

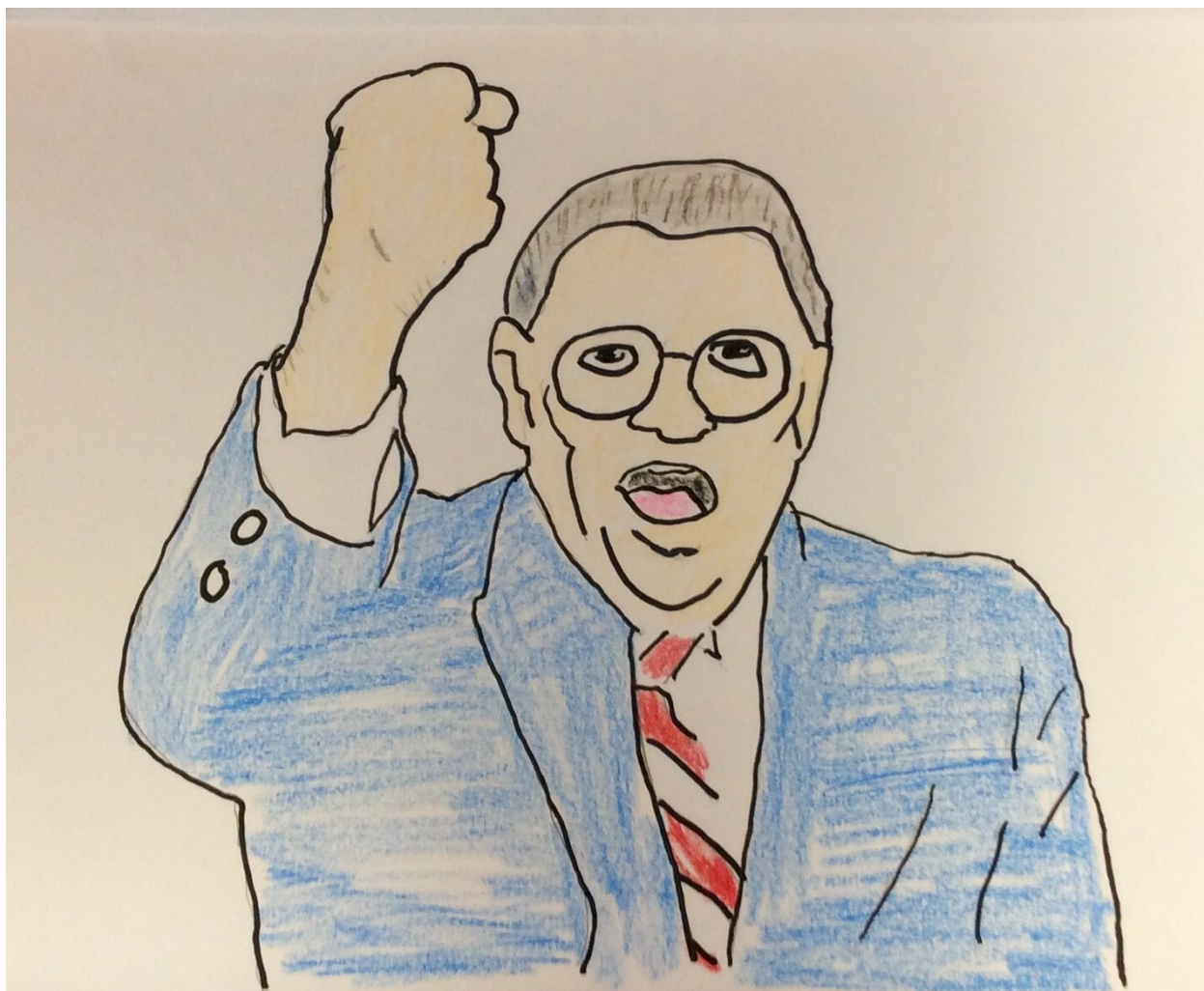
Angelica Jose & Luis Moran

Period 1

Howard Jarvis: Hero or Villain?

Proposition 13 : Nearly 40 Years Later

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What is Prop 13?

On June 6th, 1978, nearly two-thirds of California's voters passed Proposition 13, reducing property tax rates on homes, businesses and farms by about 57%. The primary goal of the proposition was to prevent people from being forced to sell their houses due to skyrocketing housing prices and corresponding the property taxes. Also, Proposition 13 help people's initiative to limit property tax and being able to be affordable to own a home. Proposition was brought by an formal businessman and low tax crusader. The property tax rate throughout California averaged a little less than 3% from the original property tax value. Base on proposition 13 there were no limits on increases for the tax rate or on individual ad valorem charges "*Ad valorem*" refers to taxes based on the assessed value of property". Howard Jarvis and Paul Gann were the most vocal and visible advocates of Proposition 13.

How did Prop 13 impact of the economy?

Before Prop 13, in the 1950s and '60s, California was a liberal showcase. Obviously, Prop 13 changed the way cities raise money. Property tax went from 90 percent of local revenue in the '70s to less than two-thirds today which means hotel taxes, utility taxes, and new fees, mostly, the highly regressive sales tax took place of the property taxes that was supposed to be paid off by the owners home. Proposition 13 seems to play a role in encouraging land-banking and that it's very cheap to keep long-held land vacant, even if it has become extremely valuable.

How did Prop 13 impact on schools?



Prop 13, the 1978 law that limits increases in property taxes, is to blame for the decline in funding for California's schools. Before Prop 13 in 1978, statewide schools had a \$9 billion budget, after Prop 13 they lost \$3 billion. Back then schools funding came 50% from property taxes but now it went down to 20% for statewide schools funding. Now state through a series of ballot initiatives, measures, and laws are obligated to fund schools to a certain level *"there's a small fraction that comes from the federal government, and a very, very small portion that comes from state lotteries"*.

How did Prop 13 impact on society?

Proposition 13 is embodied in Article XIII A of the Constitution of the State of California. It also prohibited reassessment of a new base year value except for in cases of change in ownership, or completion of new construction. Proposition 13 received an enormous amount of publicity, not only in California, but throughout the United States. Older Californians with fixed incomes had increasing difficulty paying property taxes. Proposition 13 passed with almost 65% of those who voted in favor and with the participation of nearly 70% of registered voters. Provided predictability for property owners, and increased community stability.

Educating "Annabelle " about Proposition 13...

Annabelle's opinion toward Proposition 13 even though it's very controversial she believes it's really great and helpful. She will support it due to the fact that it helps save money from people that are owning a house. As well even though it might not be good it helps a great percentage of people that own a home. Also she believes it's good due to the fact that you'll save more money owning a house than renting an apartment. Annabelle will use this in the future when she's ready to buy a house. Now she feels really informed of this information and knows her options from buying a house.



Research and articles about Proposition 13...

<https://www.hjta.org/propositions/proposition-13/original-proposition-13/>

http://www.slate.com/blogs/moneybox/2016/09/22/california_s_proposition_13_is_bad_policy_and_here_are_some_graphs_to_show.html

<http://www.sandiegouniontribune.com/business/growth-development/sd-fi-prop13-story.html>

Proposition 13 is very controversial but here are some article is both points of view, so after this you may agree or disagree with Proposition 13.

My thoughts...

In conclusion towards all this information, in my opinion Howard Jarvis is a hero that helped out a lot of family. My thoughts towards Proposition 13 is that I will support it. Even though It's very controversial, learning about Proposition 13 has change my mind, now I know that in the future that why rent a apartment while I'll be losing money when I have the option to buy a house and save up money. I believe that Proposition 13 helps many people that own a house being able to afford it because of paying a low property tax and being able to keep their home and being able to have a stability community. So now in the future I know my options toward housing and willing to buy a house using Proposition 13.



