

Parcel Taxes as a Local Revenue Source

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What is the parcel tax?

- Levied on parcels of real property
- Cannot depend on property value
- Typically, a flat rate tax
- Sometimes varies with parcel size or use



Parcel taxes are a local fiscal tool

- Used for general local services
 - Police, fire departments, schools
- Require two thirds voter approval



Voters have approved about half of recent parcel tax proposals

Parcel tax proposals, 2003–2012

	Number of proposals	Percent approved
Cities	124	48
School districts	329	60
Special districts	238	45
Total	691	53



Parcel tax rates are relatively low

Parcel tax rates, 2003–2012

	Percent with flat rate	Median rate (\$ per parcel)
Cities	48	60
School districts	86	96
Special districts	75	68

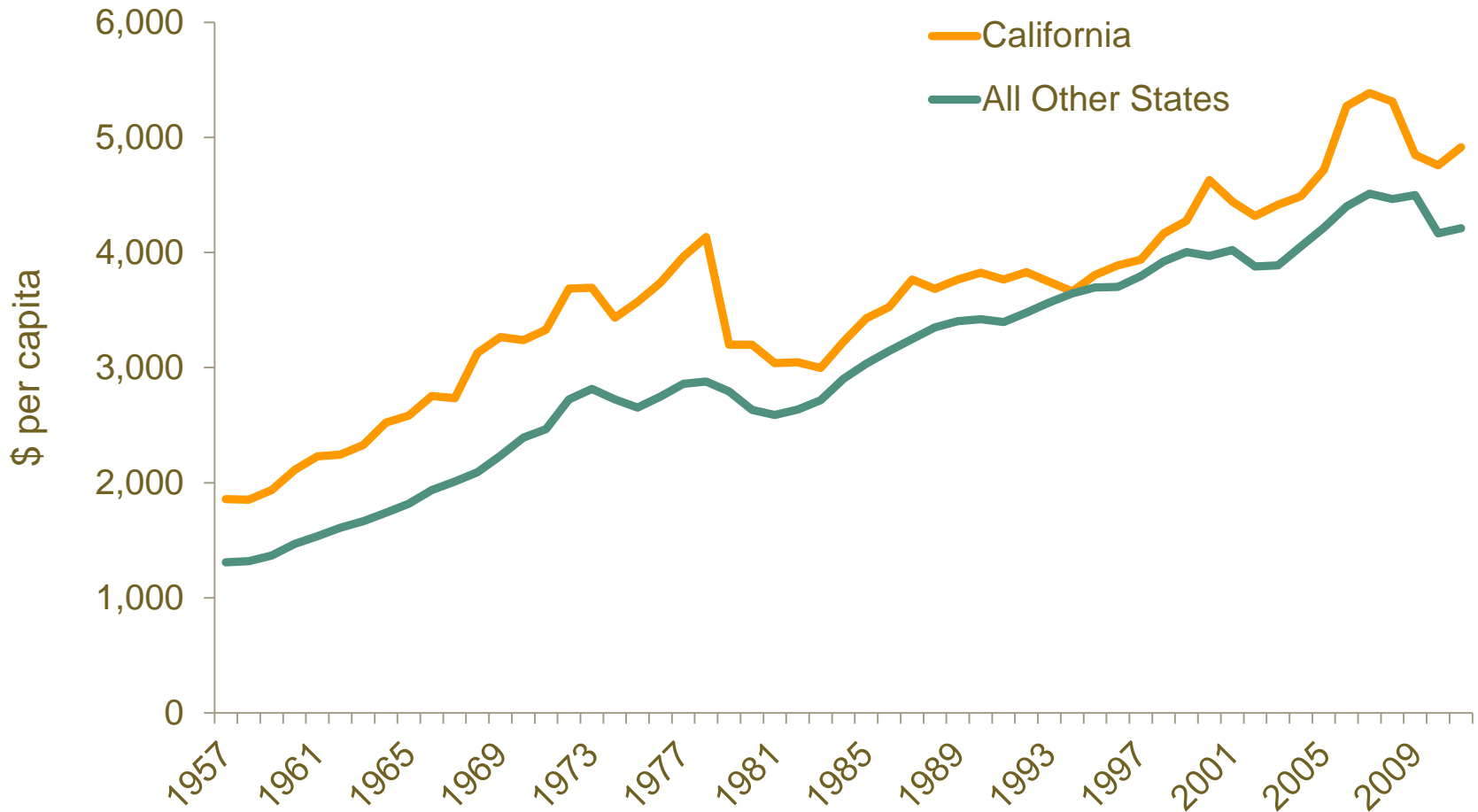


Parcel taxes can take many forms

- Huntington Park has 17 different rates, including
 - \$20 per year for unimproved property
 - \$79 per year for single family homes
 - \$629 per year for hotels, supermarkets



Government revenue in California is relatively high



Parcel taxes have some advantages

- A tax on land is
 - Economically neutral
 - Fair
 - Simple
- A tax per square foot vs. a flat tax
 - Tax design matters



A well-designed parcel tax

- Tax proportional to parcel size
- Lower rates for unimproved parcels
- Not perfect ... but what tax is?



Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.



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