



# **San Mateo County Chamber of Commerce Alliance**

## **August 2015 Legislative Report**

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### **Legislative Report**

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# Legislative Report

## SCA 5 (Hancock – D) Local Government Finance

### Summary

1. SCA 5 would exempt from taxation for each taxpayer an amount up to \$500,000 of tangible personal property used for business purposes. SCA 5 would prohibit the Legislature from lowering this exemption amount or from changing its application, but would authorize it to be increased consistent with the authority described above. This measure would provide that this provision shall become operative on January 1, 2019.

### Background

2. SCA 5 is designed to overhaul portions of Proposition 13 (1978) and specific property tax protections on commercial property.
3. The California Constitution provides that all property is taxable, unless exempted by the California Constitution or by federal law.
4. The California Constitution authorizes the Legislature to classify personal property for differential taxation or for exemption by means of a statute approved by a 2/3 vote of the membership of each house.
5. SCA 5 for owners of commercial and industrial property subject to reassessment, who also operate a business or businesses on that property, where the increase in assessed value as a result of this measure exceeds 25% compared to the assessed value of the property prior to the operation of this measure, would exempt that portion of the assessed value that exceeds 25% as so described from taxation for a period of 5 years if specified conditions are met.
6. The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, “full cash value” is defined as the assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred.
7. This measure, commencing on the lien date for the 2018-19 fiscal year, would require the full cash value of commercial and industrial property, as defined, to be the fair market value of that property as of the lien date.
8. This measure, for the 2018-19 fiscal year, would require only 50% of those properties that have not been reassessed at fair market value, as specified, to be assessed at fair market value, and by the 2019-20 fiscal year would require all other properties that have not been brought to fair market value to be assessed at fair market value.
9. This measure would require owners of property subject to reassessment as so described to pay only a portion, as provided, of any increase in property tax due in the first year and second years after initial reassessment to fair market value.
10. The California Chamber of Commerce has labeled SCA 5 a “job killer” piece of legislation.
11. SCA 5 is currently pending a hearing.
12. A similar issue with similar language is currently being circulated for a ballot measure in 2016.

### Arguments in Support

13. Authors of SCA 5 state, “the proposal is targeted at the largest corporations and property owners, many of whom have avoided reassessment in the nearly four decades since voters passed Proposition 13, sometimes by taking advantage of loopholes in the law. Homeowners and agricultural properties are exempted from SCA 5, which also includes a tax break for small businesses.

### Arguments in Opposition

14. The California Business Roundtable cites and argues a 2012 study by Pepperdine University found that a tax increase similar to SCA 5 would result in \$71.8 billion in reduced economic output and cost 396,345 jobs over the first five years. And those

impacts would grow over time. There is simply no reason to weaken our economy and kill jobs with SCA 5 at a time when California has a record budget surplus.

## **Supporting**

AFSCME 829  
AFSCME District Council 36 Retiree Chapter  
Allen Temple Baptist Church, Oakland  
Alliance San Diego  
American Baptist Seminary of the West, Berkeley CA  
Angeles Mesa Neighborhood Council  
Asian Pacific Environmental Network (APEN)  
At Thy Word Ministries, COGIC, Oakland  
Bakersfield LGBTQ  
Brotherhood Crusade  
CA Church IMPACT  
Cajon Valley Education Association  
California Alliance for Retired Americans (CARA)  
California Association of Foodbanks  
California Association of Nonprofits  
California Faculty Association  
California Immigrant Policy Center  
California Reinvestment Coalition  
Californians for Justice  
Causa Justa/Just Cause (CJJC)  
Center for Policy Initiatives  
Central Coast Alliance United for a Sustainable Economy (CAUSE)  
Central Coast Alliance United for a Sustainable Economy Action Fund  
Chinese Progressive Association (CPA)  
Church by the Side of the Road  
CLUE Los Angeles  
Coalition for Humane Immigrant Rights of Los Angeles (CHIRLA)  
Coleman Advocates  
Communities for a New California Education Fund  
Communities for a New California (CNC)  
Community Presbyterian Church of Pittsburg, CA  
Community Coalition  
Congregations Building Community  
Congregations Organized for Prophetic Engagement (COPE)  
Congregations Organizing for Renewal  
Contra Costa Interfaith Supporting Community Organization  
Dolores Huerta Foundation  
East Bay Alliance for a Sustainable Economy (EBASE)  
East Bay Asian Youth Center  
East Bay Housing Organizations  
East Bay Organizing Committee  
East Los Angeles Community Corporation  
Ella Baker Center  
Faith in Action Kern County  
Faith in Community Fresno  
Filipino Advocates for Justice  
Filipino Community Center  
First AME Church of Los Angeles  
Franciscans for Justice  
Future Leaders of America  
Health & Human Services Network  
Higher Hope Christian Church  
Hunger Action Los Angeles  
Imani Community Church, Oakland  
Inland Congregations United for Change

InnerCity Struggle  
 Interfaith Center for Worker Justice  
 Interfaith Communities United for Justice and Peace  
 Interfaith Movement for Human Integrity  
 Islamic Center of East Bay, Antioch  
 Islamic Shura Council of Southern CA  
 Just Communities  
 Kern Community Leadership Coalition  
 Khmer Girls in Action  
 Kids First!  
 Knott's Family Agency  
 Korean Resource Center  
 LA Black Worker Center  
 La Collectiva  
 LA Voice  
 Labor Community Strategy Center  
 Los Angeles Unified School District  
 Long Beach Interfaith Community Organization  
 Lutheran Office for Public Policy  
 Mennonite Community Church, Fresno  
 Merced Organizing Project  
 Movement Generation  
 Movement Strategy Center  
 Mujeres Unidas y Activas  
 National Brotherhood Association  
 Oakland Community Organizations  
 Oakland Rising  
 Orange County Congregation Community Organization  
 Parent Leadership Action Network, Oakland  
 Parent Voices Oakland  
 Partnership for Advancement of New Americans  
 People Acting in Community Together  
 People and Congregations Together, Stockton  
 People Organizing to Demand Environmental and Economic Rights (PODER)  
 Placer People of Faith  
 Pomona Economic Opportunity Center  
 Potrero Hill Democratic Club  
 Prevention Institute  
 Progressive Christians Uniting  
 Promesa Boyle Heights  
 Proyecto Pastoral  
 Public Advocates  
 Resources for Independent Living  
 Retired American Baptist Clergy  
 Richmond Progressive Alliance  
 Roman Catholic Diocese of Stockton  
 RYSE Youth Center – Richmond  
 Sacramento Area Congregations Together  
 San Diego Organizing Project  
 San Fernando Valley LGBT Community Center  
 San Francisco Day Labor Program/La Colectiva  
 San Francisco Organizing Project/Peninsula Interfaith Action  
 San Francisco Rising (SFR)  
 San Francisco Rising Action Fund  
 Second Samoan Congregational Church, Long Beach  
 Senior and Disability Action  
 Services Immigrant Rights and Education Network  
 Sisters of St. Joseph of Carondelet, Los Angeles  
 Social Justice Leadership Institute  
 South of Market Community Action Network (SOMCAN)

St. Columba Catholic Church, Oakland  
Strategic Actions for a Just Economy (SAJE)  
Strategic Concepts in Organizing and Policy Education (SCOPE)  
Street Level Health Project  
True North  
TRUST South LA  
UC Student Association (UCSA)  
UNITE HERE – Local 2  
United Auto Workers 2865 (UC Student-Workers Union)  
United Taxi Workers San Diego  
Urban Habitat  
Urban Peace Movement  
Urban Strategies  
West Los Angeles Democratic Club  
Working Partnerships  
Young Progressives Coalition  
Youth Together

### **Opposing**

Alhambra Chamber  
Bell Chamber  
Bell Gardens Chamber  
Big Bear Chamber  
Burbank Chamber  
California Chamber  
Camarillo Chamber  
Carpenteria Chamber  
Catalina Island Chamber  
Cerritos Regional Chamber  
Clovis Chamber  
Costa Mesa Chamber  
Cupertino Chamber  
Downey Chamber  
Fairfield-Suisun Chamber  
Fresno Area Chamber  
Goleta Valley Chamber  
Greater Conejo Valley Chamber  
Hayward Chamber  
Huntington Park  
Industry Manufacturers Council  
Irvine Chamber  
La Canada Flintridge Chamber  
Lakewood Chamber  
Lassen County Chamber  
Lemoore District Chamber  
Long Beach Area Chamber  
Lynwood  
Millbrae Chamber  
Moorpark Chamber  
Mt. Shasta Chamber  
North Monterey County Chamber  
North Orange County Chamber of Commerce (Formerly Fullerton Chamber)  
North Valley Regional Chamber  
Norwalk Chamber  
Ojai Valley Chamber  
Orange County Business Council  
Oxnard Chamber  
Pajaro Valley Chamber of Commerce & Agriculture  
Palmdale Chamber

Petaluma Area Chamber  
Poway Chamber  
Ridgcrest Chamber  
San Diego East County Chamber  
San Diego North Chamber  
San Diego Regional Chamber  
San Fernando Valley Chamber  
San Francisco Chamber  
San Jose Silicon Valley Chamber of Commerce  
Santa Barbara Region Chamber  
Santa Fe Springs  
Santa Paula Chamber  
Santa Paula Chamber  
Simi Valley Chamber  
South Gate  
South Orange Economic Coalition  
Torrance Area Chamber  
Ventura Chamber  
Vista Chamber  
West Orange County Regional Chamber  
Windsor Chamber... and Visitors Center  
Woodland Hills-Tarzana Chamber  
Yuba-Sutter Chamber  
El Monte/South El Monte Chamber  
Glendora Chamber  
Monrovia Chamber  
Industry Manufacturers Council  
La Verne Chamber of Commerce  
Pasadena Chamber of Commerce  
Rosemead Chamber of Commerce  
Alhambra Chamber  
Calaveras County Taxpayers Association  
San Diego Tax Fighters  
Solano County Taxpayers Association  
Sutter County Taxpayers Association  
Kern County Taxpayers Association  
Central Coast Taxpayers Association  
Ventura County Taxpayers Association  
San Gabriel Valley Economic Partnership  
Silicon Valley Leadership Group  
Inland Empire Economic Development Corporation  
Valley Industrial and Commerce Association  
Commercial Real Estate Development Association [Back](#)

## 2016 Ballot Measures

*The following is a list of statewide measures that have qualified for the ballot. An eligible initiative measure is one in which the required number of signatures have been submitted to and verified by the county elections officials. Eligible initiative measures will become qualified for the ballot on the 131st day prior to the next Statewide General Election unless withdrawn by the proponents prior to its qualification by the Secretary of State. In future Legislative Reports, full summary and background will be provided.*

### June 2016 Statewide Ballot Measures

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1. **SCA 17 (Resolution Chapter 127, Statutes of 2014), Steinberg. Members of the Legislature: suspension.**

#### **Summary**

This ballot measure would specify when suspending a Member of either house of the Legislature, a motion or resolution to that effect shall be adopted by a vote of the majority of the membership of the house. Prohibits a suspended Member from exercising any rights, privileges, duties, or powers of his or her office, or any resources of the Legislature, while under suspension. Requires that same vote to remove the suspension. Authorizes the forfeiture of salary and benefits as well.

### November 2016 Statewide Ballot Measures

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2. **Referendum to Overturn Ban on Single-Use Plastic Bags.**

#### **Summary**

Current law prohibits grocery and certain other retail stores from providing single-use bags but permits sale of recycled paper bags and reusable bags. This ballot measure would overturn current law (SB 270) which was passed last legislative session, and would overturn the ban on single-use plastic bags.

3. **SB 1174 (Chapter 753, Statutes of 2014), Lara. English language education.**

#### **Summary**

This ballot measure amends and repeals provisions of Proposition 227 (1998). Deletes the sheltered English immersion and waiver provisions. Provides school districts and county offices of education shall provide English learners with a structured English immersion program. Authorizes parents and legal guardians to choose a program that best suits their child. Requires parent and community input in establishing language acquisition programs. Deletes provisions regarding liability for fees and actual damages for non-implementation.

4. **State Fees on Hospitals. Federal Medi-Cal Matching Funds.**

#### **Summary**

Increases required vote to two-thirds for the Legislature to amend a certain existing law that imposes fees on hospitals (for purpose of obtaining federal Medi-Cal matching funds) and that directs those fees and federal matching funds to hospital-provided Medi-Cal health care services, to uncompensated care provided by hospitals to uninsured patients, and to children's health coverage. Eliminates law's ending date. Declares that law's fee proceeds shall not be considered revenues for purposes of applying state spending limit or determining required education funding. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: State savings from increased revenues that offset state costs for children's health coverage of around \$500 million beginning in 2016-17 (half-year savings) to over \$1 billion annually by 2019-20, likely growing between 5 percent to 10 percent annually thereafter. Increased revenues to support state and local public hospitals of around \$90 million beginning in 2016-17 (half-year) to \$250 million annually by 2019-20, likely growing between 5 percent to 10 percent annually thereafter.

### Other Potential Statewide Ballot Measures Pending Approval

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*Over 30 proposed ballot measures are in various stages of the initiative process which includes signature gathering, eligible summary and title and signature approval by local county registrars and the Secretary of State. Topics of potential statewide ballot measures include but are not limited to: statewide minimum wage increase; several medical marijuana and legalization of marijuana initiatives; park fees; spousal support; and neighborhood legislatures. In future Legislative Reports full summary and background will be provided as each qualifies for the statewide ballot in 2016.*