

★ ARGUMENT IN FAVOR OF PROPOSITION 19 ★

YES on 19. Tax Savings and Housing Relief for SENIORS, WILDFIRE VICTIMS, and PEOPLE WITH DISABILITIES. Proposition 19 protects vulnerable Californians, closes unfair tax loopholes, and generates needed revenue for fire protection and emergency medical response.

1) LIMITS PROPERTY TAXES FOR SENIORS, WILDFIRE VICTIMS, AND DISABLED HOMEOWNERS. PROP. 19: • Removes unfair, ever-changing location restrictions in current law so homeowners who are seniors, disabled, or victims of wildfire can transfer their home's Prop. 13 tax savings to a replacement home anywhere in California. • Provides housing relief for millions of seniors, many feeling trapped in homes they can't maintain, with too many stairs, located too far from family or medical care—made worse by coronavirus health risks. • Creates record home ownership opportunities for renters and new homeowners statewide as tens of thousands of homes will become available for the first time in decades. • “After two wildfires destroyed 15,155 homes, victims faced massive tax hikes simply for relocating a few miles away. Prop. 19 removes unfair location restrictions to eliminate sudden tax increases so wildfire victims can move to a replacement home anywhere in California.”

—Kristy Militello, Tubbs Wildfire Survivor

2) CLOSES UNFAIR TAX LOOPHOLES USED BY EAST COAST INVESTORS, CELEBRITIES, AND WEALTHY TRUST FUND HEIRS ON VACATION HOMES AND RENTALS: • News reports and property records have revealed rules meant to limit taxes on family primary residences are exploited by out-of-state professionals, celebrities, and wealthy heirs to avoid paying their fair share of taxes on vacation homes and rentals. [*Los Angeles Times*, 8/17/18] • Exploiting loopholes resulted in billions in lost revenue for schools and counties, forcing California homeowners to pay tax bills 10 times higher than rental homes in the same neighborhood owned by heirs, many living as far as Florida or New York.

PROP. 19 PROTECTS FAMILY HOMES—and low tax rates—for children inheriting and living in primary

residences as intended under law; ELIMINATES TAX LOOPHOLES on homes converted into rentals . . . since rental income would easily cover any bump in property taxes.

3) INCREASES FIRE PROTECTION, EMERGENCY RESPONSE & SCHOOL FUNDING BY: • Establishing Fire Protection and Emergency Medical Response Funding: dedicated revenue for fire districts in rural and urban communities to fix inequities that threaten life-saving response times to wildfires and medical emergencies.

• Providing an economic boost for schools and counties struggling to balance budgets due to coronavirus, with long-term revenue for emergency response, affordable housing, homeless programs, healthcare, and other local services. • Generating hundreds of millions in revenue for schools and local governments resulting from senior home sales and closing loopholes on inherited properties not used as a primary residence.

4) DEMOCRATS AND REPUBLICANS SUPPORT PROP. 19: “Prop. 19 protects tax savings and benefits for vulnerable Californians, including seniors, disabled homeowners, and wildfire victims.”—*Jim Brulte, CA Republican Party Former Chair*

“Vote with state and local Democrats to close unfair loopholes and provide needed housing relief for seniors and working families.”—*Alexandra Rooker, CA Democratic Party Former Chair*

PLEASE JOIN FIREFIGHTERS, EMERGENCY RESPONDERS, SENIORS AND DISABILITY RIGHTS GROUPS, CALIFORNIA BLACK CHAMBER OF COMMERCE, CALASIAN CHAMBER, HISPANIC CHAMBER, LOCAL DEMOCRATS & REPUBLICANS.

YESon19.vote

BRIAN RICE, President
California Professional Firefighters

KATHLEEN BARAJAS, President
Californians for Disability Rights

GEORGE MOZINGO, Boardmember
California Senior Advocates League

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 19 ★

Prop. 19 eliminates one of the best tools parents have to help their children.

That's the right, enshrined in California's Constitution since 1986, to pass their home and up to \$1 million of other property on without changing the Prop. 13 tax assessment. Reassessment can mean a crushing tax increase. So parent-child transfers of a home and limited other property, like a small business, are protected from reassessment by Proposition 58, which passed with 76% of the vote in 1986.

PROPOSITION 19 ELIMINATES PROPOSITION 58. Transfers of family homes will be automatically reassessed unless a child moves in within one year.

Prop. 19 will collect new taxes when California families are FORCED BY HIGHER TAXES TO SELL THEIR PROPERTY. Its backers promise money for all kinds of programs. Everything the backers of Prop. 19 say it will pay for is paid for by RAISING TAXES on parent-child transfers of family property.

Prop.19 backers say “tens of thousands of homes” will become available to create home ownership opportunities. Prop. 19's backers expect it to trigger the sale of lots of family homes. That's shocking!

Parents today have very few tools in the toolkit to help their children financially. Even in good times, it is hard for the next generation to afford to stay in California, the place that has always been their home.

Proposition 19 isn't necessary. It's a major hit on the ability of any parent in California to take care of their kids. VOTE NO ON PROPOSITION 19.

ASSEMBLYMAN KEN COOLEY, District 8

SENATOR PATRICIA BATES, District 36

JON COUPAL, President
Howard Jarvis Taxpayers Association

★ ARGUMENT AGAINST PROPOSITION 19 ★

VOTE NO ON PROPOSITION 19.

“Proposition 19 is an attempt by Sacramento politicians to raise property taxes by removing two voter-approved taxpayer protections from the State Constitution. This measure would require *reassessment to market value* of property transferred from parents to children, and from grandparents to grandchildren.”—*Jon Coupal, President, Howard Jarvis Taxpayers Association*

PROPOSITION 19 TAKES AWAY PROPOSITION 13-related protections that California families have under the State Constitution and replaces them with a *tax increase*. VOTE NO on Proposition 19.

Under current law, transfers of certain property between parents and children are excluded from reassessment, meaning *the property tax bill stays the same* after the property is transferred. The same is true for certain transfers between grandparents and grandchildren.

Voters added these overwhelmingly popular provisions to the State Constitution with Proposition 58 in 1986 and Proposition 193 in 1996.

Under Prop. 58, parents may transfer a home of any value and up to \$1 million of assessed value of other property to their children without an increase in property taxes. IF WE LOSE PROPOSITION 58, children could be *forced by higher taxes to sell their family's property*, such as a small business that has provided the family with financial security, and their longtime family home if they can't move into it fast enough.

PROPOSITION 19 TAKES AWAY PROPOSITION 58, EVEN THOUGH IT WAS APPROVED BY 75.7% OF VOTERS!

Proposition 19 was put on the ballot through a last-minute backroom deal in the Legislature, despite opposition from both Democrats and Republicans.

Proposition 19 would force the *reassessment to market value* of property transferred within families unless used as the new owner's principal residence.

PROPOSITION 19 IS A MASSIVE, BILLION-DOLLAR TAX INCREASE ON CALIFORNIA FAMILIES.

The non-partisan Legislative Analyst's Office projects that Proposition 19 could eventually cost California families about *two billion dollars annually* in higher property taxes. THE TRANSFER PROVISIONS IN PROPOSITION 19 WERE ALREADY REJECTED BY VOTERS.

Current law (Propositions 60 and 90) allows homeowners age 55 and older to move to a replacement home and transfer their base-year property tax assessment from their previous home to the new property. Current law allows this transfer one time, within the same county or to a county that accepts the transfers, and only if the replacement property is of equal or lesser value. In 2018, voters were presented with Proposition 5, which would have allowed more transfer opportunities, but voters decided the current system was fair and they overwhelmingly rejected Proposition 5.

Now Sacramento politicians are offering this proposal again, but this time they've added *a massive tax increase* on inherited property. It's a bad deal for California families.

California voters have said clearly that they do not want property reassessed to market value when transferred between parents and children, or, if the children's parents are deceased, between grandparents and grandchildren.

Now Sacramento politicians are trying to take these protections away from California families so they can raise taxes again. Don't let it happen.

VOTE NO ON PROPOSITION 19.

JON COUPAL, President
Howard Jarvis Taxpayers Association

SENATOR PATRICIA BATES, District 36

ASSEMBLYMAN KEN COOLEY, District 8

19

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 19 ★

Don't Believe Self-Serving Fictions Printed Above
GET THE FACTS:

FACT: Prop. 19 provides tax limits/housing relief for seniors. FACT: Prop. 19 closes tax loopholes used by out-of-state investors. FACT: Prop. 19 safeguards Prop. 13 for homeowners. FACT: Prop. 19 protects lives/homes from wildfires.

Read the initiative yourself: • “Property Tax Fairness for Seniors, the Severely Disabled, and Victims of Wildfire and Natural Disasters” [*Prop. 19, Section 2.1(b)*].

• “Protecting the right of parents and grandparents to pass on their family home to their children” [*Prop. 19, Section 2.1(a)(2)*]. • “Eliminating unfair tax loopholes used by East Coast investors, celebrities, wealthy non-Californian residents, and trust fund heirs to avoid paying a fair share of property taxes” [*Prop. 19, Section 2.1(a)(2)*]. • “Limit damage from wildfires on homes through dedicated funding for fire protection and emergency response” [*Prop. 19, Section 2.1(a)(1)*].

Read more here: www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures

What facts did opponents conveniently fail to disclose?

• One politician owns three homes—and recently admitted

taking advantage of the same tax loophole Prop. 19 eliminates. [*State Capitol Floor Speech, 6/26/20*]

• Another politician using the tax loophole paid \$2,034 in taxes on a MILLION DOLLAR rental home—\$10,000 LESS than what's paid on similar neighborhood homes. [*Public Records, San Diego County*] • Special-interest lawyer, Jon Coupal admitted voters didn't intend to grant tax breaks for out-of-state heirs on multimillion-dollar rentals. [*Los Angeles Times*] • “Jarvis group evolves into money machine . . . Coupal is in the business of promoting initiatives and causes.” [Sacramento Bee Columnist]

STAND WITH MILLIONS OF SENIORS, DISABLED HOMEOWNERS, WILDFIRE VICTIMS, FIREFIGHTERS, EMERGENCY RESPONDERS, FAMILY FARMERS, AND HARD-WORKING CALIFORNIANS.

www.YESon19.vote

KRISTY MILITELLO, Tubbs Wildfire Survivor

DAVID WOLFE, Former Legislative Director,
Howard Jarvis Taxpayers Association

SALENA PRYOR, President

Black Small Business Association of California