

Proposition 13: 40 Years Later

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➤ **Proposition 13 introduced sweeping changes to California's property tax system.**

This year marks the 40th anniversary of Proposition 13—the landmark citizens' initiative that limits the property tax rate to 1% of assessed value at the time of purchase and restricts annual tax increases to no more than 2% until the property is sold. Proposition 13 also requires that all state tax increases be approved by two-thirds of the legislature and that special taxes levied by local governments be approved by two-thirds of voters. Proposition 13 passed on June 6, 1978, with support from 65% of California voters. Property owners benefited from an immediate drop in property taxes and less uncertainty about future tax increases. The measure also restricted local governments' ability to raise revenue through property taxes for cities, counties, and schools.

➤ **Forty years later, most Californians still support Proposition 13.**

A majority of Californians (57%) and likely voters (65%) feel that Proposition 13 turned out to be mostly a good thing for the state. At least half across all demographic groups—except African Americans (39%)—say the measure has been mostly a good thing. Republicans (71%) are more likely than independents (61%) and Democrats (55%) to hold this view. Nearly two-thirds of homeowners (65%) say it has been mostly a good thing for California, compared to half of renters (50%). Californians age 55 and older (66%) are more likely than those age 18 to 34 (54%) and age 35 to 54 (52%) to say it has been mostly a good thing.

➤ **Residents remain divided over the effect of the supermajority vote requirement ...**

Four in ten adults (39%) and nearly half of likely voters (48%) say the two-thirds vote requirement for raising special taxes has had a good effect on local government services provided to residents. Two in ten adults (19%) and likely voters (21%) say it has had a bad effect, while a quarter of adults (26%) and 19% of likely voters say it has had no effect. Californians held similar views in 1998 but were more split on the effect of the vote requirement in 2008. Today, Republicans (55%) are much more likely than independents (41%) and Democrats (37%) to say it has had a good effect. Homeowners (46%) are more likely than renters (34%) to hold this view.

➤ **... but most oppose lowering the supermajority threshold.**

A majority of adults (55%) and likely voters (56%) oppose lowering the two-thirds vote requirement for local special taxes to a 55% majority, while a third are in favor (35% adults, 36% likely voters). Californians' opinions were similar in 2008 (adults: 34% favor, 59% oppose; likely voters: 33% favor, 61% oppose). Among likely voters today, independents (67%) and Republicans (66%) are much more likely than Democrats (43%)—and homeowners (62%) are much more likely than renters (43%)—to oppose.

➤ **Likely voters are divided over a "split roll" tax system ...**

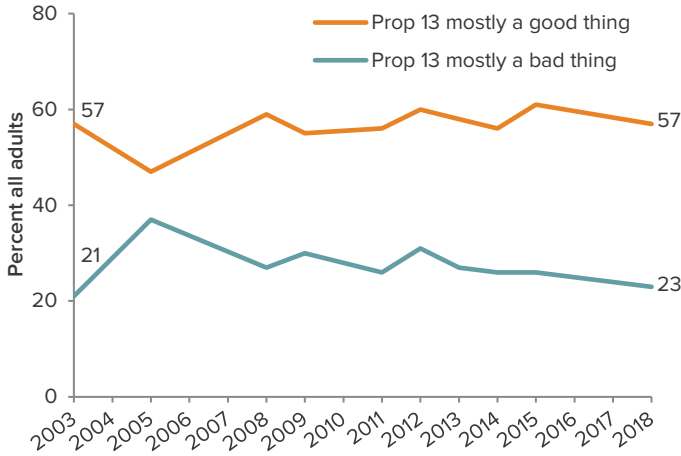
A possible 2020 initiative would tax commercial properties according to their current market value but would not lift Proposition 13's limits on residential property taxes—creating a "split roll" tax system. Likely voters are divided (46% favor, 43% opposed) over easing the strict limits on commercial property taxes. Support for this idea is at its lowest point among likely voters since PPIC began asking this question in January 2012. Today, a majority of Democratic likely voters (53%) are in favor, compared to fewer independents (45%) and Republicans (34%). Likely voters age 18 to 34 (57%) are more likely than older voters to favor this proposal (47% 35 to 54, 41% 55 and older).

➤ **... but majorities support directing new tax revenue to K–12 schools.**

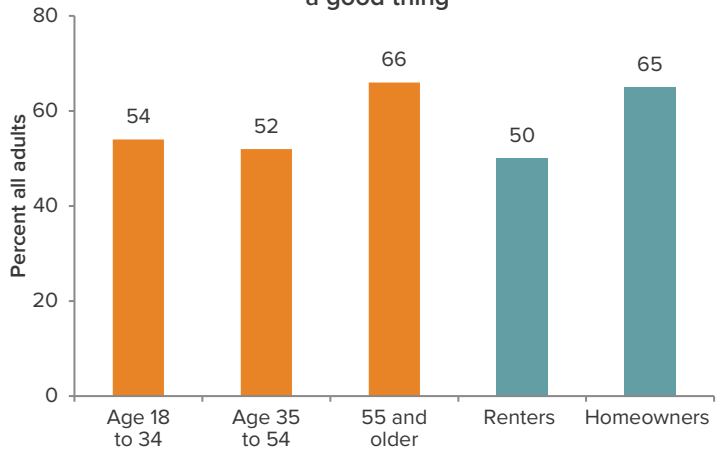
A majority of adults (61%) and likely voters (53%) would vote yes on a potential ballot measure that would tax commercial properties according to their current market value and direct some of the new tax revenue to state funding for K–12 public schools. Democratic likely voters (70%) are much more likely than independents (48%) and Republicans (32%) to support this proposal. Among likely voters, support is higher among renters (62%) and Californians age 18 to 44 (64%) than among homeowners (49%) and older residents (49% 45 and older). Regionally, support is highest among likely voters in the San Francisco Bay Area (65%).



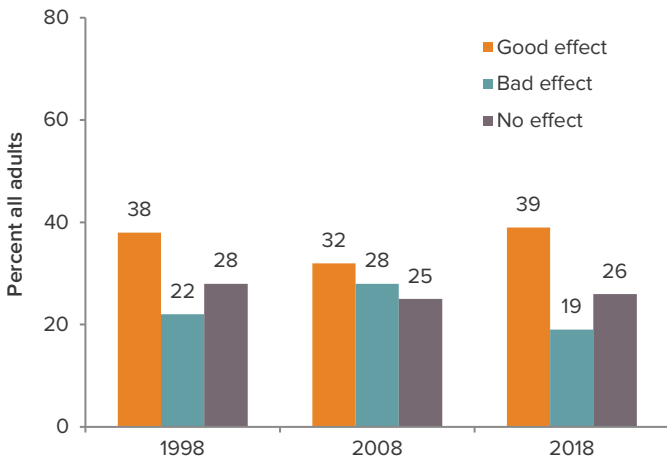
Support for Prop 13



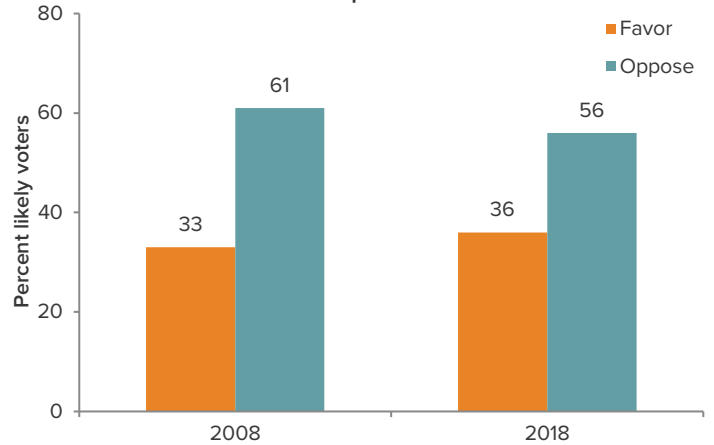
Feel Prop 13 turned out to be mostly a good thing



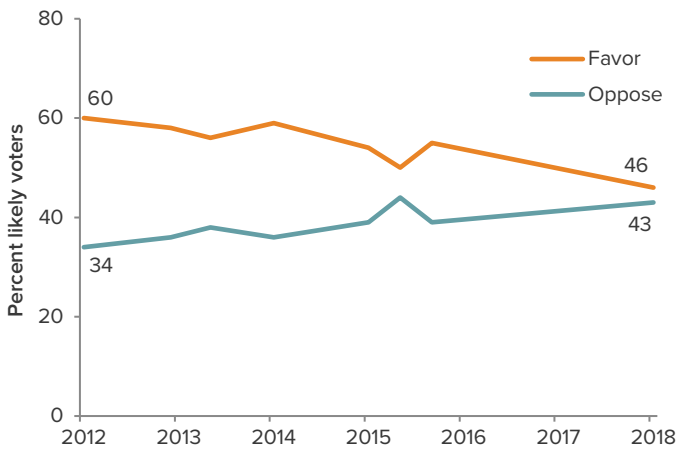
View of supermajority vote requirement



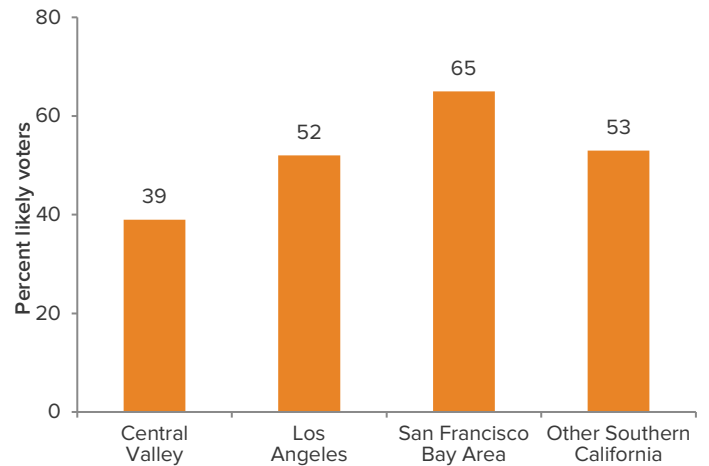
Support for reducing supermajority vote requirement



Support for a "split roll" property tax



Would vote yes to direct new tax revenue to schools



Sources: PPIC Statewide Surveys, September 1998–April 2018.

Contact: surveys@ppic.org

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