

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION TO SUPPORT THE 2020 CALIFORNIA PROPOSITION 15 - CALIFORNIA SCHOOLS AND LOCAL COMMUNITIES FUNDING ACT OF 2020

Whereas, for the last four decades, cities and counties in California have experienced underinvestment and devastating cuts to critical services and infrastructure that residents rely on;

Whereas, the lack of adequate local funding is the result of an inequitable tax system in which corporations and wealthy investors do not pay their fair share in property taxes;

Whereas, loopholes in California's property tax system allow a fraction of major commercial and industrial properties to avoid regular reassessment and use tax schemes to hide change in ownership;

Whereas, these loopholes and tax schemes result in millions of dollars going to corporations and wealthy investors rather than to local communities for essential services;

Whereas the property tax is one of the few discretionary sources of revenue for cities and counties;

Whereas, experts estimate that *Prop 15: California Schools and Local Communities Funding Act of 2020* reclaims \$12 billion in property tax revenue every year by closing loopholes in California's property tax system;

Whereas *Prop 15: California Schools and Local Communities Funding Act of 2020* does not affect property taxes for homeowners or renters because the initiative exempts all residential property;

Whereas, allocation of revenues to cities, counties and special districts will follow current property tax allocation;

Whereas, the measure will provide billions in locally-controlled property tax funding yearly for cities, counties, and special districts;

Whereas, academic researchers at the University of Southern California (USC) demonstrated that a majority of commercial owners already pay close to market value, making the current system inequitable among businesses, benefitting large owners who have held land for a long period;

Whereas, USC research has identified that the vast majority of reclaimed revenue will come from a fraction of large commercial and industrial properties;

Whereas, additional non-partisan research has determined that the top 10% of the wealthiest corporate property owners will generate 92% of the revenue for Prop 15;

Whereas, the current failure to close the commercial property loophole has led to poor land use and inflated land values, particularly affecting the ability to provide adequate high-density housing;

Whereas, the measure incentivizes the development of residential units and provides more funding for communities to invest in affordable housing;

Whereas, the measure provides new tax incentives to spur new investment in small businesses by eliminating the business personal property tax on equipment for California's small businesses;

Whereas, the measure provides billions for cities, counties, and special districts in locally controlled revenues for affordable housing, essential workers and emergency responders, health and human services, libraries, public infrastructure, and much more;

Whereas, the measure also exempts all small business owners whose property is worth less than \$3 million;

Whereas, the measure levels the playing field for businesses that already pay their fair share in our communities;

Whereas, now more than ever, in light of the national and state economic crisis precipitated by the COVID-19 global pandemic, California's local communities need additional revenues for their continued provision of services;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City of Stockton endorses *Prop 15: California Schools and Local Communities Funding Act of 2020*, a measure on the California ballot in November 2020.

PASSED, APPROVED, and ADOPTED October 6, 2020.

MICHAEL D. TUBBS
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton