

City of Los Alamitos

Agenda Report Consent Calendar

May 19, 2014
Item No: 8I

To: Mayor Gerri L. Graham-Mejia & Members of the City Council
From: Bret M. Plumlee, City Manager
Subject: Legislative Support – Proposition 13

Summary: Council Member Grose has requested Council adopt a Resolution in continued support of Proposition 13.

Recommendation: Adopt Resolution 2014-13, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, HONORING PROPOSITION 13 FOR THE BENEFITS IT PROVIDES TO INDIVIDUAL HOMEOWNERS, RENTERS, LOCAL GOVERNMENTS AND TO THE STATE'S OVERALL ECONOMY."

Background

The City Council adopted its Legislative Platform for 2014 on January 21, 2014. Adopted annually by the City Council, the City's Legislative Program Procedures consists of a framework and reference guide for legislative positions and objectives that provide direction for the City Council and Staff. In the event that a legislative issue should arise that has not been addressed by the Council, the City Manager will conduct preliminary analysis and provide legislative action recommendations for the City Council.

Discussion

On June 6, 1978, Proposition 13, officially titled the "People's Initiative to Limit Property Taxation," and popularly known as the "Jarvis-Gann Initiative," was overwhelmingly approved by California's voters, reducing property tax rates on homes, businesses and farms, and capping the rate of increase in the future. With the approval of Proposition 13, real property values were adjusted to a base value equal to the 1976 assessed value of that real property, thereby introducing an objective standard upon which real property would be taxed and ending the previous subjective standard for assessment that engendered the property tax assessment abuses that occurred in the 1960s and 1970s.

Following the passage of Proposition 13, the average homeowner has saved tens of thousands of dollars in property tax payments, money that was able to be spent in the economy to create jobs and foster economic development.

Fiscal Impact

None.

Submitted and Approved By:



Bret M. Plumlee
City Manager

Attachment: 1. Resolution 2013-14

RESOLUTION NO. 2014-01

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LOS ALAMITOS, CALIFORNIA, HONORING PROPOSITION
13 FOR THE BENEFITS IT PROVIDES TO INDIVIDUAL
HOMEOWNERS, RENTERS, LOCAL GOVERNMENTS AND
TO THE STATE'S OVERALL ECONOMY**

WHEREAS, on June 6, 1978, Proposition 13, officially titled the "People's Initiative to Limit Property Taxation," and popularly known as the "Jarvis-Gann Initiative," was overwhelmingly approved by California's voters, reducing property tax rates on homes, businesses and farms, and capping the rate of increase in the future; and,

WHEREAS, prior to the adoption of Proposition 13, California's raging inflation had sent property tax bills in California soaring so high that many families had to sell their homes because they could not afford to pay their taxes; and,

WHEREAS, prior to the adoption of Proposition 13, property tax assessments showed wider divergences than assessment disparities under the current acquisition-value system; and,

WHEREAS, with the approval of Proposition 13, real property values were adjusted to a base value equal to the 1976 assessed value of that real property, thereby introducing an objective standard upon which real property would be taxed and ending the previous subjective standard for assessment that engendered the property tax assessment abuses that occurred in the 1960s and 1970s; and,

WHEREAS, with the passage of Proposition 13, taxpayers, for the first time, were provided a measure of certainty with respect to their property taxes; and,

WHEREAS, following the passage of Proposition 13, the average homeowner has saved tens of thousands of dollars in property tax payments, money that was able to be spent in the economy to create jobs and foster economic development; and,

WHEREAS, following the passage of Proposition 13, renters also benefitted as the reduction in taxes reduced upward pressure on rents; and,

WHEREAS, the volatility of income and sales tax revenue to the state and local governments is a major flaw in California's tax system, while Proposition 13 has rendered California's property taxes as a stable and predictable source of public revenue, even during economic downturns, which has provided a major benefit to local governments throughout California; and,

WHEREAS, since the passage of Proposition 13, proposed alternatives to Proposition 13 would have had a variety of unwelcome effects, including substantial tax increases for low-income and elderly homeowners; and,

WHEREAS, voters intended Proposition 13 to protect all property owners, and they had rejected previous attempts to impose higher taxes on small businesses, knowing that these so-called "split roll" proposals would inflict irreparable harm on California's economy; and,

WHEREAS, Proposition 13 has become a nationwide symbol for taxpayer revolt and for citizens exercising control and power over their governance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS DOES RESOLVE AS FOLLOWS:

SECTION 1. The City Council of the City of Los Alamitos, California, finds that the above recitals are true and correct.

SECTION 2. In recognition of the positive impact Proposition 13 has had on the State of California, the City Council formally reaffirms its support for Proposition 13 and the benefit that it provides to individual homeowners, renters, local governments and to the State's overall economy.

SECTION 3. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 19th day of May, 2014.

Gerri L. Graham-Mejia, Mayor

ATTEST:

Windmera Quintanar, CMC, City Clerk

APPROVED AS TO FORM:

Cary Reisman, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

I, Windmera Quintanar, CMC, City Clerk of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a meeting of the City Council held on the 21st day of January, 2014, by the following vote to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Windmera Quintanar, CMC, City Clerk