

CBPA WEEKLY UPDATE- November 13, 2020

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PROP. 15 – CA’S \$11B SPLIT ROLL PROPERTY TAX – DEFEATED!

WE DID IT! THANKS TO ALL OF YOU!

CBPA is pleased to announce that we called the race for Prop. 15 – Split Roll Property Tax – and it has been DEFEATED!

This has been an effort years in the making and it could not have been done without your unwavering support. We at CBPA have never seen our industry come together like we did to defeat this threat. You, our members, helped educate peers, tenants, family members; you have helped speak with policymakers; and you stepped-up to help us raise the \$50M+ we knew would be needed to be successful.

Aside from our industry and all of our groups that came together to fight this (CBPA, ICSC, BOMA, NAIOP, AIR CRE, RILA, NAREIT, IREM), we want to acknowledge our friends at the Howard Jarvis Taxpayers Association, California Business Roundtable, and the California Chamber of Commerce, for their ceaseless advocacy and support on our industry’s behalf.

We are going to celebrate, as we now turn our attention to the 2021 Legislative Session and the fire hydrant of bills that will soon be coming our way. We can expect continued targeting of our industry and will need to stay together to continue to fend off bad ideas like Prop. 15!

But for now, thank you and congratulations!

PROP 15 DEFEATED BY CALIFORNIA VOTERS

The following is a press release from the No on Prop. 15 Campaign:

Largest Property Tax Increase in California History Rejected by More Than 3.5%

SACRAMENTO, CA – Proposition 15, the largest property tax increase in California history, was defeated today by a margin of more than 550,000 votes, ending a challenge by Service Employees International Union, California Teachers Association, California State Parent Teacher Association and Facebook CEO Mark Zuckerberg to dismantle major portions of Proposition 13, the greatest tax protection measure left in the highest taxed state in the country overwhelmingly passed by voters more than 40 years ago.

“From day one, we knew that if voters understood the harm this deeply flawed tax hike would impose on California’s economy and its families, farmers and small businesses, voters would reject this ill-advised effort,” said Rob Lapsley, president of the California Business Roundtable and co-chair of the No on Prop 15 campaign.

“Today’s victory should send a clear message to the proponents and warn all politicians that voters will continue to reject attempts to dismantle Prop 13.”

“California voters understood the very real threat Proposition 15 presented to small businesses, farmers and consumers,” said Allan Zaremberg, president and CEO of the California Chamber of Commerce. “Voters in California smartly recognized that enacting the largest tax hike in California history would have been devastating to jobs, our economy and California’s future competitiveness.”

The robust opposition effort to defeat Prop 15 included a broad and diverse coalition which came together to educate voters about Prop 15's many flaws and real-world impacts of an \$11.5 billion per year tax increase. The main No on Prop 15 committee was led by the California Business Roundtable, the California Business Properties Association, the California Chamber of Commerce and the California Taxpayers Association. The bipartisan coalition, one of the most diverse coalitions ever assembled, also included social justice and civil rights organizations including the California State Conference of the NAACP, California State National Action Network, Latino groups, veterans, local chambers of commerce, private-sector labor unions and hundreds of small businesses across California.

“Across California, voters in the vast majority of counties cast their ballots in opposition to Prop 15,” added Rob Gutierrez, president of the California Taxpayers Association. “What’s clear from the data so far is Prop 15 lost in 43 of California’s 58 counties. Democrats, Republicans and independents understood the importance of protecting jobs and keeping consumer costs down and joined together to reject this measure.”

Rex Hime, president and CEO of the California Business Properties Association added, “Small businesses and property owners now have the opportunity to focus on making ends meet instead of formulating plans to close their doors. I am optimistic that Californians are getting wise to the game of being told that a tax does not impact them. Every tax gets passed along or increases the cost of everyday goods and services. And that was certainly the case with Prop. 15.”

Additional opposition efforts were organized by the Howard Jarvis Taxpayers Association, Family Farmers Against Prop 15, led by the California Farm Bureau Federation, Agricultural Council of California and Western Growers Association, as

well as The Alliance of California's Farmers and Ranchers, an association of commodity groups including dairies and the rice industry.

“Farmers can breathe a little easier this evening knowing their hard work made the difference to turn back the largest property tax increase in California history which would have created havoc for family farmers and ranchers across our state,” added California Farm Bureau Federation president Jamie Johansson, which formed the Family Farmers Against Prop 15 coalition. “For months we have said Prop 15 would hurt farmers, ranchers and ultimately all families through higher prices. What’s clear from these results is that more than 8 million California voters recognized this reality and agreed with our efforts to stop this ill-advised initiative.”

Prop 15 also suffered from significant flaws that could destabilize the entire property tax administration system, leading the California Assessors' Association that represents the local elected officials charged with implementing many of Prop 15's provisions to oppose the measure.

“Prop 15 was a direct assault on Prop 13's protections that have provided certainty and stability to property owners throughout California. Prop 15's proponents, many of the same special interest groups that opposed Prop 13 in 1978, should think long and hard about targeting property owners in the future,” concluded Jon Coupal, president of the Howard Jarvis Taxpayers Association, which has spent decades promoting and protecting Prop 13.

ABOUT NO ON PROP 15 – STOP HIGHER PROPERTY TAXES AND SAVE PROP 13

No on Prop 15 – Stop Higher Property Taxes and Save Prop 13, a bipartisan coalition of homeowners, taxpayers, and businesses, has been fighting to protect Prop 13 and

oppose a split-roll property tax for more than a decade. For more information, please visit <https://cshpt.vervelab.net/t/t-1-xidhukk-qdjlklylj-y/> .

CONGRESS AND THE LEGISLATURE

Due to several very tight races in which leads have swapped back and forth, there is no clear outcome on the partisan makeup of the Congressional Delegation nor the CA State Legislature yet.

However, as it currently stands the Congressional Delegation has a net increase of four Republicans – 42 Democrats and 11 Republicans.

The California State Senate has a net increase of two Democrats – 31 Democrats and 9 Republicans.

The California State Assembly has a net increase of one Republican – 60 Democrats and 19 Republicans and one independent (No Party Preference).

ALL THE RESULTS

The best place to find all the statewide elections results is at the California Secretary of State's website:

<https://electionresults.sos.ca.gov/returns/ballot-measures>