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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. 51, Issue 2 ★ Spring 2025

ACA 13 AIMS TO CRACK PROP. 13

The California Legislature has proposed a constitutional amendment that would change the rules for passing initiatives that protect taxpayers. Assembly Constitutional Amendment 13 (ACA 13) may be the most serious threat we have confronted in the 46-year history of Proposition 13.

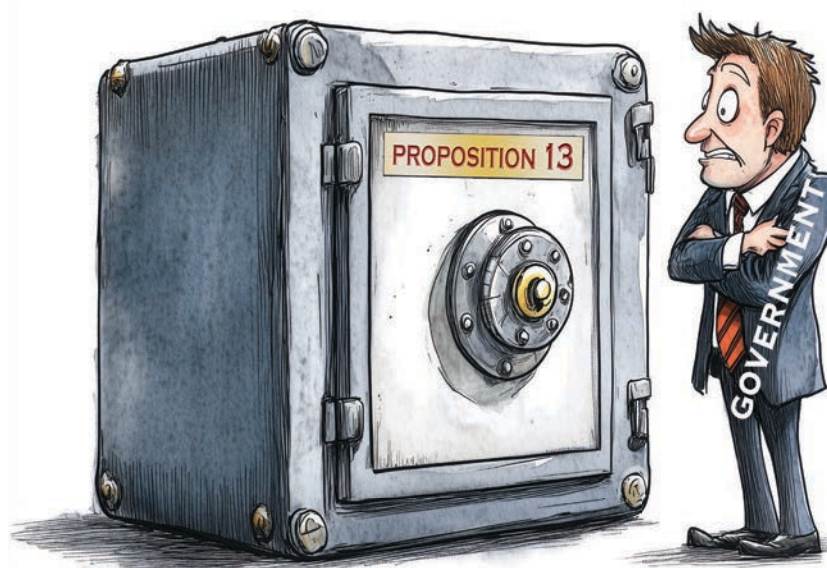
Politicians and special interests have used every trick to try to undermine or evade Prop. 13's taxpayer protections. They've tried renaming taxes as “fees.” They've used the courts to interpret away the constitutional rights of taxpayers. They've tried to pass ballot measures to make it easier

to raise taxes, using scare tactics and misleading ads.

Fortunately, the Howard Jarvis Taxpayers Association has been able to close loopholes carved into Prop. 13 by responding with new initiatives such as Prop. 218, The Right to Vote on Taxes Act, in 1996.

But now the tax-raisers are trying to undermine democratic voting rights with a brazen effort to block initiative constitutional amendments that seek to close court-created loopholes in Prop. 13.

One of Prop. 13's most important taxpayer protections is the requirement for a two-thirds vote of the electorate to pass special



taxes. Recently, the California courts have invented a loophole that allows these tax increases to

pass more easily, requiring only a simple majority if the tax hike is

Continued on page 11

TAX-RAISERS PLOT 2026 COMEBACK

Back in 2023, the tax-raisers had a plan.

The California Legislature passed Assembly Constitutional Amendment 1 (ACA 1), an attack on Proposition 13 that would have made it *easier to raise taxes*. ACA 1 would have cut the vote needed to pass local bonds and special taxes from 66.7% to 55%.

Constitutional Amendments require the approval of a majority of the state's voters, and that's

where the tax-raisers' plan first hit a bump in the road. Polling showed that voters would not approve ACA 1. At the eleventh hour before the deadline for the 2024 ballot, the tax-raisers rewrote the measure by passing ACA 10.

The new version lowered the vote threshold needed to pass local bonds but left the two-thirds vote requirement in place for local special taxes. “Sometimes you

have to settle for half a loaf in this business,” said ACA 1's author, Assembly Member Cecilia Aguiar-Curry, speaking during a webinar with supporters in Sacramento.

The revised ACA 1 went on the November ballot as Proposition 5, and voters rejected it by 10 percentage points. Thanks to the Members of the Howard Jarvis Taxpayers Association, HJTA's Protect Prop. 13 Committee was

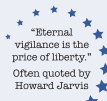
able to lead a successful campaign to defeat Prop. 5, preventing the surge of higher property taxes that would have been unleashed by a torrent of new local bonds in future elections.

But the tax-raisers remain undeterred.

In February, the *San Francisco Chronicle* reported that a poll commissioned by the Metropolitan Transportation Commission

Continued on page 5

Taxing Times



Published by the Howard Jarvis Taxpayers Association (HJTA). Susan Shelley, Editor. ISSN: 1092-8766

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Taxfighter of the Year

See page 3

U.S. reviews bullet train spending

See page 5

'Mansion Tax' case moves forward

See page 6



PRESIDENT'S MESSAGE

A CHANCE TO FINALLY PULL THE PLUG ON HIGH-SPEED RAIL *By Jon Coupal*

California politicians have been blind to the fact that the state's High Speed Rail project is an utter failure. However, the creation of the Department of Government Efficiency (DOGE) by the Trump administration might finally force HSR advocates to open their eyes to the reality that the project will never be completed as promised 26 years ago.

Throughout the early 2000s a high-speed rail project from San Francisco to Los Angeles was the dream of rail advocates and politicians who were too disengaged from reality to consider whether the project even made sense. Once the California Legislature approved placing a nearly \$10 billion bond measure on the ballot, few in government were asking the most important question: Is this massive project even viable?

For that reason, the Howard Jarvis Taxpayers Association

took it upon itself to finance a study to determine just what the state would be getting into. In conjunction with transportation experts at the Reason Foundation, we released a High-Speed Rail Due Diligence Report prior to the November 2008 election when the bond would appear on the ballot.

The conclusion of the study confirmed our worst fears: "The CHSRA plans as currently proposed are likely to have very little relationship to what would eventually be built due to questionable ridership projections and cost assumptions, overly optimistic projections of ridership diversion from other modes of transport, insufficient attention to potential speed restrictions and safety issues and discounting of potential community or political opposition. Further, the system's environmental benefits have been grossly exaggerated, especially with respect to reduc-

tion of greenhouse gas emissions that have been associated with climate change."

Unfortunately, from the start, we had an uphill battle convincing voters how ill conceived the project was. The California Legislature had already stacked the deck by providing such a biased title and summary that HJTA successfully initiated litigation. But the ruling in our favor was issued after the election when the damage was already done. This, in addition to the campaign contributions from those who would profit from the project, was enough to ensure victory at the polls — albeit by a very small margin.

By now, transportation experts and most in the media realize that all the predictions from the study came true. 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 there were no private investors interested in sinking their money into the bullet train.

Another promise made by backers of the project in 2008 was that, in addition to private investment, the federal government would provide up to a third of the needed revenue. And it is true that under both the bipartisan infrastructure bill as well as Biden's most absurdly named law in American history, the Inflation Reduction Act, the feds provided over \$3 billion. But the Biden regime has been ousted, and the Trump administration has made clear its hostility to California's legendary boondoggle.

President Trump launched DOGE as an advisory commission led by businessmen Elon Musk and Vivek Ramaswamy. Its stated mission: to cut waste in government.

A posting on X from DOGE
Continued on page 10



BOARD OF DIRECTORS


Gloria Phillips
Bill Kelso

Craig Mordoh
Sen. Jim Nielsen
(ret.)

Trevor Grimm
In Memoriam – 1938–2019
Gary Holme
In Memoriam – 1943–2022

PRESERVE THE BENEFITS OF PROPOSITION 13

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

 Howard Jarvis
Taxpayers Association

Heritage Society

We thank and appreciate the following for their generous donations:

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

The Gardner Grout Foundation

The Benson Foundation

The Allan W. and Elizabeth A. Meredith Trust

Baker Family Donor Advised Fund
at the Rancho Santa Fe Foundation

The Stanley E. Corbin Trust

The V. Lorel Bergeron Trust

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

THOMAS A. RUBIN, Founder of 20 BILLION Reasons, Honored as HJTA's 2024 TAXFIGHTER OF THE YEAR

By Debra Desrosiers

The Howard Jarvis Taxpayers Association is proud to name Thomas A. Rubin, founder of 20 BILLION Reasons, as the 2024 Taxfighter of the Year. His grassroots team went up against the government money machine and was successful in having an enormous housing bond removed from the 2024 ballot.

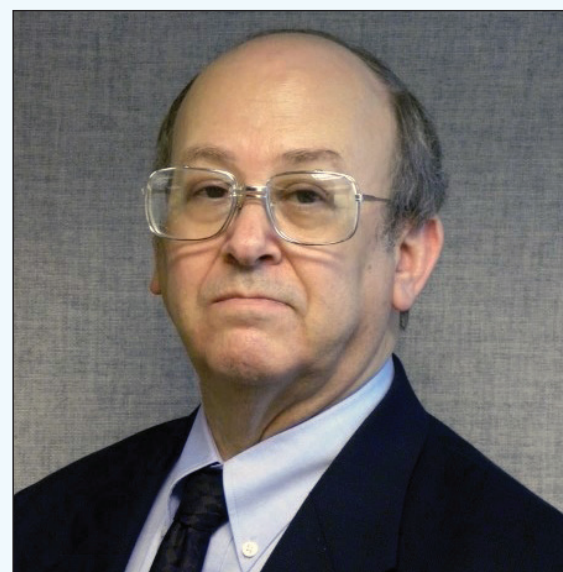
Regional Measure 4 (RM4) was a \$20 billion dollar bond that would have been repaid with \$48.3 billion in new property taxes over decades, costing individual homeowners in nine Bay Area counties thousands of dollars in higher property taxes. Tom and the team at 20 BILLION Reasons were able to show a mathematical error in the ballot materials that significantly understated the cost of the measure. Following that revelation, and amid dismal poll numbers, the Bay Area Housing Finance Authority (BAHFA) board pulled RM4 off the 2024 ballot. It was a major win for taxpayers.

Tom started 20 BILLION Reasons as a single-issue committee in 2024. It has now evolved into a general purpose committee

named SHIFT — an acronym for Sustainability in Housing, Infrastructure, Financing and Transportation. Tom told HJTA that SHIFT is “gearing up for the ever-constant government pushes for new, more, and higher taxes for wasteful government programs and projects.”

Tom is Vice President of the Alameda County Taxpayers' Association and serves on the board of directors of the California Association of Bond Oversight Committees. He has been a long-time community watchdog for taxpayers and responsible government, with a background as an auditor and consultant specializing in government transportation. He is a Certified Public Accountant, Certified Management Accountant, Certified Internal Auditor, Certified Government Financial Manager and holds a certification in Financial Management.

Upon being notified of his award nomination, Tom said, “This was a team effort. We had a great team, and without the assistance from Howard Jarvis this probably wouldn't have happened.”



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

DO HOMEOWNERS IN OTHER STATES HAVE “PROP. 13 ENVY”?



As inflation and high demand push home prices higher all across the country, voters in other states are adopting tax-limitation laws to deal with skyrocketing property taxes.

Californians are protected by Prop. 13 from having to pay annual property tax bills based on current market value. Under Prop. 13, the historic initiative championed by Howard Jarvis in 1978, the taxable value of property

can rise no more than 2% per year until there is a change of ownership, and the tax rate is capped at 1%. Before Prop. 13, there was no cap on the assessment or the tax rate, which averaged 2.67% statewide.

Homeowners who could not afford to pay 2–3% of the market value of their home every year in property taxes were forced to sell, even if the mortgage was paid off and the home was owned free and clear.

Today that's happening in other states, and angry voters are changing their laws to give property owners more protection from being taxed out of their homes.

In the November election, Florida voters passed an initiative that adjusts the “homestead” property tax exemption to keep pace with inflation.

Property tax exemptions were expanded for veterans and their families in New Mexico,

Virginia and Colorado.

Georgia voters approved a cap on annual increases in assessed value tied to the rate of inflation. Wyoming voters approved a constitutional amendment that allows homes to be taxed at a lower tax rate than other types of property.

In Arizona, voters approved a measure that allows the owners of homes or business properties to apply for property tax refunds if local governments fail to enforce nuisance laws. The proposal came from the conservative Goldwater Institute in response to complaints that homeless encampments were endangering the community and damaging property.

When taxation gets out of control and elected officials won't take action, the result can be a tax revolt. California led the nation with Proposition 13, and Californians are more secure in their homes because of it. □



THE POLITICAL THEATER OF SPECIAL SESSIONS

By Scott Kaufman, Legislative Director

Gov. Gavin Newsom calls a lot of special sessions. In November, he called one to “safeguard California values and fundamental rights in the face of an incoming Trump administration.” In August, he called one to “stop gas price spikes.” In 2022, he called one “to hold [the] oil industry accountable for price gouging.”

But what’s the point? Why do we need a special session for any of these things? Our state Legislature is a full-time legislature. They are in their “regular” session for most of the year. The session convenes in December and doesn’t end until September (with a month off for summer). It’s not like they need to be called back then. They’re already here.

So, what is calling a special session *really* about? Well, you could say it’s about emphasizing priorities. But it’s nothing more than political theater.

Here’s why.

Take the latest special session to “protect California values.” The governor called a special session in November. The legislature isn’t in session in November, so it would be reasonable to argue this was a proper use of the governor’s powers. An important event has happened, and the Legislature needs to come back early to deal with it.

The problem is, they didn’t come back in November. When Newsom called the special session, he gave it a starting date of “December 2, when the Legislature convenes.” Even then, they didn’t really get going on it until January — when the regular session is already fully underway. So why?

Well, the Legislature proposed sending \$25 million to the California Department of Justice to “Trump-proof” California and another \$25 million for illegal immigration legal and support services.

Then the wildfires erupted in

Los Angeles County and the political posturing was seen for what it was: an empty exercise that was tone deaf and in poor taste, fiddling about Trump while Pacific Palisades and Altadena burned.

Media scrutiny was growing, and more responsible legislative members were justifiably questioning the wisdom of continuing the Trump-related special session, especially relative to more legitimate public concerns. But rather than go back to their regularly scheduled business and deal with all the issues facing California, including the wildfires, they doubled down.

Newsom announced he was expanding the special session to fight both Trump and the fires. Democrats also planned to lump it all together in one big bill. Tying funding for victims of a natural disaster to opposing Trump? That didn’t go well.

Why do we need a special session for any of these things? Our state Legislature is a full-time legislature.

Many immediately objected to holding wildfire funding hostage and legislative leaders backed down after further public scrutiny. The Legislature then proposed \$2.5 billion to respond to the fires and \$50 million to fight Trump.

Then, at a legislative hearing, the governor’s Department of Finance couldn’t promise the funds wouldn’t go to protecting criminals from deportation. That derailed the bill for a few days until legislative leaders could draft a nonbinding letter

that said the funds couldn’t be used for that. When Republicans tried including that language in the actual bill, Democrats voted against it and then passed the bill.

Sure, the governor and legislative leaders could have just tackled these conflicts with the Trump administration, and any other issue for that matter, in the normal course of their jobs. But that doesn’t generate national headlines. With Newsom’s national aspirations back on track after Kamala Harris’s defeat at the polls, garnering good press is a high priority for the administration.

But since he seems so fond of the press coverage he gets by calling special sessions, maybe he could call one about the multitude of issues plaguing our state. Here are some suggestions.

Let’s call a special session on California’s highest-in-the-nation homeless rate. According to the state auditor, California spent more than \$24 billion on homelessness programs in the last five years and the problem has only gotten worse. The state’s most recent “point-in-time” count estimated more than 180,000 were homeless. That’s up 6 percent from the previous count.

Despite the state auditor noting that no one is tracking the impacts of this spending, the governor managed to talk the voters into throwing \$6 billion more into the fire last year.

Maybe we need a special session on why California has the second-lowest literacy rate in the country. According to the EdVoice Institute, 60 percent of California students are not reading at grade level by third grade and approximately 28 percent of California adults are not literate.

Last year, Assembly Bill 2222 would have required phonics-based reading instruction that research shows is more effective, but it didn’t get a hearing

because the teachers’ union opposed it.

How about a special session on California’s highest-in-the-nation home prices? The median home price in California was \$906,600 according to the latest numbers from the California Association of REALTORS®. They calculated a minimum annual income of \$236,800 was needed to qualify for the purchase of a median-priced, existing single-family home.

At a legislative hearing, the governor’s Department of Finance couldn’t promise the funds wouldn’t go to protecting criminals from deportation.

But that might be hard to do if you can’t find a job. It might be good to have a special session on why California has one of the highest unemployment rates in the country. The most recent data from the U.S. Bureau of Labor Statistics shows California had an unemployment rate of 5.4 percent in November of last year. Preliminary data shows it increased to 5.5 percent in December. That ties us with the District of Columbia and puts us just ahead of Nevada at the bottom of the list.

Or what about our soaring home insurance rates? Let’s have a special session about that. Many insurers have simply stopped writing policies in California, and the ones that remain are raising rates as fast as they can. State Farm

Continued on page 5

BULLET TRAIN UPDATE

High-Speed Rail Project Faces Federal Scrutiny

U.S. Transportation Secretary Sean Duffy was in Los Angeles in February to announce that the administration is beginning a “compliance review” of the federal grants previously approved for the California High-Speed Rail Authority (CHSRA).

The review will include site visits and a close look at project activities and financial records.

Secretary Duffy spoke at L.A.’s Union Station surrounded by California lawmakers. “For too long, taxpayers have sub-

dized the massively over-budget and delayed California High-Speed Rail project,” he said. “President Trump is right that this project is in dire need of an investigation. That is why I am directing my staff to review and determine whether the CHSRA has followed through on the commitments it made to receive billions of dollars in federal funding. If not, I will have to consider whether that money could be given to deserving infrastructure projects elsewhere in the United States.”



Under President Joe Biden, the federal government approved approximately \$4 billion more for the High-Speed Rail project, but if the review determines that California has not complied with the terms of previous grant agreements, the new money may not be released, and some funds already committed could potentially even be clawed back.

On February 20, the Federal Railroad Administration sent a letter notifying the High-

Speed Rail Authority that it would be initiating a review of FRA-administered grants “including but not limited to” grant agreements designated FR-HSR-0118-12 and 69A36524521070FSPCA, to see if CHSRA is “complying with the requirements.”

One of the requirements for the FR-HSR-0118-12 grant is this: “The Grantee agrees to carry out the Project in a sound, economical, and efficient manner.”

We’re cooked!

TAX-RAISERS PLOT 2026 COMEBACK *Continued from page 1*

(MTC) tested support for three potential tax increases for transit that could go on the 2026 ballot.

One proposal called for a one-half-percent sales tax increase in Alameda, Contra Costa, San Francisco and San Mateo counties for ten years. A second proposal would lengthen the duration of the sales tax increase to 11 years and increase the tax in San Francisco even higher. A third plan would raise the sales tax in all nine Bay Area counties by one-half percent and also impose a new

parcel tax of up to \$100 per 1,000 square feet of homes and other buildings.

According to the poll, these proposals had the support of 54%, 55% and 44% of likely voters. But in order to pass, these taxes would need a two-thirds vote, 66.7%, because the revenue is earmarked for a specific purpose. Proposition 13 requires a two-thirds vote for special taxes.

Still, the tax-raisers are not giving up. MTC Commissioner Rebecca Kaplan told the *Chronicle*

that the tax increase would require only a 50% majority to pass if members of the public sponsor it as a citizens’ initiative.

This is the infamous “Upland” loophole, carved into your Prop. 13 taxpayer protections by the California Supreme Court in 2017. In *California Cannabis Coalition v. City of Upland*, the justices hinted, without actually deciding, that the state constitution (including Prop. 13) does not apply to measures that are put on the ballot by a citizens’ initiative instead of by the vote of

a government body.

The “Upland” loophole would have been closed by the Taxpayer Protection and Government Accountability Act, our fully qualified initiative that was *removed* from the 2024 ballot by the same state Supreme Court.

It’s more urgent than ever to close that loophole. HJTA is working on another proposed ballot initiative to restore your rights under Proposition 13. Be sure to sign up for email alerts, if you haven’t already, at [HJTA.org](https://www.hjta.org).

UNDER THE DOME *Continued from page 4*

has requested permission from the state’s insurance commissioner to raise rates 30 percent. Allstate is raising them 34 percent.

Now, a study from Insurify says they expect car insurance rates to increase 54 percent in California — that’s more than double the

national average.

California has a lot of problems. Maybe we should talk about those instead of playing political games.

My guess is the press coverage the governor would get from talking about those issues isn’t the kind he would want, though. □



THE LEGAL FRONT

HJTA Takes the Fight Against the Illegal “Mansion Tax” to a Higher Court *By Laura Dougherty*

When Measure ULA was passed in the city of Los Angeles in November of 2022, it struck *two* blows against Proposition 13 (and 218). The first was against the two-thirds vote on local special taxes. The second was against the equity in property.

Effective April 1, 2023, Measure ULA imposed a transfer tax on the sale of property at 4% or 5.5%, depending on total sale price (or value of transfers) of \$5 million or more. That’s as significant a cut of equity as it sounds.

HJTA filed its opening brief on appeal to the Second District Court of Appeal in January.

While marketed as a “mansion tax,” the city has not just applied the tax to *individual* properties that are sold for \$5 million or more. The tax also applies to sales of *multiple* properties, though they might sell for less than \$5 million when sold individually, if the total amount of a single *transaction* is \$5 million or more. Measure ULA applies to commercial property and apartment complexes, affecting prices and rents. As real estate values rise, it would gradually affect more properties.

Measure ULA was passed with only 57% voter approval, defeating the provisions of Propositions 13 and 218 that require two-thirds approval for special taxes like this one, where the revenue was earmarked for a specific purpose. This happened following court decisions that created a loophole for citizens’ initiatives in 2021. Measure ULA was a citizens’ initiative, and according to the 2021 judicial loophole, citizens’ initiative tax increases only require simple majority approval. This has been accepted as settled, *for now*.

But Measure ULA’s strike against Proposition 13’s ban on transfer taxes is a bold new move.

Proposition 13 banned transfer taxes in 1978 to protect its most well-known feature: the cap on property taxes, a cap that keeps our housing costs stable. It was easily foreseeable that a local government might attempt to recoup perceived “losses” by imposing a balloon-payment tax when you sell or transfer and relocate. So, in the words that remain in our state constitution today, Proposition 13 expressly banned “a transaction tax or sales tax on the sale of real property within” a city, county, or special district. It seemed clear.

Courts later carved out an exception to Proposition 13’s transfer tax ban, but that exception does not apply to Measure ULA. In the early 1990s, courts decided that charter cities like Los Angeles may have transfer taxes, but only if the money goes to the general fund. This is because charter cities, unlike general law cities, have some home rule power under our state constitution, and the courts decided that transfer taxes for the general fund were a municipal affair. If you still live in a general law city, this is why you may see a measure on the ballot proposing to adopt both a charter and a general transfer tax at the same time. This type of tax — a general transfer tax — often motivates a proposal to become a charter city. In the last couple of years, there have been proposals to become a “limited charter city,” which are even more directly motivated by the tax opportunity.

Even so, the courts of the early 1990s were clear on this simple fact: Proposition 13 banned all *special* transfer taxes. That held. But today, Measure ULA is one such prohibited special tax. Rather than being deposited into the general fund, the tax revenue is earmarked for housing and homelessness services. While these are important issues, a special tax is nonetheless a great consumer of tax bandwidth, especially when burdening real property owner-

ship. These are among the core reasons why special taxes need more careful consideration, and hence the two-thirds voter approval margin.

Until recently, no one would have dared to propose a special transfer tax like Measure ULA. So, what’s changed?

The same case that led to the reduction of the two-thirds vote margin to simple majority for special taxes has been used by Measure ULA proponents in a new way. That’s *California Cannabis Coalition v. City of Upland* (2017) 3 Cal.5th 924. The Measure ULA proponents’ reasoning was that if Propositions 13 and 218 do not apply to the *procedures* of citizens’ initiatives, then they also do not apply to the *substance* of citizens’ initiatives.

This is the boldest extension of *Upland* yet. The reduction of the voter approval margin on any local special tax from two-thirds to a simple majority when presented as a citizens’ initiative was one thing. Imposing an expressly banned type of tax is another.

There is not one case on record that has allowed the content of an initiative to go outside the law on the basis of being presented by initiative.

Until Measure ULA, the cases following *Upland* were about the procedure of enacting a special tax, not its content. And the use of *Upland* to decide that the vote margin had been reduced was already a stretch because *Upland* was not about a vote margin. (*Upland* was about whether a general tax initiative should go on the ballot at a general or special election.) It



was interpreted by lower courts to mean, however, that Propositions 13 and 218 do not apply to citizens’ initiative procedures generally.

The 2021 loophole reducing the voter approval margin from two-thirds to a simple majority on citizens’ initiative special taxes reasoned that, if Propositions 13 and 218 do not apply to citizens’ initiative *procedures*, then that also included the two-thirds vote margin because a vote margin is considered a procedure for enacting a tax. But none of the 2021 cases asserted that a special tax could be of a *type* that is otherwise prohibited. In fact, they repeatedly recognized a San Francisco charter provision defining the substance of initiative.

So, how does *Upland* affect the substance of a tax? It shouldn’t, but going forward, it could.

The substance of a tax is a different topic than the procedural rules for passing them. *Upland* itself said so. It specifically contrasted procedure and substance, reminding us that laws “of a nature” exceeding the lawmaking power may not be made. Even Justice Kruger’s concurrence said: “Charter cities may set their own initiative procedures.” She did not say that charter cities have automatic open access to any legislative substance.

Upland further reiterated that the *purpose* of the initiative power is to empower voters to adopt provisions “that their elected public officials had refused or declined to adopt.” But Measure ULA could never have been refused to be

Continued on page 9

WE COULDN'T DO IT WITHOUT YOU!

Thanks to the support of HJTA Members, we had a tremendous victory in November with the defeat of Proposition 5, which would have made it easier to raise property taxes by making it easier for local governments to take on bond debt. Our campaign was outspent 10-1 by the tax-raisers, but we were effective because we had the better message, and your donations to the Protect Prop. 13 Committee made it possible to get that message out to the voters.

Now we have to look ahead to the 2026 election and the battles we'll be fighting for taxpayers. If you'd like to help refuel the committee, please donate to **Protect Prop. 13**, A Project of the Howard Jarvis Taxpayers Association. Donations to the Protect Prop. 13 Committee support campaigns for ballot measures that protect taxpayers, as well as campaigns against ballot measures that threaten Proposition 13. **Only our campaign committee can pay for campaign advertising** and other related expenses; absolutely no funds from the Association or Foundation may be used in campaigns.

To support our effort to elect more taxpayer-friendly candidates to the state Senate and Assembly, donations may be made to the **HJTA State PAC**, the Howard Jarvis Taxpayers Association State Political Action Committee. HJTA-PAC supports candidates for office who support Proposition 13

and the right to vote on taxes.

These political committees are legally and financially separate from the **Howard Jarvis Taxpayers Association**, a 501(c)(4) nonprofit. Donations to HJTA support the operations of the organization, including our lobbying effort in the state legislature, our membership services and this publication, *Taxing Times*.

Your support of the **Howard Jarvis Taxpayers Foundation** enables our legal and educational work on behalf of taxpayers. HJTF is a 501(c)(3) organization fully qualifying as a charitable organization under both California and federal law. HJTF's tax I.D. Number is 52-1155794. Donations to the Foundation may be **tax-deductible**; please consult your tax preparer.

The **Howard Jarvis Taxpayers Association Heritage Society** welcomes those members interested in planned giving to HJTA or HJTF through wills, trusts or gifts. Your contributions help to build an endowment that protects Proposition 13 and extends your legacy far into the future. For more information and to learn about potential tax benefits, please contact HJTA General Counsel Craig Mordoh. He can be reached at 213-384-9656 or by email at Craig@HJTA.org.

If you would like to make a donation to any HJTA entity, please visit our website at HJTA.org/take-action or call our offices to have donation forms mailed to you. (We are required to collect donor information for contributions to our campaign committees to comply with campaign finance laws.) You can reach the Sacramento office of HJTA at [916-444-9950](tel:916-444-9950) and the Los Angeles office at [213-384-9656](tel:213-384-9656). You can also email HJTA at info@HJTA.org. Thank you for your support!



TUNE IN TO THE HOWARD JARVIS RADIO SHOW:

Our message of support for lower taxes and accountable government is reaching more Californians than ever before on the Howard Jarvis Radio Show, broadcast every Tuesday evening from 6:00 p.m. to 7:00 p.m.

In January, Cumulus Media moved KSFO in the Bay Area to the 50,000-watt 810 frequency, a significant upgrade from the 5,000-watt frequency the station occupied previously. Together with the simulcast on AM 790 KABC in Southern California, the voice of the taxpayers now can be heard on the air nearly everywhere

in the state.

The shows also stream live online on KSFO.com and KABC.com, and then the recordings are available as podcasts on the HJTA.org website and wherever podcasts are distributed.

The Howard Jarvis Radio Show is hosted by VP of Communications Susan Shelley and HJTA President Jon Coupal, with regular appearances by HJTA Legislative Director Scott Kaufman. Listeners can call in to the live show and have their questions answered on the air. Tune in!



**The call-in number is
1-800-222-5222.**

**We look forward to
hearing from you!**

YOUR SIGNED PETITIONS TO THE LEGISLATURE HELP US PROTECT PROP. 13

HJTA often asks Members to sign petitions to the Legislature. These are collected and sorted, then delivered to each individual State Senator and Assembly Member.

When you sign and return an HJTA petition, we make sure your representatives know that their constituents want them to vote to protect Proposition 13. The more petitions we receive, the stronger the message.

So be sure to sign and return those petitions whenever you receive them. Thank you!



the MAIL Bag

"Thank you
for all your
hard work."

—H.E.,
Sebastopol

"Fight, fight,
fight!"

—D.M.,
Downey

"Your work
is very
important."

—D.C.,
Modesto

"Keep it up.
Good job!"

—B.G.,
Davis

"We need to reverse
the effects of
Prop. 13 and I will
help any way."

—M.R.,
Temecula

"Thank you!"

—H.L.,
Los Angeles

"We give thanks for you and
your website! We desperately
need the advocacy of HJTA!
May God bless you all, as
you fight the good fight."

—R.B.,
Monterey

"Appreciate
your work."

—J.R.,
Huntington
Beach

"Had it not been for
your organization,
we would've been
taxed out of our
home. Thank you
for all your efforts."

—T.H.,
Capistrano
Beach

GRASSROOTS REPORT

DEFENDING PROPOSITION 13: HOW HJTA MEMBERS CAN MAKE A DIFFERENCE

By Eric Eisenhammer

In 2025, the Howard Jarvis Taxpayers Association remains unwavering in its mission to protect Proposition 13. This year is critical, as we watch vigilantly for another push for a split-roll property tax in 2026 — a direct threat to Prop. 13 and all California taxpayers.

A split-roll tax rips away the protection of Prop. 13 from all commercial properties. It would mean billions in tax increases and hundreds of thousands of lost jobs. Higher taxes on commercial properties would lead to higher prices for all of us and would make California — already ranked worst for doing business — an even worse place for job creators. Meanwhile, such a policy would accelerate the exodus of businesses from our state.

Split-roll supporters have made clear their ultimate goal is the complete elimination of Prop. 13. That's why your involvement is crucial. Here are ways you can make a difference:

1. Get Involved in a Local Taxpayer Group

Local taxpayer groups can be a great way for citizens to work together to host meetings or informal gatherings and raise awareness for taxpayer rights in your community. These organizations share facts, dispel myths, and build a coalition of informed citizens ready to act. No taxpayer group in your area? Why not start one?

2. Write to Your Representatives

Send personal letters and emails to state legislators. Let them know you support Proposition 13 and urge them to take a strong stand against any effort to weaken it. Go online to findyourrep.legislature.ca.gov to look up their names and contact information.

3. Leverage Social Media

Use social media to share articles, infographics, and personal stories highlighting the importance of Prop. 13. HJTA's own social media pages, which you can find linked from HJTA.org, make a great resource for information.

4. Connect with Local Media

Write an op-ed or a letter to the editor to highlight the importance of protecting Proposition 13. Sharing your personal story can resonate with a wider audience and bring attention to this important issue.

5. Donate to the Cause

If it doesn't pose a hardship, your financial support is always appreciated to help HJTA protect you from higher taxes. Consider making a donation to HJTA to fund our operations and legislative efforts, the Howard Jarvis Taxpayers Foundation to fund our legal battles and educational programs, and to the Protect Prop. 13 Committee to fund our ballot measure campaigns on behalf of taxpayers. Donations to the Foundation may be tax-deductible. Go to HJTA.org and click "Donate" for complete information.

6. Stay Informed and Engaged

Subscribe to HJTA's email alerts, follow us on social media, and listen to our radio show (Tuesdays from 6:00–7:00 p.m. on 810 KSFO and 790 KABC, streaming live on KABC.com and KSFO.com and available as a podcast at HJTA.org). An informed membership is our greatest asset in the fight against unjust taxation.

Thank You for your continued support and dedication to our cause. As Proposition 13 approaches its 47th birthday, we're working harder than ever in defense of taxpayer rights.

THE LEGAL FRONT *Continued from page 6*

adopted by the Los Angeles City Council given Proposition 13's outright ban on special transfer taxes. No one disputes as much. So, Measure ULA is also not aligned with the purpose of the initiative power. It is just invalid law.

The novel legal question is: Does the City of Los Angeles have the authority to impose a special transfer tax by initiative? The answer is No according to Los Angeles's own city charter. The charter has a wise provision to protect against circumvention of law, including Proposition 13's ban on special transfer taxes.

Since 1911, the Los Angeles Charter has set the substance of an initiative to what "the Council itself might adopt." The Los

Angeles voters made this change after their 1906 version had left initiative ordinances wide open on subject matter. They reaffirmed the language in 1925 and 1999.

**Measure ULA
is not aligned
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Given this Los Angeles charter law, HJTA is arguing that Measure ULA is unconstitutional because

the city can't break its own charter law to impose a special transfer tax by initiative when its city council isn't allowed to impose the same special transfer tax. The trial court disagreed.

The trial court perceived the power of initiative as something greater than the city's charter, even in content. This is not so, as HJTA explained when it filed its opening brief on appeal to the Second District Court of Appeal in January. There is not one case on record that has allowed the content of an initiative to go outside the law on the basis of being presented by initiative. In fact, as many readers here know from the cancellation of the Taxpayer Protection Act by the California Supreme Court last

year, the courts have held that the content of an initiative can indeed be critiqued and cause the initiative to be void.

HJTA hopes the Court of Appeal will see the difference between Measure ULA and the previous *Upland* cases. If not, it is possible that a new *Upland* loophole is here to stay, one that takes property owners' equity and defeats Proposition 13's well-known 1% cap.

Editor's note: This is former Director of Legal Affairs Laura Dougherty's final column for Taxing Times. We thank her for always fighting on behalf of taxpayers and keeping our Members well informed, and we wish her continued success in her new endeavors. □

FOUNDATION REPORT



HJTA SCORES A VICTORY FOR WATER RATEPAYERS, AND JOEL FOX JOINS THE BOARD

Appellate court rules in favor of HJTA in water rate challenge

On January 31, the Court of Appeal of the State of California, Fourth Appellate District, ruled in favor of the Howard Jarvis Taxpayers Association in a case challenging water rate disparities in the Coachella Valley Water District.

The appeals court upheld a lower court decision finding that the rates charged by the water district for Coachella Canal water violated Article XIII C of the California Constitution. The court found “the

rates unlawful and that a refund remedy is constitutionally mandated.”

HJTA Director of Legal Affairs Tim Bittle said the legal team was pleased the Court of Appeal agreed that refunds are necessary under due process. “That is exactly why refunds are necessary under Proposition 218,” he said, “because Proposition 218 is a constitutional guarantee that property owners be charged no more than cost of service.”

Coachella Valley Water District was charging “Class 1” customers of canal water \$34.32 per acre-foot while charging “Class 2” customers of the same water \$102.12 per acre-foot, even though the cost of providing the service was substantially the same. “Class 1” customers were those who used water for commercial agriculture; “Class 2” customers were all others.

The court said that because the non-agricultural rate was

passed “without prior voter approval,” it violated the California Constitution, including Prop. 218, The Right to Vote on Taxes Act. HJTA was the proponent of Proposition 218 in 1996.

“Preferential treatment in rate-setting should never be tolerated,” said HJTA President Jon Coupal.

The court calculated that \$17 million in refunds is owed to ratepayers as a result of this successful class-action lawsuit.

Welcome Back, Joel Fox!



The Howard Jarvis Taxpayers Foundation is pleased to welcome Joel Fox to the Board of Directors.

Joel served as president of the Howard Jarvis Taxpayers Association from 1986 to 1998 and played a key role in the passage of the landmark Proposition 218, The Right to Vote on Taxes Act. He was a Senior Policy Consultant for the 2003 Schwarzenegger for Governor campaign and was named one of the top 100 “influencers” in California politics by *Campaigns and Elections* magazine.

Campaigns and Elections magazine.

An accomplished writer and editor, Joel has authored several novels as well as serving as co-publisher and editor-in-chief of the website *Fox and Hounds Daily*, which offered commentary and news on California business and politics. *Fox and Hounds Daily* was founded in 2008 and ran through 2020, and was twice named one of the top California political websites by *The Washington Post*.

Joel has written hundreds of opinion pieces that have

appeared in major newspapers including *The Wall Street Journal* and *USA Today*, and his articles have been collected by the California State Library. In 2006, he joined the faculty of the Graduate School of Public Policy at Pepperdine University as an adjunct professor and continues in that role today.

Joel’s presence on the Board will help to strengthen the Howard Jarvis Taxpayers Foundation for many years to come.

PRESIDENT’S MESSAGE *Continued from page 2*

reviews the sad history of HSR:

“Originally projected (in 2008) to cost \$33 billion; now projected to cost between \$88.5 and \$127.9 billion;

- Estimated completion date was 2020; as of 2024, zero passengers have been transported and the majority has not even been fully designed;
- Received \$6.8 billion in

federal funds;

- Requesting \$8 billion in additional federal funds.”

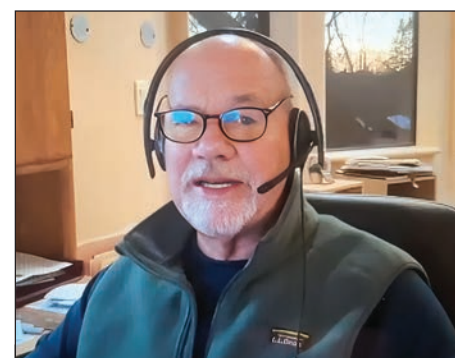
In addition to the Executive Branch’s long knives out for the project, Congress is paying attention as well.

California’s own Congressman Kevin Kiley announced his intentions to submit a bill that would limit all federal funding. The leg-

islation and other federal intervention will have broad support in California notwithstanding the unpopularity of President Trump by the state’s political elites.

If the original High-Speed Rail measure were on the ballot today, it would fail.

Now is the perfect time to finally pull the plug on California’s embarrassing boondoggle. □



Jon Coupal broadcasting the Howard Jarvis Radio Show

PROTECT PROPOSITION 13

YOUR? answered

WILL MY PROPERTY TAXES GO UP IF I REBUILD AFTER A DISASTER?

Homeowners rebuilding after wildfires or other disasters remains protected by Proposition 13.

As Californians grapple with the aftermath of the severe wildfires in Southern California, there is some good news for homeowners whose property was damaged or destroyed: They can rebuild their homes without any change to the taxable value.

All property in California is protected by Proposition 13, regardless of when it was purchased. The taxable value, or base-year assessment, is set at the time of purchase and thereafter it can increase by no more than 2% per year, regardless of increases in market value. As HJTA Members know well, this protects property owners from being taxed out of their property by rising real estate values.

TAX RELIEF

When a property is damaged or destroyed, property owners can request a “misfortune or calamity” reassessment by filing a form with the County Assessor within 12 months of the date of loss. The county will reduce the assessed value, and the property taxes owed, until the home is rebuilt. (In the case of a mass disaster like the Los Angeles County wildfires, the Assessor’s office is adjusting assessments automatically.)

REBUILDING

After a home is rebuilt, property owners get their previous “Prop. 13” tax assessment back again. The property is not reassessed as if the

home is new construction. Property owners who rebuild a substantially equivalent home will pay the same tax bill they would have paid if the disaster had not occurred. If the home is rebuilt with additional square footage beyond a certain limit, that portion of the home would be assessed at market value and added to the previous assessment, but the entire home would not be reassessed.

Homes that were not destroyed but have experienced a decline in value because of the surrounding conditions are eligible for a decline-in-value reassessment that will reduce the property tax bill, if the assessed value is higher than the current market value. When the value of the property rises in the future, the assessed value will be adjusted up again, but not above what it would have been under Proposition 13 if the decline in value had not occurred.

MOVING TO A NEW HOME

Homeowners who have lost their homes in the fires and wish to move to a new area may take their Prop. 13–protected assessment with them to a new home. Disaster victims may transfer their base-year assessed value anywhere in the state.

Forms and more information are available on the website of the County Assessor in each of California’s 58 counties. For L.A. County residents, that website is assessor.lacounty.gov. It is not necessary for property owners to pay any fees to any party to file these forms for them. It’s completely free, and the staff at the Assessor’s office is ready to help.

ACA 13 AIMS TO CRACK PROP. 13 *Continued from page 1*

proposed by a “citizens’ initiative” instead of by a government body such as a city council. We call this the “Upland” loophole, named for the 2017 case in which the state Supreme Court first invented it.

We expected to close this loophole last year with an initiative, the Taxpayer Protection and Government Accountability Act (TPA). It was qualified for the November ballot and polling very strongly.

That’s when the Legislature decided to put something on the same ballot that would sabotage the TPA’s chances of victory. They passed ACA 13 to change the rules for passing constitutional amendments of a certain specific type.

Constitutional amendments can get on the ballot in two ways. They can be placed on the ballot by a two-thirds vote of the Legislature, or they can get on the ballot through the initiative process, with citizens signing petitions. Once on the ballot, all constitutional amendments require the approval of a simple

majority of voters, 50% plus one vote. That’s been the law since the 1849 California Constitution, in the Gold Rush era.

For the first time ever, ACA 13 would change that. It would make it harder to pass any initiative constitutional amendment that makes it harder to raise taxes.

ACA 13 was clearly intended as a “poison pill” to stop the Taxpayer Protection Act from passing. It raised the percentage of the vote needed to approve the TPA from a simple majority to two-thirds: 66.7% instead of 50% plus one vote.

The author of ACA 13, Assemblyman Chris Ward (D-San Diego), argued that if an initiative constitutional amendment requires a two-thirds vote to raise taxes, it should be subject to a special rule that requires voter approval of the initiative by the same margin.

By that reasoning, Proposition 13 itself would not have passed. In 1978, Prop. 13 was approved overwhelmingly by 64.79% of

voters statewide, far above the simple majority that constitutional amendments have always required. Under Ward’s plan, Prop. 13 would have needed 66.7% because it requires a two-thirds vote to pass special taxes.

Changing the vote threshold to pass certain constitutional amendments and not others is a blatant manipulation of the democratic process, tilting the playing field against taxpayers.

ACA 13 did not go before the voters in 2024 as had been planned. The “poison pill” to stop the Taxpayer Protection Act wasn’t needed after the California Supreme Court removed the TPA from the November ballot in response to a lawsuit by Gov. Gavin Newsom and legislative leaders. As soon as the court’s decision came down, the Legislature moved ACA 13 to the November 2026 ballot and parked it there in case taxpayers qualify a new initiative to close the “Upland” loophole.

ACA 13 is anti-taxpayer trickery. Unless it is stopped, the courts and government officials will have a free pass to interpret away the taxpayer protections that have been written into the state Constitution by Proposition 13, Proposition 218 and other important initiatives. Taxpayers would face unprecedented hurdles to passing new initiatives to restore those rights. That’s what the tax-raisers want, but HJTA intends to fight hard to make sure they can’t have it.

You can help by calling your representatives and urging them to remove the disgraceful ACA 13 from the November 2026 ballot. Taxpayers deserve a level playing field in the initiative process, without special rules that apply only to ballot measures that protect taxpayers.

To look up the names and contact information of your representatives, go online to findyourrep.legislature.ca.gov. Thank you for your support in this important battle. □

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.

City: _____ **State:** _____ **ZIP:** _____