

Proposition 13

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Hi, Fred Nelson for Community Comment,

On February 23rd, an article appearing in the Times/Standard newspaper stated that Proposition 13 is killing our schools by giving power to the wealthy minority. In 1978, California voters by means of the initiative process, approved Proposition 13, officially known as the "People's Initiative to limit Property Taxation" which is now embodied in Article 13A of the Constitution of the State of California. Its purpose was to limit the tax rate for real estate. Section one reads, in part; "The maximum amount of any ad valorem tax on real property shall not exceed one percent of the full cash value of such property". Ad valorem tax means that the tax assessed generally increases or decreases with the value of the property. The Proposition decreased property taxes by assessing properties at their 1975 value and restricting annual increases of assessed value of real property to an inflation factor, not to exceed Two Percent per year. Reassessment of a new base year value is prohibited except for a change in ownership or when additions or new construction occur. One of the prime reasons for this type of tax limitation at that time, and is still valid today, was to keep older Californians on fixed incomes from being priced out of their homes due to excessively high taxes. When challenged as to its constitutionality, the United States Supreme Court upheld Proposition 13 as constitutional in 1992. Take a look at Humboldt County today; with a diminished economy, many of our citizen home owners are already hard pressed to meet their financial obligations and still retain ownership of their homes. It is bad enough now with the increase in home foreclosures. Without the protection of Proposition 13 any sharp tax increase would certainly lead to additional loss of home ownership. Going another step further: Any tax increase on rental property is going to be passed on to the renter so there could also be a hardship on those people as well, possibly forcing some to seek welfare relief. What we don't need are more people on Welfare. I live on the West side of Eureka, a "not so wealthy" part of town. We have a mix of homeowners and renters, some retired, some employed and some on welfare assistance. Proposition 13 is the only thing standing between both low income homeowners and renters, and the street. As far as schools are concerned, we know that they are hard pressed for money but I hesitate to lay it all on Proposition 13 and the "wealthy minority". This attitude only fuels the fire of class warfare.

Fred Nelson for Community Comment