

★ ARGUMENT IN FAVOR OF PROPOSITION 5 ★

**PROP. 5 GIVES ALL SENIORS (55+) AND SEVERELY DISABLED THE RIGHT TO MOVE WITHOUT PENALTY**  
PROP. 5, the Property Tax Fairness Initiative, eliminates the “moving penalty” that exists today in order to protect seniors (55+) and severely disabled people who want to move to safer, more practical homes or closer to their families. PROP. 5 limits the property tax penalties they could face if they purchase another home in any county of the state.

**PROP. 5 ELIMINATES MOVING CHALLENGES FOR SENIORS (55+)**

Millions of California seniors live in homes that are inadequate for their needs—whether too big, too many stairs, or simply too far away from their family and loved ones. Under PROP. 5, senior homeowners (age 55+) would be able to transfer their home’s current taxable value, no matter where in the state they might choose to move.

**PROP. 5 EMPOWERS RETIREES LIVING ON FIXED INCOMES**

Most retirees live on a fixed income, often from a pension and/or Social Security. PROP. 5 eliminates the possibility of a 100%, 200%, or even 300% increase in property taxes that retired teachers, firefighters, police, and other retirees often have to pay if they want to sell their current home to buy another one somewhere else in California.

**PROP. 5 PROTECTS AGAINST PROPERTY TAX BASE “MOVING PENALTY”**

Under current California law, property taxes are capped at a small percentage of the value of the property when purchased. This becomes known as the property’s “tax base.” In addition, there is a limit on how much property taxes can increase annually. Seniors and the severely disabled are often on fixed incomes and can’t afford

large property tax increases. But if they choose to move to a new home, their “tax base” will often increase dramatically due to the rise in home prices over the past several decades. PROP. 5 protects these Californians from this “moving penalty” by allowing them to keep a lower, fairer tax base.

**PROP. 5 EXTENDS THE BENEFITS OF PROP. 13, BRINGS TAX STABILITY AND PEACE OF MIND**

PROP. 5 eliminates the “moving penalty” that exists today that is contributing to the housing shortage in California. Just as Prop. 13 (1978) prevented millions of seniors from being taxed out of their homes, PROP. 5 will help millions more today. PROP. 5 will help alleviate the housing shortage and will bring tax stability and peace of mind for millions of middle-class and working-class families throughout California.

**PROP. 5 EMPOWERS SEVERELY DISABLED PEOPLE TRAPPED IN INADEQUATE HOMES**

Many severely disabled people in California live in homes that are no longer safe or practical for them, but they cannot afford to move because their property taxes could skyrocket if they buy a new home elsewhere in California. This could happen even if they move to a less expensive home. Under PROP. 5, severely disabled homeowners would be able to move to more suitable homes without being subjected to the “moving penalty.”

**PENNY LILBURN**, Executive Director  
Highland Senior Center

**KYLE MILES**, Commander  
AMVETS Department of California

**SUSAN CHANDLER**, President  
Californians for Disability Rights, Inc.

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 5 ★

**PROP. 5 DOES NOTHING TO HELP MOST LOW-INCOME SENIORS BUT DOES HELP CORPORATE REAL ESTATE INTERESTS WHO ARE FUNDING IT.**

Real estate interests behind Prop. 5 are trying to scare seniors with lies. Current law *already* allows seniors and severely disabled taxpayers to keep a property tax break when they move. Prop. 5 is different—it’s a new tax break for the highest incomes who keep buying bigger, more expensive homes after 55.

“How dare real estate interests use seniors and people with disabilities as pawns to sell more, expensive homes,” said Gary Passmore, President of Congress of California Seniors. “Seniors can already retire on their home equity without any ‘moving penalty.’ They made that up. Vote NO on Prop. 5!”

Prop. 5 puts fire protection, health care, and our schools at risk because it drains upwards of \$1 BILLION from cities and counties.

Younger Californians struggle to purchase their first homes. Many seniors, people with disabilities, and

families cannot afford a safe apartment. It’s wrong for the real estate interests behind this measure to make housing even MORE EXPENSIVE.

“As a retired teacher, I’m worried about paying my mortgage and holding on to some of my retirement to help my kids. Prop. 5 isn’t going to help me at all, and they shouldn’t say it will,” said retired elementary school teacher Melinda Dart.

Prop. 5 is opposed by teachers, nurses, firefighters, and housing and senior advocates because it’s a scam. Please join us in voting NO on 5.

**NAN BRASMER**, President  
California Alliance for Retired Americans

**HELEN L. HUTCHISON**, President  
League of Women Voters of California

**TIM GAGE**, Former Director  
California Department of Finance

★ ARGUMENT AGAINST PROPOSITION 5 ★

VOTE NO ON PROP. 5

We urge a NO on Prop. 5 for one simple reason. We have a terrible affordable-housing crisis in California, and Prop. 5 will do NOTHING to make this crisis better.

What Prop. 5 will do:

- Prop. 5 will further raise the cost of housing.
- Prop. 5 will lead to hundreds of millions of dollars and potentially \$1 billion in local revenue losses to our public schools.
- Prop. 5 will cost local services, including fire, police, and health care, up to \$1 billion in revenue losses.
- Prop. 5 gives a huge tax break to wealthy Californians.
- Prop. 5 gives a huge windfall to the real estate industry, the ONLY sponsor of the initiative.

We urge a No on Prop. 5 because of what it does NOT do:

- It does NOT build any new housing.
- It does NOT help first-time homebuyers.
- It does NOT bring down the cost of rent.
- It does NOT address homelessness.

Housing advocates are clear: “Prop. 5 does nothing for affordable housing, and will even make the current situation worse,” says Shamus Roller of the National Housing Law Project, a champion for affordable housing.

For the last 30 years, older homeowners who move to a smaller and less expensive house have been able to bring their current property tax with them, an encouragement to leave a larger and more expensive home to a younger family. These homeowners can do this *once* in their lifetime. This was an extension of Prop. 13.

But Prop. 5 changes this equation. If it's passed, a homeowner over 55 can use their tax break to keep

buying more expensive houses, over and over, anywhere in California. Meanwhile, younger, first-time home buyers with less income will face higher housing prices, and renters will have an even harder time becoming homeowners.

The nonpartisan California Legislative Analyst says Prop. 5 will cause massive revenue losses at the local level. That's why firefighters, teachers, and nurses all say No on Prop. 5. This initiative will result in reductions to critical public services including fire protection, police protection, and health care. Public school funding comes primarily from local property taxes. Prop. 5 means less local revenue for our public schools.

“Fighting the wildfires that have plagued our communities in the past few years requires more—not less—local resources. We just can't afford Prop. 5,” says Brian Rice, President of California Professional Firefighters.

The real estate interests who cynically paid to put Prop. 5 on the ballot have decided to pit some homeowners against others. Why? You'll have to ask them. But we think it must have something to do with their profits.

We can't afford Prop. 5. Please join us in voting No.

Learn more at [www.noprop5.com](http://www.noprop5.com)

**CAROL KIM**, Board Member  
Middle Class Taxpayers Association

**SHAMUS ROLLER**, Executive Director  
National Housing Law Project

**GARY PASSMORE**, President  
Congress of California Seniors

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 5 ★

PROP. 5 HELPS CALIFORNIANS WHO WANT THE OPPORTUNITY TO MOVE

Prop. 5, the *Property Tax Fairness Initiative*, eliminates the “moving penalty” that currently hurts millions of seniors (55+) and severely disabled Californians who feel trapped in a home they no longer want or that is not right for their needs.

Prop. 5 allows these older Californians to sell their current home and purchase a new primary residence—without facing this property tax “moving penalty.” Prop. 5 frees up desperately needed housing for other families, including first-time homebuyers and renters.

PROP. 5 DOES NOT RAISE THE COST OF HOUSING

Nothing in this initiative raises the cost of housing.

PROP. 5 DOES NOT TAKE FUNDING AWAY FROM PUBLIC SAFETY

Nothing in this initiative takes funding away from fire departments, police, or healthcare.

PROP. 5 DOES NOT TAKE FUNDING AWAY FROM PUBLIC SCHOOLS

Nothing in this initiative takes funding away from public schools.

CALIFORNIA'S LEADING ECONOMISTS SAY PROP. 5 WILL INCREASE STATE REVENUES

An economic review of Prop. 5 conducted by two of the top economists in the state concluded that allowing seniors, the severely disabled, and disaster victims to move would likely increase tax revenues and provide more funds for vital public services.

If seniors can move to a new primary residence that better fits their needs (such as downsizing after children move away), their old homes will generate more tax revenue once sold to new buyers.

**MARILYN MARKHAM**, Board Member  
California Senior Advocates League

**TOM CAMPBELL, Ph.D.**, Professor of Economics

**MICHAEL C. GENEST**, Former Director  
California Department of Finance