



Proposition 15, the California Schools and Local Communities Funding Act of 2020, is fair and balanced reform that raises revenues to invest in schools and vital services for our local communities

Official Prop 15 summary from the office of the California Attorney General:

“Increases funding for K-12 public schools, community colleges, and local governments by requiring commercial and industrial real property be taxed based on current market value, instead of purchase price.

Exempts from taxation changes: residential properties; agricultural land; and owners of commercial and industrial properties with combined value of \$3 million or less. Any additional education funding will supplement existing school funding guarantees.

Exempts small businesses from personal property tax; for other businesses, provides \$500,000 exemption. Increases property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 billion in new funding to local governments and schools.”

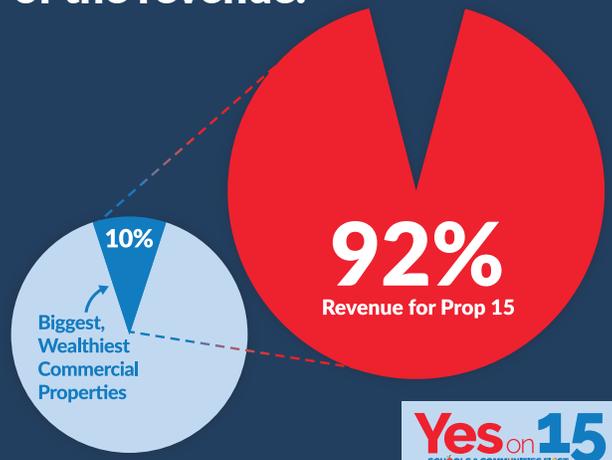
1) Prop 15 reassesses only commercial/industrial properties:

The reassessment of only commercial and industrial properties to fair market value means no more property tax loopholes for the the richest corporate property owners to avoid paying their fair share. The richest 10% of corporate properties will provide 92% of the revenue for Prop 15. Reassessments will be conducted on a regular, ongoing basis, and are estimated to generate as much as \$12 billion annually in new revenues when fully implemented.

2) Prop 15 specifically exempts all residential properties and agricultural land, maintaining full Prop 13 protections for homeowners, renters, and agriculture:

No residential properties will be reassessed, whether rental residential (apartments and rental homes), homeowner or condominium owner, or mobile home. It exempts all agricultural land from reassessment used for producing commercial commodities or for agricultural production. It also exempts open space, so that farmland, which is held without production would also be exempt. Mixed-use property is to be assessed based on proportion of commercial to residential footage. Prop 15 also allows the legislature to exempt the commercial portion of mixed-use properties if the properties are predominantly residential (75% or more).

The richest **10%** of corporate properties will provide **92%** of the revenue.



3) Additional funding for every school district in California:

40% of Prop 15 revenue goes directly to schools, with 89% of this dedicated to K-12 and 11% for Community Colleges. State politicians can't take it away.

New School Revenues Over Prop 98: New revenues will be pooled statewide and deposited into the Local School and Community College Property Tax Fund to ensure that the local schools and community colleges portion of new revenues is considered additional to all other funding, over and above the Proposition 98 guarantee.

New School Revenues to Advance Equity: The school share of new revenues will be allocated to advance social equity according to the local control funding formulas for all schools, which provide additional funding for districts with large populations of low-income students, English-learners, and foster youth.

Basic Aid School Districts: In order to assure that all school districts benefit from this reform, Basic Aid School Districts (which receive sufficient local property tax revenue to meet their target funding level under state law) will receive as much as they would have under current law and at least \$100 per unit of average daily attendance in addition from the new revenues. Similarly, community college districts shall receive no less than \$100 per enrolled full-time equivalent student.

4) Invests in essential workers and local services:

60% of Prop 15 revenues go to cities, counties and special districts to give local communities desperately needed resources so essential services and frontline workers can respond to current challenges and prepare for future crises, whether from a wildfire, pandemic, or earthquake. Funding will be allocated in the same manner as property tax revenues are currently allocated with no changes in the proportions between local government entities. Like all property taxes, revenues will be spent at local government discretion and held accountable to local communities.

5) Cuts taxes for small businesses:

Prop 15 protects small businesses and cuts their taxes by exempting businesses operated out of a home and business owning \$3,000,000 or less of nonresidential commercial property. It also exempts all businesses from the business personal property tax on up to \$500,000 of equipment, computers, and fixtures greatly benefiting the vast majority of businesses that lease but not do own their property.

6) Supports economic and racial equity:

Prop 15 makes sure schools with the greatest needs get the most help and gives local communities critically needed resources to deal with the unequal impacts of COVID-19, unemployment, and housing costs on communities of color.

7) Restores balance to the property tax:

Since Prop 13 passed, the residential share of property taxes has skyrocketed from 55% to 72% and the nonresidential commercial share has fallen. Meanwhile we're paying more in fees, fines, and other taxes. Prop 15 rebalances the scales.

8) Transparency and Accountability:

Public disclosure is required by all entities (i.e., local education agencies, community colleges, counties, cities and counties, cities and special districts) on an annual basis as to how new revenues from Prop 15 are spent. The measure mandates that public disclosures be widely available to the public and written in a manner that is easily understood.

Paid for by Yes on 15 - Schools and Communities First sponsored by a Coalition of Labor Groups and Social Justice Organizations Representing Families, Students and Essential Workers. Committee major funding from:

California Teachers Association
Chan Zuckerberg Initiative Advocacy
SEIU California State Council
Funding details at <http://fppc.ca.gov>