In fact, no one knows how much the split-roll property tax

would collect. Property values in the commercial market have been rocked by the months-long COVID-19 lockdown. Shopping malls, office buildings, restaurants and hotels, for example, may now be worth far less than the proponents calculated.

That only increases the likelihood that Proposition 15 is “step one” in a long-term plan to raise taxes by destroying Proposition 13 completely, revoking it from one group of property owners after another, until homeowners are once again at risk of being taxed out of their own homes.

Proposition 15 would be a disaster for California. Defeating it is a top priority.

*Ready to help? Go online to [www.hjta.org](http://www.hjta.org) and click the button “Support the campaign to protect Prop. 13.” There you can request a free yard sign, download a flyer, sign up to volunteer on the campaign or donate online. Or call us at 916-444-9950 or 213-384-9656. □*

## FOUNDATION REPORT

# BILLIONS OF REASONS TAXPAYERS MUST DEMAND ACCOUNTABILITY

With COVID-19 precautions making government accountability more challenging, the Howard Jarvis Taxpayers Foundation’s annual *Follow the Money* report shows that taxpayers must remain vigilant against waste, fraud and abuse.

This year’s report, released on July 15 to coincide with 2020’s postponed Tax Day, includes a special section exposing instances of waste arising directly from the pandemic response. These examples range from a \$1 billion mask deal, which was criticized by representatives from both parties, to a San Francisco program distributing free alcohol, cigarettes and drugs to the homeless.

Additional instances occurring in California’s conduct of “business as usual” include the state’s theft of \$330 million meant for distressed homeowners, \$242 million in extra funding granted to the state

DMV due to their failure to properly prepare for the Real ID despite having years of warning, and \$1 billion of taxpayer money CSU schools hid while lobbying for more money and raising tuition.

The examples exposed in the report were gleaned from official audits and media investigations.

“In this time of uncertainty, taxpayers must continue to hold Sacramento accountable for how they spend our hard-earned dollars,” said HJTF Chairman Jon Coupal. “The COVID crisis put people out of work around the state. If politicians are allowed to spend with impunity now, we can expect them to use their debts as yet another pretense for tax increases. Nothing could be more counterproductive to our recovery.”

The *Follow the Money* report is available

## FOLLOW THE MONEY

*Where do our tax dollars actually go?*



Howard Jarvis Taxpayers Foundation  
921 11TH STREET – SUITE 1201  
SACRAMENTO, CA 95814  
PHONE 916.444.9950 – FAX 916.444.9823  
Website: [hjta.org](http://hjta.org)

at [www.hjta.org/followthemoney](http://www.hjta.org/followthemoney) and also can be found at [www.hjta.org](http://www.hjta.org) by clicking on the “Resources” tab and then on “Studies and Reports.”



# YOUR answered **WHAT LOOPHOLE?**

One of the most commonly held misconceptions about Proposition 13 is that it has a “loophole.”

For example, California Teachers Association President E. Toby Boyd told the *Capitol Weekly* podcast in July that Proposition 15 on the November ballot, which would raise taxes on California businesses by requiring commercial and industrial properties to be reassessed to market value every three years, “reclaims” \$12 billion per year “that corporate entities have utilized through a loophole in Proposition 13.”

There is no loophole in Proposition 13. It’s the law, written into the State Constitution, that all property is taxed at the same rate and under the same rules. That has been the case in California since the 1800s. Proposition 13 simply capped the annual increases in assessed value until there is a change of ownership, and cut the tax rate to 1 percent from its previous statewide average of 2.67 percent.

When Proposition 13 was on the June 1978 ballot, the state Legislature put a competing measure, Proposition 8, on

the same ballot in the hope that voters would choose the weaker alternative. Proposition 8 would have created a split roll, dividing the assessors’ list of taxable properties into categories such as commercial and residential, and then allowing different tax rates to be applied. Voters rejected Proposition 8 and its split-roll proposal by a vote of 53–47 percent. Proposition 13 was approved with nearly 65 percent of the vote.

There was no misunderstanding, and there is no loophole.

Some have argued that legal maneuvers have allowed some business properties to evade reassessment to market value when there is a change of ownership. While this could be called a “loophole,” it’s not in Proposition 13. The definition of *change of ownership* was set in state law after Prop. 13 passed. All it takes to fix any problem with the definition is another state law, passed by a majority vote in the Legislature and signed by the governor. There is no need to amend the State Constitution.

This “fix” has been

proposed multiple times by Sen. Patricia Bates, R-Laguna Niguel, with the support of the Howard Jarvis Taxpayers Association. It has been blocked every time by majority Democrats. It appears that they would rather have the “loophole” than the solution. This allows them to point to any legal maneuvers as a reason to repeal part or all of Proposition 13 itself.

A fix to the definition of *change of ownership* was included in a 2020 initiative sponsored by the California Association of Realtors. However, this measure was withdrawn after the Legislature passed a revised version to substitute on the ballot. One of the revisions to the initiative, which is now Proposition 19, removed the fix to the *change of ownership* definition.

Even as they leave the *change of ownership* definition unfixed, proponents of Proposition 19 contend that they are fixing a “loophole” by repealing the exclusion from reassessment of properties transferred between parents and children, except in cases where the children move into the home within a year.

Once again, that’s not a loophole, that’s the law. The parent-child transfer exclusion was added to the State Constitution by Proposition 58 in 1986. The measure stated that a home of any value, plus additional property with an assessed value of up to \$1 million, could be transferred between parents and children without reassessment. Proposition 58 was put on the ballot by a unanimous vote of the Assembly and the state Senate, and it was approved by 75.7 percent of California voters.

That’s no loophole.

The fact is, property tax increases are limited in California because that is the will of the voters, expressed at the ballot box again and again.

The initiative process in California is an important reform that dates to the early 20th century. It provides a check on the power of elected officials and others who would like to raise taxes to the sky. They may try to fool the voters with tricky initiatives and false arguments, but HJTA is committed to making sure voters know the truth.

## STAY CONNECTED!

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



Friend,

...many of us are focusing on family and friends. Taxes are not

# HJTA.ORG

Your source  
for **everything**  
**Proposition 13**  
and the  
**upcoming**  
**2020**  
**election**



# 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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