

Subject: Resolution No: 1310-8A2

Reform Proposition 13 to Close the Commercial Property Reassessment Loophole

- Commissioners Matt Haney, Sandra Lee Fewer, Kim-Shree Maufas, Hydra Mendoza-McDonnell, Emily M. Murase, Ph.D., Rachel Norton, Jill Wynns and Student Delegates Angelina Wei and Cooper Logan

WHEREAS: Voters in the state of California approved Proposition 13 in 1978; and

WHEREAS: Proposition 13 created limits on the property taxes paid by residential and commercial properties; and

WHEREAS: Residential and commercial property values in California are reassessed upon change of ownership; and

WHEREAS: Proposition 13 allows owners of commercial real estate to structure transactions in a manner resulting in ownership of commercial property effectively changing without triggering a reassessment of the property; and

WHEREAS: Property taxes are a vital funding source for public schools; and

WHEREAS: In the years since the enactment of Proposition 13, California's level of per-pupil support has declined from the top 10 in the nation to the bottom 10, and

WHEREAS: Closing this property tax loophole would net desperately needed additional revenues to assist the State of California in meeting its school funding obligations.

THEREFORE BE IT RESOLVED: That the Board of Education of the San Francisco Unified School District supports efforts to modify how the value of commercial properties in California are reassessed to allow for more regular commercial property value reassessment, and

BE IT FURTHER RESOLVED: That the San Francisco Unified School District supports this effort while protecting existing protections provided to residential properties, and

FURTHER BE IT RESOLVED: That tax revenues generated by modernizing how commercial property is reassessed will benefit local schools and not accrue to the State of California as General Fund savings; and

BE IT FURTHER RESOLVED: That the Board of Education will communicate the adoption of this position to our California elected officials.

10/8/13

- Please note: Taken up by the Rules, Policy, and Legislation Committee on 9/18/13. Forwarded to the Board with a positive recommendation.
- Adopted on October 8, 2013.