

ACT NOW TO SAVE YOUR PROPERTY OR FAMILY HOME

FACTS, INFORMATION & TALKING POINTS ABOUT SCA-4 & PROP 19

ACT NOW TO SAVE YOUR FAMILY PROPERTY FROM EXCESSIVE TAX HIKES

Prop 19 has made property taxes unaffordable. Families are being forced to sell their home, farm, or business upon the death of a parent. Tenants are being evicted when their landlords must sell.

IT'S EASY!

Call and write your two state representatives (Senator & Assembly Person) **BEFORE 4/6/2023**

Ask them to co-sponsor and vote YES on Senate Constitutional Amendment 4 (SCA-4). Tell them why it's critical for you and Californians that SCA-4 is on the March 2024 ballot.

- **Find your state Representatives:** <https://findyourrep.legislature.ca.gov/>
- **You can also contact the Governor:** <https://govapps.gov.ca.gov/gov40mail/> 916-445-2841

NOTE WHEN CONTACTING YOUR STATE REPRESENTATIVES

- There are word count limits when sending email through your representatives' websites.
- Research indicates that succinct, clear, respectful, and personalized messages are more impactful and persuasive. However, sending a good form letter will help the cause and is very much appreciated.
- In addition to writing to your state Representatives, please *call* both their local home and Sacramento office.
- All contacts are recorded and tallied by your Representative's aides, and then shared with your Representative.

EDUCATE YOUR NETWORK TODAY

Make a difference! There are many California property owners who are still unaware of the negative impacts of Prop 19. Please share this information with your friends, family, neighbors, colleagues, CPAs, attorneys, realtors, and other groups to which you belong. Ask them to do the same and to contact their State Representatives.

HOW DOES THE DEATH TAX IMPACT RENTERS?

Most renters live in buildings owned by small landlords. When the owners pass away, tenants are also forced to leave their homes. This has a significant effect on people's lives, as well as California's rental housing market.

WHO WAS BEHIND PROP 19?

The California Association of Realtors (CAR) spent almost \$50 million to fund advertising about Prop 19 in 2020. Much of the advertising for Prop 19 was not transparent, rather deceptive. Many realtors were not aware of this.

SUMMARY

On March 6, 2023, Senate Constitutional Amendment (SCA-4) -- "Property taxation: principal residence and family home transfers" was introduced to the senate by Senator Kelly Seyarto and Assembly Member Phillip Chen (co-authors), both Republicans. Informed Democrats and Republicans are working together to repeal Prop 19.

As this is a bi-partisan issue we need at least one Democratic co-sponsor.

- SCA-4 would restore both Prop 58 and Prop 193, which were constitutional state law from 1986 until Feb 2021. These laws stated that property taxes would not be reassessed upon transfer from parent to child if certain conditions were met. Prop 19 took away this important taxpayer protection.
- SCA-4 does NOT change the positive parts of Prop 19. California property owners who sell their home and are disabled or over 55 would still be able continue to transfer their current assessed property value to a new home in CA. Helping fire victims and firefighters remains.
- SCA 4 also restores the right of grandparents to transfer the same property to grandchildren if the children's parents are deceased.
- After SCA-4 becomes law, the assessed value would "roll back" to the prior value. A child who inherited a property after Prop 19 went into effect, would still be liable for past taxes until SCA-4 goes into effect.

LEGISLATIVE PROCESS

April 6, 2023 is when SCA-4 can first be heard and assigned to a committee. We need a 2/3 affirmative (YES) vote by the members of each house to move forward or the bill might die in the legislative process. Your California Senator and Assembly Person need to hear from you, their constituents, on the importance of repealing Prop 19. If SCA-4 passes in both the CA Senate and Assembly, this bill would be on the March 2024 ballot.

TALKING POINTS – NEGATIVE IMPACTS OF PROP 19

- Many people still do NOT know about the harmful effects of Prop 19 until a loved one (parent) dies, upon which property is reassessed at the current market rate. Tax hikes force families to sell their home and leave CA.
- The huge property tax increases from Prop 19 often force families to sell long-held properties, often small apartment buildings, affordable rental units, home-based daycares, ranches and farms. This accelerates gentrification and the loss of affordable housing. New developments charge high unaffordable market rental rates – too much for most working class in California.
- Older housing and rental properties will be replaced by new owners with high net worth and big corporations that can afford the high market value of CA properties, and wipe out intergenerational wealth, especially for working families.
- Ranches and farms are being destroyed. Heirs cannot afford the new annual assessed taxes, and the properties are being sold and turned into housing developments.
- Prop 19 also destroys the protection of disabled heirs to continue living in their familiar home. Selling the home most likely will mean the disabled will need to move, most likely out of state, leaving their entire medical team and support structure. This is not something easy to rebuild as an adult.
- Selling the family home doesn't mean that the children will inherit money from the estate as there could be a reverse mortgage, medical bills to be paid for long-term elder care, and major repairs to fix an aged property.
- Prop 19 destroys diverse community, especially for the first generation of immigrants who will not be able to build generational wealth for their descendants.
- Renters, especially minorities, may be forced to move when their landlord's taxes increase.
- Children may not be able to move back to their family home within the required year due to jobs or military service.

MANY VOTERS HAVE MISCONCEPTIONS ABOUT PROP 19

- Having your property in a trust *will not* protect against Prop 19 property tax increases.
- The Federal estate tax exemption *will not* protect against Prop 19 California property tax increases.
- Informed Democrats and Republicans are working together to repeal Prop 19 and restore the tax code that was in place for about 35 years (1986-2021). This *is a bipartisan issue*.
- The \$1 million exemption on the reassessed property *will be lost* for the child if a parent moves from the family home to retirement home, assisted living or memory care – even if the child moves back into the family home.
- If the family home is rented out to help pay for the parent's expenses, there *will be no* exemption for the child.

HELPFUL RESOURCES

- Questions? Contact Howard Jarvis Taxpayers Association (HJTA)
Susan Shelley (susan@hjta.org) and Scott Kaufman (scott@hjta.org)
- SCA-4 explained: <https://www.youtube.com/live/G215jY7Rvtc?app=desktop&feature=share>. Go to 18 min 15 sec where Repeal of Prop 19 and SCA-4 are first discussed. More explanation in Q&A starting around 48 min.
- Check SCA-4 status: https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202320240SCA4
- Sign up for SCA-4 updates: <https://www.hjta.org/take-action/stay-informed/>
- Learn more about Prop 58 and Prop 193: <https://www.boe.ca.gov/proptaxes/faqs/propositions58.htm>
- Prop 19 background: https://en.wikipedia.org/wiki/2020_California_Proposition_19
- Find your state Representatives: <https://findyourrep.legislature.ca.gov/>
- Contact the Governor: <https://govapps.gov.ca.gov/gov40mail/>
- Tips on writing to your elected officials: <https://www.aclu.org/other/tips-writing-your-elected-officials>
- Write a letter to your elected representative: <https://www.grammarly.com/blog/write-elected-representative/>
- Register to vote: <https://registertovote.ca.gov/>
- Check voter registration: <https://voterstatus.sos.ca.gov/>
- How an idea becomes law: http://www.leginfo.ca.gov/pdf/Ch_09_CaLegi06.pdf
- Volunteer: https://docs.google.com/forms/d/e/1FAIpQLSetIdLbwroKxhxgtDOWfouHwYb7J8_ilsDikXi10RXx2Eldgw/viewform