

A Look Back at Prop. 15

MARKUS KAEPPELI



WRITER'S COMMENT: California is often seen as a liberal and progressive state. And yet, it is marked by a conservative history and undercurrent that continues to this day. So, when prompted by Professor Abramsky to write a feature article about California, I wanted to tell the story of one battle between California's liberal and conservative elements. I decided to write about Proposition 15 from the recent 2020 election, which embodied this conflict. The politics of California's "tax revolt" from the 1970s resurrected in 2020.

Through writing this article, I learned not only about the role that activist and special interest organizations play during elections, but also how to find and connect narratives through interviews and research. I sought to tell the behind-the-scenes story of a charged political battle and the people and organizations at its forefront.

INSTRUCTOR'S COMMENT: Marcus took a complex subject—an exploration of Proposition 15, the ultimately doomed electoral effort to modify Proposition 13 and change significant parts of California's tax system. The topic is important but quite hard to explore in a way that draws in a lay audience. That Marcus succeeds in this task is testament to his skill not only at analysis but also at humanizing stories and building up a sense of relevance for his readers. It's a tough skill to master, and Marcus has shown an admirable and mature ability to tell a political and economic story well. His work well merits publication in Prized Writing.

—Sasha Abramsky, University Writing Program

In an election as tumultuous and divisive as the 2020 election, California’s Proposition 15 still managed to be one of the most closely watched and hard-fought electoral battles of the season.

And despite the news cycle being dominated by present-day political issues such as the COVID-19 pandemic, the George Floyd summer protests, and the fallout of the Trump Presidency, Proposition 15 hearkened back to a seemingly bygone era of California politics—the tax revolt of the late 1970s.

To its proponents, Prop. 15 was a “fair and balanced reform that closed corporate property tax loopholes to reclaim nearly \$12 billion every year for schools and vital services for our communities,” wrote the Schools and Communities First Coalition in a policy brief. Meanwhile, to its opponents, it would have made “income inequality worse by driving up the costs for just about everything we need and use, like food, utilities, daycare, and health care,” as written by the Stop Higher Property Taxes and Save Prop. 13 campaign.

But What Exactly was Proposition 15?

Proposition 15—or more accurately *The California Schools and Local Communities Funding Act of 2020*—was a citizen-initiated proposition and constitutional amendment in the 2020 general election for California. If passed, it would have required that industrial and commercial properties worth over 3 million dollars be taxed based on their current market value—instead of their original purchase price as delineated by Proposition 13. The measure would have increased funding for local governments, school districts, and community colleges, as well as supplement declining state income and sales taxes. In effect, Prop. 15 would have overturned major provisions of Proposition 13.

“This was the first attack in a long time directly at Prop. 13, directly trying to dismantle it,” said Susan Shelly, Vice President of Communications for the Howard Jarvis Taxpayers Association, a California-based nonprofit dedicated to the advancement of taxpayer rights and the protection of Proposition 13.

“If we lost Prop. 13 and properties were reassessed to market value, it would have been catastrophic for the Californian economy.”

Harkening Back to the Tax Revolt

Proposition 13 was a monumental initiative measure from the 1970s. It restricted property taxes to 1 percent of a property's original purchase price and circumscribed the state of California's ability to pass new tax laws.

"It was passed at a time when homeowners were seeing their property taxes increase as their home values increased," said Ben Grieff, campaign director for Evolve California, a Bay Area nonprofit aiming to increase public school funding, "and so there was a populist movement to cap property taxes."

"People were freaking out," said Mrs. Shelly. "Howard Jarvis was an activist who was fighting to do something about this. He had others put Proposition 13 on the ballot."

Howard Jarvis and Paul Gann were the Republican political activists who authored Proposition 13 in 1978. Each the head of an anti-tax nonprofit—the United Organization of Taxpayers and People's Advocate Inc, respectively—they led a tax-cutting crusade and organized petition drives in Sacramento. On June 6, 1978, Prop. 13 passed. Over 65 percent of California voters voted in favor of it.

Ever since then, progressive activists in California have criticized the proposition for its impact on state and local governments, and for exacerbating inequality throughout the state. They charge that Proposition 13 created property tax loopholes for corporations that allow them to avoid paying their fair share of taxes.

"Prop. 13 is problematic because it froze in place inequalities. And not just in residential property, but also in commercial property," said Carol Goldberg, president of the League of Women Voters of California, a nonprofit that encourages the informed participation of women in politics.

The residential sector now pays the lion's share of property tax revenues for critical community services, at 71 percent, compared to the commercial sector at just 29 percent," said Tessa Callejo, senior program officer for the San Francisco Foundation, a nonprofit committed to advancing racial equity and economic inclusion in the Bay Area and the rest of California.

However, despite progressive critiques, Proposition 13 has since become a foundation in California politics—a so-called "third rail." In

2014, Governor Jerry Brown stated that the proposition was a “sacred doctrine that should never be questioned.”

“It’s sort of ingrained in this state that Prop. 13 is good and should never be touched,” said Mrs. Goldberg.

Proposition 15 would put that to the test.

This is the Story of Proposition 15

Entering the Ballot

Organizing a challenge to Proposition 13 began in 2014 with the creation of the Schools and Communities First Coalition.

“The roots of this came from studies done by Lenny Goldberg,” said Mrs. Goldberg. (Lenny Goldberg and Carol Goldberg are not related.)

Lenny Goldberg, former executive director of the California Tax Reform Association, has been involved with major tax legislation reform for the past twenty-five years. Beginning with a 1991 report, Mr. Goldberg has critiqued Proposition 13 extensively, writing that “a consistent shift of the property tax burden away from commercial/industrial/other property and toward residential property has occurred in virtually every county in the state.”

In 2014, the coalition, organized by LA-based nonprofit California Calls, explored the idea of property tax reform—conducting research and polling before the ballot measure was written.

“This came to our attention through other civic groups. There’s an umbrella organization called California Calls that is based in LA, but it has lots of member organizations,” said Mrs. Goldberg. “It was very collaborative.”

On December 15, 2017, representatives from the League of Women Voters of California, California Calls, and the Oakland Leadership Center filed a ballot initiative with the Attorney General’s Office. And on February 20, 2018, the motion became Initiative #17-0055.

Once successfully becoming a ballot initiative, #17-0055 would need at least 585,407 valid signatures to be added to the ballot for the next election. To accomplish this, the Schools and Communities First Coalition focused its efforts on community outreach and gathering signatures.

“We got petitions out there. We went out, talked it up, and solicited signatures. Everyone in the coalition did,” said Mrs. Goldberg.

She continues, “the campaign had a group of people that we called the speaker’s bureau. We took every opportunity at every invitation to come and talk about what this proposition was and what it would do.

However, activists faced an uphill battle. Proposition 13 was extremely popular when it passed and, by some measures, is still popular today. Yet, public opinion polls are inconclusive. A March 2018 poll of likely voters by the Public Policy Institute of California found that 53 percent supported policies like Proposition 15. In contrast, a September 2018 poll by the *Los Angeles Times* found that only 46 percent of eligible voters supported it.

“Proposition 13 is extremely popular and very important to protect California’s property owners. Prop. 13 would pass today,” asserts Mrs. Shelly.

“Any talk of it just sort of got people’s backs up,” said Mrs. Goldberg, “So there was a whole lot of just educating people about what it really was, and what it really did, and what its impact was in the long run.”

From Midterms to the Presidential Election

Despite the success gathering signatures for the ballot initiative, on April 6, 2018, sponsors of Initiative #17-0055 announced that the initiative would be delayed until 2020.

“There was some rethinking and realizing that maybe what we wanted to do was get it on the presidential year because you have more voters turning out,” said Mrs. Goldberg. “Traditionally, the gubernatorial election doesn’t inspire a lot of turnout.”

The ballot initiative was later reintroduced on August 13, 2019, as Initiative #19-008 and was added to the election ballot on May 22, 2020. But this later ballot initiative would face unforeseen challenges.

COVID-19

The 2020 election season was unprecedented in many ways. As a result of the COVID-19 pandemic and the widespread use of stay-at-home orders, campaigns had to become almost entirely online. Common tactics such as canvassing and rallies were abandoned completely in most states.

“There was going to be this huge ground campaign, which would be all of our coalition going out and knocking on doors, up and down in the

state,” said Mrs. Goldberg. “And that just didn’t happen. So, it got shifted to texting campaigns, phone campaigns.”

“When we aren’t able to get out and talk to people in communities across the state, then people are more receptive to the TV ads that they see,” said Mr. Grieff. “Generally, the opposition to this sort of progressive tax measure spends more than we do and spent more than we did on television ads.”

More so, coalition members argue that the pandemic allowed Proposition 15’s opponents to leverage COVID-19’s devastating impacts on small businesses as fuel against the proposition.

“It was about how much small businesses were being impacted by the pandemic, and that is 100 percent true,” said Mr. Grieff. “Problem is our opposition used that as a reason for voters not to support Proposition 15.”

The Opposition

Early on in the process, taxpayer organizations like the Howard Jarvis Taxpayers Association that supported Proposition 13 didn’t directly oppose Prop. 15.

“We didn’t know when they were circulating petitions. We didn’t do advertising to oppose it at that stage,” Mrs. Shelly said.

However, once Proposition 15 qualified for the ballot, the opposition sprang into action.

“We did advertising, and we did countless interviews, and articles, and columns. And everything we could think to do, we did to explain to people what this really was,” said Mrs. Shelly.

The 2020 Election

In the 2020 election on November 3, 51.97 percent of California voters voted against Proposition 15, with only 48.03 percent voting for it. Proposition 15 failed to pass.

“The groups that supported it worked for years and years and years to assemble the money and the coalition, but the voters are not on board with attacking Prop. 13,” said Mrs. Shelly.

However, the coalition remains hopeful. “I thought it was excellent—just wasn’t quite good enough,” said Mrs. Goldberg. “I think the concern about small businesses, which was hammered on relentlessly, was definitely a part of the problem.”

“So one thing that we did do that was positive was showing to the world and legislators in Sacramento that this is not the third rail of politics in California. If you make a good enough case, you can suggest and convince people that there are changes that need to be made.”

On the other hand, the opposition was not impressed with the progressive showing.

“This election was quite favorable for the interests that were supporting Prop. 15. They had a high turnout. They had an energized electorate. It was a strong Democratic result in California in the presidential election,” said Mrs. Shelly. “And yet, they couldn’t get a majority for it.”

The Future of Progressive Property Tax Reform

With the COVID-19 pandemic on the verge of ending for the United States and an upcoming midterm election in 2022, the Schools and Communities First Coalition has stayed together, planning future campaigns.

I think there is some exploration—some thought—that we should build on the momentum,” said Mrs. Goldberg, “I don’t think anyone is giving up on the idea—because it’s a good one.”

“Our coalition is staying together,” said Mr. Grieff, “We are still committed to this and getting this on a future ballot.”

“We got really close the first time, and we’re ready to come back the second time and plan to win.”

Works Cited

- Abd-Allah, Umar Faruq. *Islam and the Cultural Imperative*. Nawawi Foundation, 2004.
- Handlin, David P. *American Architecture*. Thames & Hudson, 2004.
- Kahera, Akel Ismail. *Deconstructing the American Mosque: Space, Gender, and Aesthetics*. University Of Texas Press, 2008.
- Mohamed, Besheer. “New Estimates Show U.S. Muslim Population Continues to Grow.” Pew Research Center. Pew Research Center, 3 Jan. 2018.
- Rabbat, Naseer. “What Is Islamic Architecture Anyway?” *Journal of Art Historiography* 6-NR/1, 2012.
- Serageldin, Ismail. *Space for Freedom: The Search for Architectural Excellence in Muslim Societies*. London: Butterworth Architecture, 1989.
- Simab, Sharifa. (2018, June 1). Personal interview.
- SOMA Architects. “Faith in the City Park51, Michel Abboud, SOMA” *YouTube*, 10 July 2015.