



# CAPITOL WEEKLY

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## Constitutional overhaul would omit Prop. 13 property tax changes

By **Malcolm Maclachlan** | 06/22/09 12:00 AM PST

The main group advocating for an overhaul of California's constitution is circulating draft initiative language that would bar a constitutional convention from changing the property tax portions of Proposition 13.

The 2,000 word draft document has been distributed to numerous stakeholders and experts by the Bay Area Council, a San Francisco-based business group that has been outspoken in calling for an overhaul of the state's governing document.

A spokesman for the group, John Grubb, said the document is still going through a revision process. But he does not expect the language about Prop. 13 and property taxes to change.

"If there is a hue and cry to put it in, we haven't heard it," Grubb said. "We've heard the opposite."

He added, "There are a whole bunch of reforms that we can get to without touching tax increases."

As examples, he noted other aspects of Prop. 13, which shifted "a lot of money and power" from local governments to the state. He said the Council would be supportive of ideas that moved more power back to cities and counties.

Prop. 13 was a 1978 tax revolt initiative that, among other changes, limited the amount local governments could increase property taxes every year. While the initiative made many other changes as well, the Bay Area Council's language refers only to the property tax portion. It also limits conventioners from directly raising other taxes:

"Delegates to the convention shall be prohibited from considering and propose revisions to the Constitution that would affect a. Property taxes associated with Proposition 13. b. Any other direct increases in taxes."

Prop. 13's critics have long said the initiative crippled education funding and local government, permanently hamstringing state government in the process. In other words, for many on the liberal side, changing Prop. 13 would be one of the main reasons to have a constitutional convention. One of the most talked-about reforms is the so-called "split roll" idea, which would limit or eliminate the rights of businesses to keep their property taxes down, as homeowners do.

Grubb said the Council had both political and policy reasons for this restriction. Taxpayer and senior citizens groups would be certain to lobby heavily against any change to the property tax portions of Prop. 13.

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