

From: February 11, 2021 Board Meeting-Public Comment
To: Meeting Info
Subject: [External] February 11, 2021 Board Meeting-Public Comment
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Public Comment

From: Anonymous
Agenda Item: M1. Prop 19 Strike Team Updates
Meeting Date: 02/11/21

Name: Anonymous, Retired Public School Educator

E-mail Address:

Phone:

Agenda Item(s):

M1a. Legal Analysis

M1b. Proposed Draft Legislation

M1c. Forms and Processes

Comment:

The section of PROP 19 that overturns PROPOSITIONS 58/193 will disproportionately land on the backs of California's middle-class, causing loss of generational properties due to excessive property tax increases. Our tax payers deserve to have PROP 19's true consequences publicly scrutinized. The 2020 Official Voter Guide specifically stated among PROP 19's PRO Arguments: "CLOSES unfair tax loopholes used by wealthy out-of-state investors; and PROTECTS Prop. 13 savings." THIS THESIS OF REFORM IS COMPLETELY FALSE: 1. Right now, out-of-state and "Lebowski" families (predictably) continue to protect their inherited properties through a variety of legal maneuvers to which those of modest means do not have access. 2. Prop 19 REMOVES EXISTING PROPERTY TRANSFER PROTECTIONS of Propositions 13/58/193 for ALL family properties. It imposes convoluted restrictions regarding primary residence status and— even then— imposes arbitrary limitations on exemptions. Heirs of modest means will be forced to sell family property due to sudden, unsustainable increases in property taxes. THIS MEASURE'S STRUCTURE WAS PURPOSELY MISLEADING: It conflates seniors, heirs and victims of fire— significantly disparate life situations— and it pits one's needs against the others' in a ham-handed effort to manipulate voters. This proposition passed by a barely 2% margin; by contrast, Proposition 58 earned more than 75% voter approval in 1986— because it addressed a very real threat to families of modest means. Rising real estate prices in the intervening years make that threat even more dire today. Voters were clearly exploited by deceptive language, false claims, and the devastating distractions of 2020. It is reasonable to extrapolate that, if transparently presented, this measure would never pass. THIS PROPOSITION DISPROPORTIONATELY IMPACTS MIDDLE CLASS CALIFORNIANS: It takes multiple generations and innumerable sacrifices for people of modest income to acquire property in California. The majority of these properties are not intended for profit. Such a property represents a life-savings, a family's shared sense of place, values, tradition. Its worth is intangible. Despite its rhetoric, Prop 19 does nothing to close property tax loopholes enjoyed by the wealthy or business classes. Homeowners of modest means do not have the luxury of a financial cushion needed to pursue legal work-arounds or to weather the changing winds of federal or state tax laws. Make no mistake— middle-class Californians will be forced out of their homes, their communities and likely their State, because Proposition 19 reverses the actual reform they have relied on since 1978. If we cannot reinstate Propositions 58/193, any new tax reform for intergenerational family property should, at the very least, be nuanced and informed by substantive distinctions: Is the property owned by CA residents? Is the property for personal use— primary residence and/or vacation— or does it generate income? If existing law is to be changed so that there are "limitations" imposed, is the exemption amount arbitrary, or does it

fairly reflect CA's diversity? Equal is not equitable— develop a taxation formula for private residential transfers that ensures equitable impact and protection by applying suitable regional factors. Future property tax legislation should target the problem, not our own middle-class residents. VOTERS have the right to a forthright explanation of any tax change proposal so they can weigh the ramifications. As a retired public school educator I truly hope the Board will do everything in its power to expose and remedy PROP 19's disingenuous gutting of intergenerational property transfers.