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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. 48, Issue 1 ★ Winter 2021–2022

## HJTA FIGHTS TO REPEAL CA'S NEW DEATH TAX

With more and more families receiving notices that the death of a parent has triggered reassessment of family properties and sharply higher tax bills, the Howard Jarvis Taxpayers Association has filed a ballot initiative with the attorney general's office to **repeal the death tax**.

Last November, many voters were unaware that Proposition 19, which passed narrowly, included a provision that affected intergenerational transfers of homes and other property. Prior to Prop. 19, parents could transfer a home of any value plus up to \$1

million of assessed value of other property to their children, without reassessment to market value. However, effective February 16, 2021, this is no longer true.

HJTA is fighting to restore the ability of parents to pass property to their children without any change to the property tax bill.

The new initiative is titled the **Repeal the Death Tax Act**. It would reverse the Prop. 19 changes to the rules affecting intergenerational transfers. To further protect California families, the measure includes an inflation adjustment for properties in addition to the



The Repeal the Death Tax Act will protect families from tax increases on property passed from parent to child.

primary residence. Up to \$2.4 million of assessed value would be excluded from reassessment upon transfer, offering significant tax benefits to families that own small business properties or rental units for income. A primary residence

of any value would be excluded from reassessment.

As the organization responsible for the successful campaign to pass Proposition 13 in 1978, the Howard Jarvis Taxpayers

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## RECALL FAILS, INITIATIVES AHEAD

Gov. Gavin Newsom survived an effort to remove him from office as more than 60% of California voters cast their ballots for “No” on the recall.

The outcome of that question made the choice of a replacement candidate irrelevant. However, among voters who expressed a preference on question 2, the top two candidates were Republican

Larry Elder, with nearly 50% of the vote, and Democrat Kevin Paffrath at about 10%.

Newsom's campaign raised in excess of \$70 million to fight off the effort to oust him. The governor's anti-recall committee was able to raise unlimited contributions from supporters because, under the state's campaign finance laws, a recall is a ballot question, different

from a candidate's campaign for office. The replacement candidates' campaigns were subject to campaign finance limits.

Despite this and other advantages held by an officeholder facing a recall election in California, some lawmakers are supporting changes to the state constitution to make it more difficult for voters to exercise the

power of recall, which state voters have had since 1911.

Assembly Member Marc Berman, D-Silicon Valley, and Senator Steve Glazer, D-Orinda, announced even before all the votes were counted in the September 14 election that they would seek legislation to weaken the people's power of recall.

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### Taxing Times



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## PRESIDENT'S MESSAGE

## FADING RULE OF LAW IN CALIFORNIA

By Jon Coupal

By now, only the truly delusional deny that California has an acute exodus problem. The number of people and businesses leaving the state is not just significant, it's quantifiable.

A recent study by two economics professors from Chapman University reveals that those who now categorize themselves as "former" Californians, not surprisingly, were motivated most by high taxation and heavy regulation.

But other reasons include those that affect quality of life: housing costs, unemployment, homelessness, gas prices, wildfires and drought. Worse, citizens believe — correctly — that our elected leadership isn't equipped to deal with these issues.

Rising in the polls as grounds for concern is the rapidly increasing crime rate in California. In 2020, homicides in the state increased 31 percent, reaching the highest total in 13 years. Especially alarming is the wanton lawlessness on display in both Los Angeles and San Francisco. Who isn't appalled at criminals brazenly clearing out shelves in retail businesses — especially

drug stores like Walgreens that have closed en masse recently — and nonchalantly walking out with stolen goods, knowing there will be no consequences from the criminal justice system?

The frustration among the law-abiding public is reaching critical mass. Recall campaigns were launched against George Soros-backed district attorneys in both Los Angeles and San Francisco. And those who believed that these recall efforts had nothing to do with the recall election of Gov. Gavin Newsom may be mistaken. Remember that after voters made clear their support for California's death penalty, Newsom announced he would never allow any criminal behavior, no matter how heinous, to be the grounds for imposing that penalty.

But lawlessness and abandonment of the rule of law are not just taking place in the realm of criminal law. The same is true for civil law, especially when it comes to taxpayer protections in the California Constitution specifically approved by the voters.

We've been down this road before. After Proposition 13 was

enacted in 1978, the California Supreme Court, led by Chief Justice Rose Bird, began picking it apart piece by piece. Strange rulings, contrary to the interests and intent of those who voted for Prop. 13, perverted the meaning of its terms, including the definitions of "special tax" and "special district." Virtually every ruling from the California judiciary was against taxpayers.

Things changed for the better, however, when voters removed Rose Bird and two other progressive justices. They were replaced by appointees of Republican governors, which resulted in a temporary return to sanity. Courts began, as they should, to apply the language of the law to the specific facts of the cases before them in a manner consistent with the intent of voters or, in the case of statutory law, the intent of the Legislature.

But now after years of judicial appointments from Jerry Brown, and then Gavin Newsom, the pendulum has swung back hard left for both criminal and civil law.

The most recent trend has been especially harsh on the interests of the taxpaying public. Despite

voter-approved initiatives intended to close the court-created loopholes in Proposition 13, the negative rulings continue on a seemingly weekly basis.

For example, in 2017, the California Chamber of Commerce lost an important case against the California Air Resources Board based on Proposition 26, an HJTA-supported initiative that sought to prevent the abuse of using "fees" as a means to circumvent limitations on "taxes." The court in that case found that a government-imposed exaction against businesses was neither a "tax" nor a "fee" but simply "something else."

More recently, the California Supreme Court created an exception to Prop. 13's requirement that locally imposed special taxes must receive a two-thirds vote of the electorate, asserting that the requirement would not apply if the tax were the result of a local initiative. HJTA warned the Court in *CCC v. Upland* that if they carved out special-tax initiatives as an exception to the two-thirds vote requirement, politicians would hijack the

*Continued on page 9*

## Happy Holidays from your BOARD OF DIRECTORS




Gloria Phillips  
Bill Kelso

Craig Mordoh  
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](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.

 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?

There are a number of state programs that can help Californians lower or defer their property tax payments. You may be eligible for tax relief and not even know it.

### HOMEOWNERS' EXEMPTION

If you owned the home you live in on January 1 of the current year, you're eligible for the Homeowners' Exemption. This reduces the assessed value of your home by \$7,000, which translates to a tax savings of \$70 per year. To claim the exemption, the homeowner must make a one-time filing with the county assessor where the property is located. The claim form, BOE-266, *Claim for Homeowners' Property Tax Exemption*, is available from your county assessor's office. A list of county assessors and their contact information can be found online at this link: [boe.ca.gov/proptaxes/countycontacts.htm](http://boe.ca.gov/proptaxes/countycontacts.htm).

The claim for the Homeowners' Exemption may be filed anytime during the year, but it must be filed by February 15 to receive the full exemption for that year. (If you later move out of the house but continue to own it, you must notify the assessor's office no later than December 10 that you are no longer eligible for the exemption.)

### CALAMITY

If your property has sustained more than \$10,000 in damage from fire, rain or other disaster, you may be eligible for a value adjustment that will lower your property taxes. If you believe you qualify, complete the *Application for Reassessment of Property Damaged by a Misfortune or Calamity* and submit it to the assessor within 12 months of the date the calamity occurred. It's helpful to submit copies of cost estimates and contracts to repair the damage along with the application. Contact your county assessor's office for assistance.

### PROPERTY TAX POSTPONEMENT

The State Controller's office administers a program that allows homeowners who are seniors, are blind or have a disability to defer current-year property taxes on their principal residence if they meet certain criteria, including at least 40 percent equity in the home and an annual household income of \$45,810 or less. The deferment of property taxes is secured by a lien against the property, which must eventually be repaid. For more information, call (800) 952-5661 or e-mail [postponement@sco.ca.gov](mailto:postponement@sco.ca.gov).

## CAN SPORTS GAMBLING GIVE TAXPAYERS A BREAK?

Voters could have several decisions to make on whether and how to expand gambling in California if initiatives legalizing sports betting qualify for the November 2022 statewide ballot.

One such measure, backed by California gambling tribes, has already collected the necessary signatures. The attorney general announced in May that it had successfully qualified.

The initiative, titled the "Sports Wagering Regulation and Unlawful Gambling Enforcement Act," would allow sports wagering at tribal casinos and horse-racing tracks only. Gaming industry analysts estimate that it could generate \$1 billion in gross annual revenue. The state's Legislative Analyst's Office said the tax revenue that would be generated is uncertain, but could total tens of millions of dollars every year.

Twenty-six states have already legalized sports betting following a June 2018 U.S. Supreme Court decision that overturned a federal law restricting it. Between June 2018 and May 2021, an estimated

\$54 billion was wagered legally on sports, generating \$3.2 billion in revenue and more than \$530 million in taxes and revenue sharing with public agencies, according to Legal Sports Report, a news outlet covering the industry.

*Twenty-six states  
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How much could legalized sports gambling add to California's treasury? Pennsylvania has so far collected \$134 million in tax revenue from sports wagering.

New York brought in \$132 million, and Nevada was third with \$61 million.

Native American casinos and horse-racing tracks are not the only players in the game. Card rooms, which would be prohibited from offering sports wagering under the tribes' initiative, have begun raising money to place a competing initiative on the ballot.

And a third initiative, this one backed by gaming companies, was filed with the attorney general in August. Proponents pledged \$100 million to support the measure, which they have titled the "California Solutions to Homelessness and Mental Health Support Act." Backers of the initiative say it will provide a permanent funding source of hundreds of millions of dollars annually to fight homelessness and expand mental health support in California.

The measure would legalize online sports betting, unlike the gambling tribes' initiative, which would only permit on-site wagering. According to *Forbes*,

online sports betting in the U.S. generated \$1 billion in 2020 and is projected to grow to \$6 billion by 2023.

The gaming companies' initiative would require an online sports betting operator seeking to participate in the California marketplace to partner with a California tribe. Proponents say a portion of the revenue generated by the online-gaming measure would be dedicated to "uplifting Tribal communities."

State law allows proponents to withdraw a measure even after it has qualified for the ballot, making these initiatives something of a poker game. If the rivals reach an agreement to divide the market, they could trade their separate initiatives for one proposed law or constitutional amendment passed by the Legislature. That could happen as late as next summer.

So, we don't know whether there will be one, two or three sports-betting propositions on the November 2022 ballot, or which entities will collect the most money from them. Place your bets. □



# THE LEGAL FRONT

## SPECIAL TAX SCHEMES SEEK WAYS AROUND PROPOSITIONS 13 AND 218

By Laura Dougherty, Senior Staff Attorney

Government lawyers, with the approval of the courts, continue to devise new loopholes to avoid the two-thirds voter approval requirement for special taxes. But as we've done in the past when the courts chipped away at Proposition 13, HJTA is pressing for new laws to affirm the original intent of the voters. Here is a summary of the mostly dismal court treatment of the two-thirds vote on special taxes.

*The Court treaded carelessly and needlessly on Proposition 218.*

In 2017, the California Supreme Court was asked, in *California Cannabis Coalition v. City of Upland*, to decide a narrow procedural question regarding the election date for a *general tax* proposed by a citizens' initiative. In answering that question, the Court treaded carelessly and needlessly on Proposition 218 as a whole, giving local government officials ammunition for trouble statewide. HJTA has been surprised to see the Court refuse to follow up with clarification. This leaves us with various conflicting superior and appellate court decisions on a variety of situations.

What the Supreme Court actually *decided* in 2017 was that a general tax election in the City of Upland should have been placed on the ballot sooner than the city thought was required. In its opinion, however, the Court used some overly broad language called "dicta," a kind of academic pondering that's not necessary for deciding the opinion. The legal rule is that it's not to be relied upon. Nevertheless, since the dicta made sweeping statements about Proposition 218 as a whole,

government lawyers could not resist importing the Court's statements to other situations. For example, even though the Supreme Court's dicta never said anything specific about the two-thirds vote for special taxes, San Francisco's government officials argued it was implied. Soon, special taxes were declared passed without two-thirds voter approval if those tax proposals arrived on the ballot as citizens' initiatives — by whatever means.

HJTA and private firms led the litigation effort to challenge these techniques. All of us were sure the Supreme Court would take up at least one case in order to follow up on its dicta, perhaps a case with a challenging set of facts. We thought, for example, it might take up our in-house case over San Francisco's June 2018 Proposition C, *HJTA v. City and County of San Francisco*. In that case, politicians had copied and pasted their own special tax proposal verbatim into a voter initiative petition, gathered signatures on the petition, placed it on the ballot as "citizens" and declared the special tax passed upon 50.8% voter approval. The Supreme Court denied review, leaving the scheme intact and available for future use.

The Supreme Court will next be deciding whether to review *Nowak v. City and County of San Francisco*, the case of June 2018 Proposition G, a parcel tax increase for teacher salaries. Prop. G was born when the school district incentivized the union to start a citizens' initiative in exchange for raises. The "proponents" merely provided their names and signatures as the citizens proposing the tax, while a law firm representing the school district wrote the measure, paid the filing fee, gathered the signatures and otherwise ran the campaign. The court of appeal called the district's behavior "support" and "nothing sinister." What's uniquely worse in this case is that parcel taxes are an exception to general property

taxes specific to, and inseparable from, Propositions 13 and 218. But apparently their two-thirds vote requirements are separable.

As of the writing of this article, the Supreme Court has turned down review in all three of the special tax initiative cases presented to it. Without comment on the application of its own dicta, it's now letting cities like San Francisco and Fresno avoid the two-thirds vote requirement contained in Propositions 13 and 218 simply by presenting government tax proposals to the voters as "initiatives." Other cities that were watching San Francisco are now jumping on the bandwagon, including Oakland and San Diego.

More loopholes are popping up, not just using the citizens' initiative petition process. In 2016, San Francisco's board of supervisors proposed Proposition W to increase its documentary transfer tax. As a "general" tax not for a special purpose, this measure would normally need only simple majority approval.

*HJTA stands ready to support new initiatives to uphold voter intent in Propositions 13 and 218.*

However, just before the board of supervisors placed this "general" tax increase on the ballot, it had passed a resolution saying the next documentary transfer tax increase would be dedicated to making City College tuition free. But dedicated taxes are special taxes. And to boot, Proposition 13 prohibits documentary transfer taxes from becoming special taxes. However, since the board could technically



undo its resolution at any time, even though it *didn't*, and thus render the funds available for any general purpose, it has argued that Proposition W was a normal general tax increase and needed only simple majority approval.

A challenge to Proposition W, *CIM Reit v. City and County of San Francisco*, will soon be heard in the First District Court of Appeal. HJTA has filed a "friend of the court" brief arguing that if this resolution-before-the-next-election technique is permitted, local governments will start declaring specific purposes for "general" tax increases right before each election and avoid the two-thirds vote on *all* special tax proposals, not just those made through citizens' initiatives under the *Upland* ruling.

Another ploy for evading the two-thirds vote requirement is something we call an "A/B" scheme, where a tax is divided from its specific purposes and presented to voters as two "companion" measures on the same ballot. In 2016, the Mendocino County Board of Supervisors simultaneously placed two measures on the ballot, Measures AI and AJ. Measure AI proposed a tax on commercial cannabis businesses. Measure AJ proposed to "advise" the board to spend such tax proceeds, if approved, on a handful of various needs: enforcement of marijuana regulations, mental health services, road repair and fire and emergency medical services. In

*Continued on page 11*



# 2021 HJTA LEGISLATIVE REPORT CARD

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

As with last year, we only considered floor votes. This allows all legislators to vote on a bill at the same time and removes the potential risk of grade inflation. We also gave bills that have made it through both chambers greater consideration in our scoring. It is those bills, like SB 323, a direct attack on Proposition 218 that seeks to destroy the rights hard-won for taxpayers in *Howard Jarvis Taxpayers Assn. v. City of La Habra*, that were most likely to hurt (or help) taxpayers.

Abstention votes on legislation count as half credit.

Senator **Patricia Bates** was the only legislator to score a perfect 100 this year. Eleven other legislators received A's, including fellow Senators

**Andreas Borgeas, Shannon Grove, Melissa Melendez** and **Scott Wilk** as well as Assembly Members **Frank Bigelow, Steven Choi, Vince Fong, James Gallagher, Kevin Kiley, Kelly Seyarto** and **Randy Voepel**.

Sixteen other legislators were awarded B's, and one legislator was awarded a C. Sixteen legislators received D's and 74 flunked.

The 2021 scores stem from 14 bills. For more information about our methodology and scoring system, go to [www.hjta.org](http://www.hjta.org) or e-mail Legislative Director Scott Kaufman at [scott@hjta.org](mailto:scott@hjta.org).

If you would like to contact your representatives about their grade on HJTA's report card, or for any other reason, you can look up their names and contact information online at [findyourrep.legislature.ca.gov](http://findyourrep.legislature.ca.gov) or in the government pages of your local White Pages directory.

SENATOR SUMMARY			
SENATOR	PARTY	GRADE	%
Allen	D	F	46.43
Archuleta	D	F	35.71
Atkins	D	F	35.71
Bates	R	A	100.00
Becker	D	F	39.29
Borgeas	R	A	95.71
Bradford	D	F	39.29
Caballero	D	F	39.29
Cortese	D	F	35.71
B. Dahle	R	B	85.00
Dodd	D	F	35.71
Durazo	D	F	35.71
Eggman	D	F	46.43
Glazer	D	D	58.57
Gonzalez	D	F	31.25
Grove	R	A	92.14
Hertzberg	D	F	42.86
Hueso	D	F	35.71
Hurtado	D	F	46.43
Jones	R	B	85.71
Kamlager	D	D	51.00
Laird	D	F	42.86
Leyva	D	F	42.86
Limon	D	D	51.00
McGuire	D	F	45.71
Melendez	R	A	97.86
Min	D	F	42.86
Newman	D	F	42.86
Nielsen	R	B	85.00
Ochoa Bogh	R	B	86.43
Pan	D	F	35.71
Portantino	D	F	42.86
Roth	D	F	35.71
Rubio	D	F	35.71
Skinner	D	F	35.71
Stern	D	D	51.00
Umberg	D	F	35.71
Wieckowski	D	F	45.71
Wiener	D	F	35.71
Wilk	R	A	90.71

ASSEMBLY MEMBER SUMMARY							
ASSEMBLY MEMBER	PARTY	GRADE	%	ASSEMBLY MEMBER	PARTY	GRADE	%
Aguiar-Curry	D	F	35.71	Lackey	R	B	84.29
Arambula	D	F	39.29	Lee	D	F	39.29
Bauer-Kahan	D	D	51.00	Levine	D	F	46.43
Bennett	D	F	35.71	Low	D	F	35.71
Berman	D	F	32.14	Maienschein	D	F	39.29
Bigelow	R	A	95.71	Mathis	R	B	81.43
Bloom	D	D	51.00	Mayes	I	D	62.14
Boerner Horvath	D	D	62.14	McCarty	D	F	35.71
Bryan	D	F	40.91	Medina	D	F	35.71
Burke	D	F	39.29	Mullin	D	F	35.71
Calderon	D	F	35.71	Muratsuchi	D	D	51.00
Carrillo	D	F	35.71	Nazarian	D	D	58.57
Cervantes	D	F	32.14	Nguyen	R	B	80.71
Chau	D	F	39.29	O'Donnell	D	D	58.57
Chen	R	B	85.00	Patterson	R	B	88.57
Chiu	D	F	35.71	Petrie-Norris	D	C	70.71
Choi	R	A	92.14	Quirk	D	F	39.29
Cooley	D	F	46.43	Quirk-Silva	D	F	35.71
Cooper	D	F	35.71	Ramos	D	D	55.00
Cunningham	R	B	82.86	Rendon	D	F	35.71
M. Dahle	R	B	85.00	Reyes	D	F	42.86
Daly	D	D	62.14	L. Rivas	D	F	42.86
Davies	R	B	85.00	R. Rivas	D	F	35.71
Flora	R	B	82.86	Rodriguez	D	F	39.29
Fong	R	A	91.43	Rubio	D	F	39.29
Frazier	D	D	69.29	Salas	D	D	60.00
Friedman	D	F	46.43	Santiago	D	F	42.86
Gabriel	D	F	46.43	Seyarto	R	A	94.29
Gallagher	R	A	92.14	Smith	R	B	88.57
C. Garcia	D	F	42.86	Stone	D	D	51.00
E. Garcia	D	F	39.29	Ting	D	F	35.71
Gipson	D	F	35.71	Valladares	R	B	80.71
Gonzalez	D	F	32.14	Vallapudua	D	F	35.71
Gray	D	F	42.86	Voepel	R	A	90.71
Grayson	D	F	35.71	Waldron	R	B	85.00
Holden	D	F	39.29	Ward	D	F	35.71
Irwin	D	F	42.86	A. Weber	D	F	45.83
Jones-Sawyer	D	F	39.29	Wicks	D	F	35.71
Kalra	D	F	35.71	Wood	D	F	35.71
Kiley	R	A	95.00				

**SENATOR SUMMARY:**

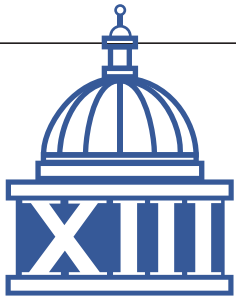
**A = 5** (90–100%)  
**B = 4** (80–89%)  
**C = 0** (70–79%)  
**D = 4** (51–69%)  
**F = 27** (0–50%)

**ASSEMBLY MEMBER SUMMARY:**

**A = 7** (90–100%)  
**B = 12** (80–89%)  
**C = 1** (70–79%)  
**D = 12** (51–69%)  
**F = 47** (0–50%)

To find the names and contact information of your representatives, go online to [findyourrep.legislature.ca.gov](http://findyourrep.legislature.ca.gov) or check the government pages of your local phone directory.

# UNDER THE DOME



## TAX INCREASES DIED AS RECALL ELECTION LOOMED

By Scott Kaufman, Legislative Director

Here's a rundown of the Legislative session that wrapped up in September.

### THE GOOD NEWS

Any year the California Legislature is in session is a bad year for taxpayers. Success is often measured not in how many pro-taxpayer bills are passed but how many anti-taxpayer bills we manage to stop. And, in that regard, this year has been better than expected.

The threat of a recall along with projection-busting tax revenue likely had a taming effect. Governor Gavin Newsom even pledged in September 2020 to oppose new taxes if the Legislature sent them his way. The irony was not lost on us that he said this while also endorsing Proposition 15, which would have been the biggest tax increase in California history and a direct attack on Prop. 13, but it was more of an assurance than taxpayers usually get.

Then session started, and undercutting Newsom's newfound restraint, the Legislature went all in on its usual tax-and-spend ways. But then something wonderful happened: The tax bills we have opposed this session started dying.

**Assembly Bill 65**, a bill that would create a California Universal Basic Income and proposed to pay for it either through a value-added tax, raising corporate taxes or implementing a tax on services, died in committee. **Assembly Bill 310**, a bill to create a wealth tax, failed to receive a hearing before deadline. **Assembly Bill 1253**, which would raise the income tax rate as high as 16.8% for Californians making over \$1 million, was held in its first committee. **Assembly Bill 1400**, a bill to create a single-payer healthcare system and double the state budget in the process, was tabled.

*Then something wonderful happened: The tax bills we have opposed this session started dying.*

**Assembly Bill 71**, a bill that would create a \$2.4 billion homeless fund through increasing income tax rates on individuals making over \$1 million, increasing corporate income taxes and collecting taxes on increases in the value of assets through "marking to market unrealized capital gains and the repeal of stepped-up in basis of inherited assets," was stripped of most of its taxing language but still stalled on the Assembly floor.

### THE BAD NEWS

We're glass-half-full people here at the Howard Jarvis Taxpayers Association. That's the only way to stay sane while bill-watching in Craziifornia, but that doesn't mean we aren't also realistic. While we were happy with the number of bills that we and our allies managed to stop this year, the fact remains that the Legislature operates on a two-year cycle and a bill that didn't make it across the finish line this year can come roaring back in the next. So, we can breathe a little easier — but only until January.

### OTHER UPDATES

What happened with those other bills I've mentioned in previous articles? Well, here we go...

**Senate Constitutional Amendment 1** would make "yes" mean "no" and "no" mean "yes" when referendums are placed on the ballot. It was ordered to the "inactive file" on request of the author. That means it has been tabled but could come back.

**Senate Constitutional Amendment 3** would allow a governor to be recalled and reelected on the same ballot. It was also ordered to the "inactive file" on request of the author.

**Senate Bill 660** would prohibit a person from paying money based on the number of signatures obtained on a state or local initiative. The author of SB 660 claims, without compelling

*The fact remains that the Legislature operates on a two-year cycle and a bill that didn't make it across the finish line this year can come roaring back in the next.*

evidence, that the bill's purpose is to prevent fraud. All SB 660 would do is drive up the cost of getting measures on the ballot. Unfortunately, this bill passed the Legislature and is awaiting the governor's signature.

**Assembly Constitutional Amendment 1** was back again this year. ACA 1 would repeal the two-thirds vote threshold needed

*Continued on page 7*



HOWARD JARVIS  
TAXPAYERS ASSOCIATION

August 16, 2021

Hon. Anna Caballero  
State Capitol, Rm. 5052  
Sacramento, CA 95814

Re: Senate Bill 323 (Caballero)

Dear Senator Caballero,

This is to inform you that the Howard Jarvis Taxpayers Association **must oppose your SB 323**. While we oppose all attempts to enlarge the universe of government actions that are subject to the validation statutes, SB 323 is a direct attack on Proposition 218 and seeks to destroy the rights hard-won for taxpayers in *Howard Jarvis Taxpayers Assn. v. City of La Habra*.

The purpose of the Validation Act was to protect marketability of public bonds or the ability to satisfy other "evidence of indebtedness." It was never meant to foreclose other cases from court. This has created inequity in the law today. We feel validation statutes are an unfair denial of due process that even the California Supreme Court has acknowledged can have the effect of cementing into law illegal government acts that are then forever insulated from judicial review.

That is why, at a minimum, an agency should be required to bring its own validation action within 120 days in order to obtain the protection and give taxpayer's proper notice should action be necessary. The agencies will tell you that this is cost prohibitive, but it is far more cost prohibitive for an individual taxpayer to bring such an action and even more so for ratepayers to pay a potentially illegal fee insulated from challenge despite the absence of any notice to the public, review by a court, entry of judgment, or other due process.

Lastly, the *Kessner* case against 81 water districts being used to justify this bill is an anomaly being challenged on jurisdiction. Generally, litigating water rates is incredibly consuming and isn't done without good motivation and community support. The Supreme Court hasn't looked at validation statutes since *City of Ontario v. Superior Court* where it said that some validation statutes "were of doubtful constitutionality" but recently granted review in *Davis v. Fresno Unified School District* where it will look at one of them.

Sincerely,

Scott Kaufman  
Legislative Director

**HJTA's letter of opposition to Senate Bill 323, legislation that eases the way for increases in water rates.**



## GRASSROOTS REPORT

# EVER CONSIDERED RUNNING FOR OFFICE? WHY NOT GO FOR IT?

By Eric Eisenhammer, HJTA Director of Grassroots Operations

Your Howard Jarvis Taxpayers Association often encourages citizen taxpayers to hold elected leaders accountable by attending meetings, staying informed on local government decisions and advocating for fiscally responsible policies.

Perhaps you've already gotten involved and taken these actions and they have not produced an improvement. If that's the case, it may be time for you to consider running for office yourself.

People who hold elected office don't have any super-powers. They're just people who stepped up and ran, talked to their friends and neighbors and then won their elections. You don't need to feel intimidated if you're not rich or don't have great speaking skills.

In actuality, to be successful as a candidate, you will need to have a good work ethic and be willing to knock on doors, raise funds for your campaign and show up at community meetings to meet people and answer questions. If you win your election, these are also personality traits that will

help you to be successful in a position of leadership.

If you're willing to put in the hard work, your next step should be to look at what offices are coming up for election in your community and what the requirements are to run. Check the websites of the county elections official, school board or city clerk, or call their offices. You may need to file petition signatures in support of your candidacy and fill out other types of paperwork. Be sure to keep close track of deadlines and complete relevant paperwork carefully. Small mistakes can result in your being disqualified from the ballot.

California's primary election is scheduled for June 7, 2022, but it is by no means too soon to begin your campaign. You may be able to start gathering signatures as early as December.

Local offices like your city council or county board of supervisors are officially nonpartisan. Most voters will want to hear your plans on issues like public safety, job creation and spending local tax dollars responsibly. Consider

taking a survey of friends and neighbors to find out what issues are their top priorities.

Include people you trust and respect in your campaign as advisors and listen to their advice. Having a core group of people to help you will be invaluable in every aspect of your campaign, from fundraising to knocking on doors. You may also have friends with special skills like accounting, website development or graphic design who would be willing to volunteer their time and talent to help you.

Once, a young person who considered running for office shared with a local county supervisor that he felt like he wasn't ready yet. The supervisor said, "If you wait until you're ready to run, you won't run until you're so old you can't find the meeting!"

Indeed. Don't let fear or insecurity hold you back if you know you can do a good job. In fact, if you want to run but are wondering if you're leadership material, you probably are!

## RECALL FAILS, INITIATIVES AHEAD

Continued from page 1

HJTA President Jon Coupal noted the irony of today's progressive politicians attempting to tear down reforms that were the work of the true Progressives of the early 1900s, especially California Governor Hiram Johnson. "This includes efforts to weaken the powers of direct democracy," Coupal said, "which Johnson recognized as an indispensable tool to bypass an indolent, unresponsive and corrupt political system."

The powers of direct democracy will make their presence felt in the November 2022 election, judging by the number of initiatives filed with the attorney general's office. In addition to HJTA's **Repeal the Death Tax Act** (No. 21-0015), voters may see two school choice initiatives (No. 21-0011 and No. 21-0006A1) and three initiatives legalizing sports betting (No. 19-0029A1, No. 21-0009A1 and No. 21-0017). The "Local Land Use" initiative (No. 21-0016) would reverse edicts from Sacramento that have ended single-family zoning. The "Water Infrastructure Funding Act" (No. 21-0014) would earmark a percentage of the state's General Fund revenue for water projects.

These and other initiatives may be appearing soon on a folding table near you, but they can be viewed now on the website of the state attorney general at this link:

<https://www.oag.ca.gov/initiatives/active-measures> □

## UNDER THE DOME *Continued from page 6*

to pass local sales and parcel taxes for infrastructure and affordable housing projects. It hasn't moved this session, but we expect it to be back next year, and we will be ready.

**Assembly Constitutional Amendment 9** would have allowed voters to reinstate Proposition 58 and Proposition 193, restoring what Proposition 19 took away: the constitutional exclusion from reassessment when certain property is transferred between parents and children, or grandparents and grandchildren. We sponsored this bill, but the majority in the Legislature was uninterested in talking about the harm they caused by putting Proposition 19 on the ballot. The bill wasn't even sent to a committee for a hearing.

That's why we filed the ballot initiative you've read about elsewhere in *Taxing Times*. But to get this initiative on the ballot, we need your help. Find out how at [www.hjta.org/RepealTheDeathTax](http://www.hjta.org/RepealTheDeathTax). □

## STAY CONNECTED!

Sign up for e-mail alerts at [HJTA.org](http://HJTA.org).



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.*

## FOUNDATION REPORT

### HJTF HOLDS ATTORNEY CONFERENCE TO DISCUSS TAX AND POLITICAL LAW

The Howard Jarvis Taxpayers Foundation held a special conference for California attorneys who represent, or would like to represent, California taxpayers and voters in public finance and election matters.

About 100 invitees attended the event at the Citizen Hotel in Sacramento on September 30.

Panelists included HJTA President Jon Coupal, Director of Legal Affairs Timothy Bittle and Senior Staff Attorney Laura Dougherty. They were joined by an array of legal experts with a broad range of experience in tax, appellate and political law.

A panel on procedural hurdles covered issues of standing, statutes of limitation, exhaustion of

remedies, and administrative records. A second panel discussed pros, cons and procedures of class action lawsuits.

One topic at the conference was the issue that HJTF's Public Integrity Project was recently founded to address: the problem of governments and public agencies spending tax dollars on campaigns. A fourth panel discussed alternatives to litigation, specifically lobbying and initiatives to advance taxpayer interests.

HJTF was able to offer the conference at no charge thanks to a generous donation from a longtime friend of the Foundation. Attorneys were eligible to receive four hours of MCLE (minimum continuing legal education) credit for attending.

### HJTA FIGHTS TO REPEAL CA'S NEW DEATH TAX

Association has long experience with initiatives. It is challenging to qualify measures for the ballot. The **Repeal the Death Tax Act** needs 997,139 valid signatures of registered voters in order to be on the November 2022 ballot, and we would need to collect about 1.3 million to be sure of meeting the requirement. Adding to the difficulty, the timeline is tight. Petition circulation cannot begin until the attorney general has issued a title and summary in early November, and the deadline to collect the necessary signatures is April 29, 2022.

*This will not be easy, and to move forward we have to be convinced that qualification has a real chance of success.*

That's why HJTA needs **your help** to make this happen.

Can we count on you to help collect signatures? If you can collect a few, we will mail you a petition with complete instructions. If you

would like to set up a table and collect signatures in your neighborhood, we'll send you a table banner, petitions and other materials to help get the

*HJTA is fighting to restore the ability of parents to pass property to their children without any change to the property tax bill.*

word out. Volunteers will have to collect a total of thousands of signatures per day, all across the state, to win this battle to **repeal the death tax**.

*Continued from page 1*

HJTA is able to fight for taxpayers because of the generous contributions of its Members. If you are comfortable donating to help **repeal the death tax**, please make a donation to the **Protect Prop. 13** Committee, which pays campaign expenses related to ballot measures.

To sign up to volunteer or to make a donation to this important effort to protect Prop. 13 for our children, please visit the website at [www.hjta.org/RepealTheDeathTax](http://www.hjta.org/RepealTheDeathTax).

While you're at the website, be sure to check out the Death Tax Calculator. When you see how much the death tax will cost your family, you'll know why HJTA is fighting so hard to **repeal the death tax**.

For more information on how to volunteer or support this effort, visit [www.hjta.org](http://www.hjta.org), email [info@hjta.org](mailto:info@hjta.org) or call our offices at 916-444-9950 or 213-384-9656. Thank you for your support! □

## TAX BYTES

### THAT'S SHOWBIZ

Governor Gavin Newsom's office ran up a tab of more than \$11,000 last July to produce a budget-signing ceremony in Los Angeles. They spent \$6,000 to rent a stage and print "California Roars Back" posters, and the rest on flights and hotels for the staff that traveled from Sacramento.

### BAGHDAD BY THE BAY

San Francisco Mayor London Breed agreed to pay a \$22,792 fine for what the city's Ethics Commission described as "significant" violations. Breed admitted to accepting gifts from subordinates and using her office for personal gain.

### LOCK 'EM UP

The California Prison Industry Authority illegally spent \$1.3 million, according to the state auditor. CalPIA officials gave out expensive gifts such as digital cameras, artificial turf, and furniture, and also hired and promoted friends and relatives in violation of state civil service laws.

### WHAT'S THE RUSH?

The California Department of Housing and Community Development failed to properly distribute \$316 million in federal relief funds intended to help homeless residents during the pandemic emergency. The department hired a contractor to manage the funds, but not until 14 months later.

### RISKY BUSINESS

The state auditor reported that California's management of COVID-19 federal funds is at high risk of waste, fraud, abuse, inefficiency and mismanagement. A total of 18 state departments received \$71 billion to run more than 35 federal programs.

## HJTA.ORG

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





# HOUSING DENSITY BILLS SB 9 AND SB 10 SIGNED BY THE GOVERNOR

Two housing density bills that HJTA opposed were passed by the Legislature in August and signed into law by Gov. Gavin Newsom in September.

Senate Bill 9 creates a right to subdivide single-family lots throughout the state, allowing up to four residences on a parcel that currently has just one house on it. Once subdivided, each lot could have a house and an accessory dwelling unit (ADU), also known as a “granny flat.”

Senate Bill 10 enables local governments to pass an ordinance that automatically zones all single-family lots for multifamily housing of up to 14 units if those lots are in an “urban infill” or “transit-rich” area, as defined. This ordinance would override the California Environmental Quality Act as

well as any local voter initiatives that blocked dense developments of this kind.

HJTA warned the Legislature of possible property tax implications. In some circumstances, county assessors could choose to value a single-family home based on the value that the property would have if it was developed into multifamily housing. While owner-occupied single-family homes are protected from reassessment by Proposition 13, homes that are sold could potentially be assessed at a value higher than the sale price based on the potential value of the property if developed into four or fourteen units. Homes that are inherited and reassessed under the “death tax” provisions of Proposition 19 could also be hit with high tax assessments

based on unrealized development potential.

These bills are especially concerning when coupled with local efforts, underway in multiple cities including Berkeley and Sacramento, to wipe out single-family zoning entirely. Revenue and Taxation Code Section 401.4 prevents assessors from valuing property “at any value greater than that which would reflect the use of the land as a site for a single-family dwelling” on land “which is zoned exclusively for single-family homes.” But there may not be any neighborhoods in California that are “zoned exclusively for single-family homes” under the new laws.

However, it appears that the fight over single-family zoning is not over.

Led by Redondo Beach Mayor Bill Brand, Yorba Linda Mayor Peggy Huang and others, an effort is underway to restore and secure local control over zoning and land use decisions. A new initiative has been introduced to amend the state constitution: the Californians for Community Planning Initiative, which would ban the type of centralized zoning proposals that have been introduced year after year in the Legislature. The measure would call a halt to the state’s forced imposition of uncontrollable density.

The initiative’s proponents will need about one million signatures to qualify the measure for the November 2022 ballot. Visit [www.CommunitiesForChoice.org](http://www.CommunitiesForChoice.org) for more information. □

## ‘TEL’ ME NO LIES *By Jon Coupal*

Beginning in the 1970s, voters across the United States began revolting against excessive taxation and, by way of direct democracy or heavy pressure on their respective state legislatures, they achieved some success by enacting new laws.

These laws, aimed at enforcing fiscal restraint, are sometimes referred to as TELs, or “tax and expenditure limitations.” According to the Tax Policy Center, as of 2020, 33 states had at least one kind of TEL.

TELs come in many forms. They include direct limitations on specific taxes, limitations on increases in government spending, vote threshold requirements or a combination of all three. It is no surprise that TELs imposed by voters directly, either through constitutional amendments or by statutory initiatives, are usually more restrictive than TELs enacted by legislative bodies.

Although America has always had laws limiting governments’ power to impose taxes, the sea change came in 1978 with the passage of California’s own Proposition 13. That set off a nationwide push for TELs.

Just one year after Proposition 13, California voters approved

another TEL called the Gann spending limit. Its approach was very different from the direct tax limitations imposed by Prop. 13. The intent of the Gann limit was to cap the growth of government spending, adjusted only for increases in population and inflation. It sought to accomplish this by establishing a spending limit based on 1978–79 spending, determining what appropriations would be subject to the limit, estimating “proceeds of taxes” from all state sources and then subtracting certain exclusions.

Yes, it’s complicated. And it doesn’t get any less complicated when one considers that the Gann spending limit was substantially weakened by Proposition 98 in 1988 and Proposition 111 in 1990, which carved out exceptions for education and transportation spending, respectively, as well as substituting a far more generous inflation factor. Ironically, after Gann was weakened, most public finance observers assumed that California would never bump up against the limit again. We assumed incorrectly.

This year, vast amounts of tax revenues from capital gains and stock options, coupled with

minuscule inflation and flat population growth, brought Gann issues unexpectedly to the forefront. Dozens of media reports speculated about the Gann limit’s influence on Gov. Gavin Newsom’s decision to return billions of dollars to taxpayers who earn up to \$75,000 as part of state’s post-COVID stimulus plan.

It is important to keep in mind that all of this excess revenue is due to what taxpayers have produced rather than any managerial wisdom from the governor. So while Newsom breaks his arm trying to pat himself on the back for returning money to citizens, let’s remember that government didn’t create this pot of money — taxpayers did.

Moreover, all that excess revenue may, in part, be due to a strong economy in California, but it is also the result of our excessive tax burden. One way the state can avoid Gann issues next year and in all future years is to reduce tax rates across the board. But in the meantime, we can conclude that when it comes to restraining government spending, Howard Jarvis was correct when he said, “Don’t give them the money in the first place.” □

## PRESIDENT’S MESSAGE

*Continued from page 2*

people’s right of initiative to exploit the exception.

Sure enough, there have been four additional cases that have exploited this loophole over our objections.

And last summer, in *HJTA v. Weber*, the court of appeal ruled against taxpayers in a challenge to the Legislature’s abusive practice of using “budget trailer bills” as a means to circumvent the constitutional requirement that bills intended to take effect immediately receive a two-thirds vote of each house.

By characterizing nonbudget bills as “budget related,” the Legislature is brazenly enacting changes to election laws with the obvious intention of maintaining progressives’ grip on political power.

These anti-taxpayer rulings are disappointing but not fatal to our interests. We have many instruments in the freedom toolbox to advance the cause of fiscal responsibility and limited government. And remember, the pendulum always swings back in politics. □

# PROPOSITION 13 AGAIN SUCCEEDS IN PRODUCING REVENUE GROWTH WHILE PROTECTING TAXPAYERS



In July, county assessors reported another year of growth in the total taxable value of property, resulting in higher revenues for local governments without raising taxes.

It's a Proposition 13 success story. Even during the upheaval of the COVID-19 pandemic, assessment roll growth has continued, bringing local governments more revenue while protecting property owners from sharp, sudden tax increases. Under Prop. 13, assessed value may rise no more than 2

percent per year on properties that have not changed ownership or undergone new remodeling or construction. For the fiscal year ending in July 2021, the inflation factor was 1%.

Los Angeles County saw its property tax roll grow in value by 3.7 percent, according to Assessor Jeffrey Prang, the 11th straight year of growth in taxable value and revenue. Prang said \$44.9 billion was added due to reassessments upon change of ownership, while remodeling and new construction

added \$8.8 billion and inflation accounted for an addition of \$16.4 billion.

According to Caltax, assessment rolls increased by 3.47 percent in Orange County, 3.44 percent in Contra Costa, 5.19 percent in Sacramento, 3.72 percent in San Diego, 4.16 percent in San Mateo, 3.95 percent in Marin, 0.87 percent in Kern, 5.88 percent in Placer, 4.6 percent in Santa Clara, 3 percent in Sonoma, 4.8 percent in Stanislaus, 3.5 percent in Ventura, and 4.45 percent in Yolo. (Due to COVID-related delays, some counties had not yet completed their rolls when Caltax issued its report.)

San Mateo's growth of 4.16 percent followed growth of 7.02 percent in 2020, 7.12 percent growth in 2019, and 8 percent growth in 2018. Similarly, Ventura County Assessor Dan Goodwin reported that the roll in his county has grown for 10 consecutive years and just hit a record \$152 billion.

San Diego County Assessor Ernie Dronenburg, president of the California Assessors' Association, told Caltax the growth in the assessment roll "highlights that Proposition 13 delivered on its key promises; first, that taxpayers be protected from unaffordable property taxes due to skyrocketing real estate values that could cause them to lose their homes."

Second, Dronenburg said, Proposition 13 succeeded at providing "a reliable and increased government funding source for key services like schools and first responders, insulating them from the current COVID-19 pandemic."

Even when tested under the most stressful conditions of a global pandemic, Proposition 13 provides stability for local governments and for property owners. The Howard Jarvis Taxpayers Association is proud to have protected Proposition 13 and California taxpayers for 43 years, and counting. □

## BULLET TRAIN ON TRACK TO FAIL

**We hate to say,  
"We told you so,"**

but HJTA predicted back in 2008 that the bullet train would end up where it is today — over budget, behind schedule and going nowhere fast.

Talks between the governor and legislative leaders derailed in September over how to spend \$4.2 billion remaining from the 2008 bond act that authorized a total of nearly \$10 billion to plan and construct a high-speed rail line between San Francisco and Los Angeles.

The California High-Speed Rail Authority was seeking to have all the remaining bond funds appropriated for the unfinished segment of the bullet train in the San Joaquin Valley. Gov. Gavin Newsom supported that request, but lawmakers in the Assembly were hoping to divert some of the funding to rail projects in Southern

California and the Bay Area.

No agreement was reached, setting the stage for the two sides to fight about it again in January.

A 2008 study sponsored by the Reason Foundation and the Howard Jarvis Taxpayers Foundation predicted that the promised total cost of \$45 billion would quickly turn into \$100 billion or more. "There are no genuine financial projections that indicate there will be sufficient funds," the authors wrote.

That's exactly what happened. After voters approved the project, the cost estimate was revised upward to \$95 billion. Voters were told that private investors would pick up a share of the cost, but in reality there were no private investors interested in sinking their money into the bullet train.

Then-Governor Jerry Brown responded to public outrage by pressuring the High-Speed Rail



Authority to cut back its plans and change to a "blended" approach, meaning part of the system would be high speed, and part would be conventional rail. That brought the estimated cost "down" to \$65 billion.

Gov. Newsom came into office in 2019 and seemed to acknowledge that the bullet train couldn't be built as promised. However, he doubled down on it anyway, and now taxpayers are

funding the construction of a high-speed rail line between Merced and Bakersfield. Current plans call for passengers to take conventional rail from the Bay Area to Merced, and a bus from Bakersfield to Southern California. That, the High-Speed Rail Authority insists, meets the definition of a high-speed rail line from San Francisco to Los Angeles.

Of course it does. It's not their money. □



# REPEAL THE DEATH TAX

## DEATH TAX CALCULATOR

Under California's new death tax, property transferred between parents and children is reassessed to market value as of the date of transfer. How much will the death tax cost your family? Try HJTA's Death Tax Calculator at <https://reinstate58.hjta.org/calculator>. Scary!

R.I.P.  
HOW MUCH WILL THE DEATH TAX COST YOUR FAMILY?

YOUR PROPERTY'S MARKET VALUE:  
\$825,000

NEW TAX BILL IN THE 1ST YEAR COMPARE TO YOUR CURRENT TAX BILL!  
\$8,250

TOTAL TAXES OVER 5 YEARS 2% ANNUAL INCREASE IN ASSESSED VALUE  
\$42,933

TOTAL TAXES OVER 10 YEARS 2% ANNUAL INCREASE IN ASSESSED VALUE  
\$90,329

TOTAL TAXES OVER 20 YEARS 2% ANNUAL INCREASE IN ASSESSED VALUE  
\$200,450

## THE LEGAL FRONT *Continued from page 4*

this case titled *Johnson v. County of Mendocino*, the court found that since the vote on specific purposes was only “advisory,” the board wasn’t bound, the tax remained general, and it needed only a simple majority to pass.

The only brake pedal the courts have pressed is on board amendments to voter-initiated taxes. This is helpful but still not enough. For example, in Humboldt County in 2016, Measure S appeared on the ballot as a voter initiative. Measure S proposed to tax marijuana cultivation and allowed the board of supervisors to amend only its enforcement regulations. The board of supervisors, however, amended Measure S in three ways to expand the taxation: by applying the tax to property owners instead of just persons (i.e., the actual

growers or business operators), by applying the tax to permitted areas instead of to cultivation and by commencing the taxation upon permit issuance rather than cultivation. The First District

*More loopholes are popping up.*

Court of Appeal made clear that a governing body may not amend a voter initiative to expand who is taxed, what is taxed or when a tax begins. This decision had been unpublished, meaning it could not be cited as a precedent in other cases. However, HJTA requested publication and that request was granted, making this decision

available authority to halt further expansions of taxation, including those legitimately prompted by citizens’ initiative.

The next test coming is over San Diego’s March 2020 Measure C, a hotel tax proposed by citizens’ initiative. It was a special tax, and it received 65% voter approval, shy of two-thirds. San Diego’s city council chose not to declare the election result, but to wait for decisions from San Francisco, Fresno and their courts of appeal, even though such decisions are not binding on them because San Diego lies in a different judicial district. Then in April 2021, a whole year after the election, based on the decisions out of San Francisco and Fresno, the San Diego City Council “declared” Measure C passed. Legally, the council should have declared results within about

a month of the election. The case is also complicated by the fact that voters were told in the ballot pamphlet that two-thirds approval was required. Now that the council is finally seeking court approval, will the court correctly declare it is too late? And will the court declare it cannot retract its statement to voters that two-thirds approval was required? HJTA calls this an issue of ballot integrity, and we will inform you of results as they unfold.

Given these many absurd court interpretations, HJTA stands ready to support new initiatives to uphold voter intent in Propositions 13 and 218. For the security of local budget planning, a two-thirds vote is necessary for all special taxes. Otherwise, loophole by loophole, the two-thirds vote will be erased. □



# *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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