

**Assembly Concurrent Resolution**

**No. 105**

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**Introduced by Assembly Members Huff and Walters**

February 22, 2008

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Assembly Concurrent Resolution No. 105—Relative to the 30th anniversary of Proposition 13.

LEGISLATIVE COUNSEL'S DIGEST

ACR 105, as introduced, Huff. The 30th anniversary of the enactment of Proposition 13.

This measure would commemorate June 6, 2008, as the 30th anniversary of the approval of Proposition 13 by California voters.

Fiscal committee: no.

1 WHEREAS, On June 6, 1978, Proposition 13, officially titled  
2 the "People's Initiative to Limit Property Taxation," and popularly  
3 known as the "Jarvis-Gann Initiative," was overwhelmingly  
4 approved by California's voters, reducing property tax rates on  
5 homes, businesses, and farms, and capping the rate of increase in  
6 the future; and

7 WHEREAS, Prior to the adoption of Proposition 13, California's  
8 raging inflation had sent property tax bills in California soaring  
9 so high that many families had to sell their homes because they  
10 could not afford to pay their taxes; and

11 WHEREAS, Prior to the adoption of Proposition 13, property  
12 tax assessments showed wider divergences than assessment  
13 disparities under the current acquisition-value system; and

14 WHEREAS, With the approval of Proposition 13, real property  
15 values were adjusted to a base value equal to the 1976 assessed

1 value of that real property, thereby introducing an objective  
2 standard upon which real property would be taxed and ending the  
3 previous subjective standard for assessment that engendered the  
4 property tax assessment abuses that occurred in the 1960s and  
5 1970s; and

6 WHEREAS, With the passage of Proposition 13, taxpayers, for  
7 the first time, were provided a measure of certainty with respect  
8 to their property taxes; and

9 WHEREAS, Following the passage of Proposition 13, property  
10 tax revenue flow has been 2.9 times more stable than  
11 pre-Proposition 13 property tax collections; and

12 WHEREAS, Following the passage of Proposition 13, the  
13 stability of property tax as a revenue source has allowed local  
14 governments to grow at a rate of almost 10 percent per year  
15 between 1980 and 1992, and even in a recession year, 1992, to  
16 grow at 7.9 percent; and

17 WHEREAS, Following the passage of Proposition 13, the  
18 statewide assessment average, including business properties, has  
19 been estimated at 55 percent with business properties, assessed at  
20 75 percent of market value, paying a proportionally higher share  
21 than residences; and

22 WHEREAS, In the 30 years following the passage of Proposition  
23 13, the average homeowner has saved tens of thousands of dollars  
24 in property tax payments, money that, if not for the passage of  
25 Proposition 13, would have fueled an even greater proliferation  
26 of state and local public bureaucracies; and

27 WHEREAS, Following the passage of Proposition 13, a  
28 spectacular entrepreneurial and commercial explosion was  
29 unleashed in the 1980s; and

30 WHEREAS, Following the passage of Proposition 13,  
31 California's economic surge was the envy of the nation, with  
32 incomes in California growing 50 percent faster than in the nation  
33 as a whole, and with jobs growing at twice the national pace; and

34 WHEREAS, Since the passage of Proposition 13, proposed  
35 alternatives to Proposition 13 would have had a variety of  
36 unwelcome effects, including substantial tax increases for  
37 low-income and elderly homeowners; and

38 WHEREAS, Since the passage of Proposition 13, proposed  
39 revenue-neutral changes to Proposition 13 would have negatively  
40 impacted 92 percent of elderly property owners and would have

1 resulted in tax increases of over 160 percent to 43 percent of Los  
2 Angeles County homeowners; and

3 WHEREAS, Since the passage of Proposition 13, voters' 2-to-1  
4 rejection in 1992 of Proposition 167 suggests that the split roll  
5 alternative to the current system, in which business would pay  
6 property taxes at a rate higher than that imposed on residential  
7 properties, finds little favor with voters; and

8 WHEREAS, The passage of Proposition 13 was the impetus for  
9 the conservative, anti-big-government tide in America, a political  
10 earthquake whose jolt was felt not just in California, but across  
11 the nation and in the nation's capital, as a prelude to the Reagan  
12 income tax cuts in 1981; and

13 WHEREAS, Proposition 13 incited a nationwide tax revolt at  
14 the state and local levels, within five years of its passage, nearly  
15 one-half the states strapped a similar sensible straitjacket on  
16 politicians' tax-raising capabilities and almost all of these tax  
17 limitation measures remain the law of the land today; and

18 WHEREAS, Proposition 13 has become a nationwide symbol  
19 for taxpayer revolt and for citizens exercising control and power  
20 over their governance; and

21 WHEREAS, Friday, June 6, 2008, marks the 30th year following  
22 the voters' approval of Proposition 13; now, therefore, be it

23 *Resolved by the Assembly of the State of California, the Senate*  
24 *thereof concurring*, That the Legislature, in recognition of the  
25 impact Proposition 13 has had on the State of California, formally  
26 commemorates June 6, 2008, as the 30th anniversary date of  
27 Proposition 13; and be it further

28 *Resolved*, That the Chief Clerk of the Assembly transmit copies  
29 of this resolution to the author of this resolution for appropriate  
30 distribution.