

9-12-1974

Property Tax Limitation

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OFFICE OF THE ATTORNEY GENERAL

Department of Justice

555 CAPITOL MALL, SUITE 550
SACRAMENTO 95814

FILED

In the office of the Secretary of State
of the State of California

SEP 12 1974

EDMUND G. BROWN Jr., Secretary of State

By Cashmere M. Apperson
Deputy Secretary of State

September 11, 1974

Honorable Edmund G. Brown Jr.
Secretary of State
111 Capitol Mall
Sacramento, California 95814

Re: Initiative - Constitutional Amendment-
Property Tax Limitation

Dear Sir:

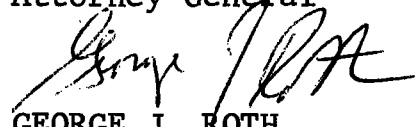
Pursuant to the provisions of section 3507 of the Elections Code, you are hereby informed that on this day we mailed to Dr. Steve D. Wilson, the following title and summary:

PROPERTY TAX LIMITATION. INITIATIVE CONSTITUTIONAL AMENDMENT. Limits property taxes for all purposes to not more than 2% of fair market value. Taxes to be paid by property owners 65 years of age and over set according to income. Provides for challenge of appraised value. Eliminates personal property from taxation. Requires voter approval of property taxation which exceeds limits set forth. Passes tax decrease on to renters of property. Prohibits levy of any ad valorem property tax except as provided. Defines terms.

Enclosed herewith is a declaration of mailing thereof, and a copy of the proposed measure.

Very truly yours,

EVELLE J. YOUNGER
Attorney General


GEORGE J. ROTH
Deputy Attorney General

GJR:ac
Encl.

DECLARATION OF SERVICE BY MAIL

I, Betty L. Rawstron, declare as follows:

I am a citizen of the United States, over the age of 18 years and not a party to the within action; my place of employment and business address is 555 Capitol Mall, Suite 550, Sacramento, California.

On September 11, 1974, I served the attached

Title and Summary of Proposed Initiative - Property

Tax Limitation

by placing a true copy thereof in an envelope addressed to the persons named below at the address set out immediately below each respective name, and by sealing and depositing said envelope in the United States Mail at Sacramento, California, with postage thereon fully prepaid. There is delivery service by United States Mail at each of the places so addressed, or there is regular communication by mail between the place of mailing and each of the places so addressed:

Dr. Steve D. Wilson
P. O. Box 415
Soquel, CA 95073

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 11, 1974 at Sacramento, California.

Betty L. Rawstron
Declarant
Betty L. Rawstron

STATE OF CALIFORNIA
TAXATION INITIATIVE CONSTITUTIONAL AMENDMENT

(This Initiative Constitutional Amendment proposes to add a new Article to the Constitution. It does not amend any part of the existing Constitution. Therefore the provisions thereof are printed in Bold Face type to indicate that they are new.)

PROPOSED ARTICLE XX?

Property Tax Limitation

Knowing that this is an imperfect instrument of property taxation, yet the intent and policy of this Article is to render a fair tax on real property. It is understood that public governments may tax less than the limits set forth and indeed are encouraged to do so.

Section 1: Declaration of Purpose or Intent of this Article that:

- a) The property taxes, for all purposes, shall be limited to not more than two percent (2%) of the fair market value. (As defined under Section 5 c of this Article.)
- b) Agricultural land shall be taxed, for all purposes, for not more than 1% of the fair market value. The farm residence shall be taxed, for all purposes, not more than 2% of its fair market value.
- c) Property owners 65 years old and over, and in residence, having a gross income of \$5,000 per year or less as evidenced by a copy of a filed Federal Income Tax form, shall not pay any residential property tax.
- d) Property owners 65 years old and over, and in residence, having a gross income of \$5,000 to \$9,000 per year as evidenced by a copy of a filed Federal Income Tax form, shall pay ^{not more than} 0.5% (1/2 of 1%) of the fair market value of the resident property.
- e) Property owners 65 years old and over, and in residence, having a gross income of \$9,000 to \$12,000 per year as evidenced by a copy of a filed Federal Income Tax form, shall pay not more than one percent (1%) of the fair market value of the resident property.
- f) Property owners 65 years old and over, and in residence, having a gross income of \$12,000 to \$14,000 per year as evidenced by a copy of a filed Federal Income Tax form, shall pay not more than 1.5% of the fair market value of the residential property. Property owners whose gross income is greater than \$14,000 per year shall pay not more than 2% of the fair market value of the residential property. The gross income limits expressed in Section 1,

Subsection c through f will reflect an increase or decrease to these limits from year to year due to any inflation or reduction as evidenced by the consumer price index for the area under consideration.

- g) The property taxpayer shall have the right to challenge the public agency's appraised fair market value by choosing three independent property appraisers and the average of their appraisal shall be deemed the fair market value.
(Appraisers defined under Section 5 f.)
- h) The public agency shall pay one-third of the costs of the three independent appraisers and the property taxpayer shall pay the remaining two-thirds.
- i) In order that a homeowner shall not be penalized through an increase of taxes for improving his home, reconstruction, repairs, gardens, and the like, the homeowner shall be exempt of tax increases. These improvements will be reflected in the fair market value only if and when a change of ownership of property occurs.
- j) New construction to an existing residential property shall be taxed not more than 2% of the fair market value of the addition or its actual costs, whichever is less, increasing the fair market value of the property only by that much but no more.
- k) Any real property within incorporated limits of cities, towns, and the like shall be taxed in accordance with this Article, and the collection and distribution be administered by that public agency.
- l) Any real property within a county, with the exception of property within the incorporated limits of cities, etc., within the county shall be taxed in accordance to this Article, and the collection and distribution be administered by that public agency.
- m) If the property lies within the boundaries of more than one taxing agency, then the aggregate tax shall not exceed the limits as set forth in this Article.

- n) Eliminates the 25% assessment of the full cash value of the property.
- o) Eliminates the tax rate per \$100 of assessed evaluation.
- p) Exempts personal property (household furnishings and the like) from taxation.
- q) Requires voter approval of property taxation which exceeds the limits as set forth in this Article.

Section 2: From and after the effective date of this Article, all initial property tax decreases on rental property shall be passed on to the renter by the reduction of the monthly rent commensurate with the amount of tax decrease.

Section 3: From and after the effective date of this Article, the State or any of its agencies shall not levy an ad valorem property tax for any purposes whatsoever, except that as set forth in this Article.

Section 4: From and after the effective date of this Article, subordinate taxing agencies shall not levy an ad valorem property tax for any purpose whatsoever, except that as set forth in this Article.

Section 5: For the purpose of this Article:

- a) "Ad valorem property tax" means taxes, assessments, or charges of any kind in proportion to the value of real property.
- b) "Subordinate taxing agency" means any department or subdivision of any public entity therein, including without limitations the State, each county, city, school district or other public corporations.
- c) "Fair market value" means the 1974 assessor's valuation of real property as shown on the 1974-75 tax bill under "full cash value", or thereafter the actual purchase price of taxable real property or the building costs plus land costs. (If purchased after the 1974 assessment.) If no such evidence is available or the fair market value is in contest by the owner, then the average of the appraisals by three independent appraisers shall be deemed the fair market value. The fair market value will reflect from year to year the inflationary rate or reduction as shown in the consumer price index related to the area under consideration.
- d) "Farm residence" shall mean the home and residential grounds not directly involved as part of the agricultural process.
- e) "Agricultural land" means any land used for the purpose of growing crops or orchards, vineyards, and the like or raising animals for consumptive and/or commercial purposes.
- f) "Appraisers" means licensed real estate brokers, any lending institutions' real estate appraisers, or any other professional real estate appraiser in business for five years or more.
- g) "Resident or residence" means the parcel or house or property in which the owner resides and makes his home the major portion of the tax year.

Section 6: If any portion of this Article is deemed unlawful by the courts, this decision shall not render the remaining portions as unlawful.

Steve D. Wilson

Steve D. Wilson, Ph. D.
President, SANTA CRUZ COUNTY
TAXPAYERS ASSOCIATION
P.O. Box 415
Soquel, California 95073

Dr. Steve D. Wilson
P.O. Box 415, Soquel Ca 95073

~~P.O. Box 1493~~
~~Santa Cruz, CA 95060~~

July 19, 1974

Mr. E. Younger
Calif. State Capital
Sacramento, CA 95814

Dear Mr. Younger:

Enclosed is a property tax limitation initiative for preparation of a title and summary of the measure in accordance to Section 24, Article IV of the State Constitution.

In preparing a cost analysis of this initiative consideration must be given to the diminished school costs (lower enrollment e.g. less A.D.A., less County matching costs, reduction of teachers, administrators, etc.); reduction in County administration costs in assessing property and possible reduction in welfare costs to residents 65 years old or over who will receive a tax break on their property.

Also consideration must be given to an accurate value in percentage loss (or gain in some counties) due to the proposed tax initiative. *(Using my current property tax, as an example, my residential property tax is assessed at \$11,625. Its full market value as of 1974 is \$46,500. I paid \$1,022 including work the home owners exemption.)* Under the tax initiative the most I would pay is \$930. The loss to the county would be \$92. Yet on another unimproved parcel *the fair market value is \$16,500.* My tax was \$214. I would pay \$330 under the proposed initiative--a gain of \$116. My entire property taxation would increase by \$24.

The county and cities would distribute to the proper agencies their share of the funds for welfare, schools, bonds, etc. *this should lessen the double budget juggling that presently exists in*

These and other considerations should be sought so that a fair representation of fiscal reality is evident in the cost analysis.

There is a dire need for a property tax reform and hopefully this proposed initiative meets the voter's approval.

Sincerely yours,

Steve D. Wilson

Steve D. Wilson, Ph. D.
President, Santa Cruz County
Taxpayers' Association

Enclosure

Dear Mr. Roth,

July 23 1977

Pursuant to our telephone conversation on the morning of July 23 1977, I enclose the corrected edition of the property tax limitation initiative for titling and Summary. Even this copy needed correction -- perhaps they have trouble reading my hand writing.

also enclosed is a copy of the cover letter that accompanied the initial initiative.

There are many areas to be considered for cost analysis -- one of the ways as an overused coverage is to take 2% of all property value with the exception of agricultural land; then 1% of the agricultural land value. These added figures subtracted from the total tax levied on property gives a fair view of the percentage ratios of losses (or gains in some countries).

The benefits for the retired homeowner obviously affect the picture but I doubt if it is significant.

These are suggestions and I do not presume to venture into final analysis territory as an expert. Thanks for your call and consideration.

P.S. The check is with the original copy
2 enclosures.

Sincerely yours

Steve P. Wilson

plus the paper work.
Santa Cruz ^{County} ^{California} ¹⁰⁰⁰⁰
P.O. Box 415
Soquel, Ca 95073



Office of the Secretary of State
Edmund G. Brown Jr.

111 Capitol Mall
Sacramento, California 95814

September 11, 1974

Capitol Office	(916) 445-6371
Certification	(916) 445-1430
Corporation Index	(916) 445-2900
Corporation Records	(916) 445-1768
Election Division	(916) 445-0820
Legal Division	(916) 445-0620
Notary Public Division	(916) 445-6507
State Archives	(916) 445-4293
Uniform Commercial Code	(916) 445-8061

TO THE REGISTRARS OF VOTERS AND COUNTY CLERKS:

Pursuant to Section 3507 of the Elections Code, there is transmitted herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

PROPERTY TAX LIMITATION
INITIATIVE CONSTITUTIONAL AMENDMENT

Circulating and Filing Schedule:

1. Minimum number of signatures required 520,806
Constitution IV, 22(b).
2. Official Summary Date 9/11/74
Elections Code Section 3507.
3. Petition Sections:
 - a. First day Proponent can circulate Sections for
Signatures 9/11/74
Elections Code Section 3507.
 - b. Proponent may file petition sections with the Registrar of
Voters at any time, and at as many times as he wishes during
the 150 day period. The Registrar of Voters must determine
within 30 days of any filing the number of qualified electors
who have signed the petition.
Elections Code Section 3520 (a)(b).
 - c. Each Registrar of Voters where Proponents have filed any section
of the petition shall transmit his Certificate to the Secretary
of State. The Certificate is to show the number of valid signa-
tures determined as of that date. The following are the dates on
which the Certificates must be sent to the Secretary of State:

60 Day	11/11/74*
90 Day	12/10/74
120 Day	1/9/75
140 Day	1/29/75

*date adjusted for official deadline which falls on a Saturday,
Sunday or Holiday. (Code of Civil Procedure, Section 12.)

3. Petition Sections (continued)

- d. Last day Proponent can circulate and file with the county 2/7/75*
Elections Code Sections 3507, 3520(a).
- e. Last day for County to transmit Certificateas to number of valid signatures on Initiative Petition (Elections Code Section 3520(c). 3/7/75

4. Campaign Statements

- a. If the measure qualifies for the ballot:
Last day for Proponent to file a Statement of Receipts and Expenditures for period ending 4/4/75 4/11/75
(If the Secretary of State qualified the measure for the ballot on a date other than 3/7/75, the last day is the 35th calendar day after the date the measure qualified.)
Elections Code Section 11552(a).
- b. If the measure does not qualify for the ballot:
Last day for Proponent to file a Statement of Receipts and Expenditures for period ending 3/7/75 3/14/75
Elections Code Section 11552(b).

5. The Proponent of the above measure is:

Dr. Steve D. Wilson
P. O. Box 415
Soquel, California 95073


PHILLIP J. MENDES
Chief of Elections Division

PJM:sk

NOTE TO PROPONENT: Your attention is directed to Elections Code Sections 3500.1, 3502, and 3502.5 for appropriate format and type considerations in printing, typing or otherwise preparing your initiative petition for circulation and signing.

