

Ramirez, Angelica

Public Comment - Group 1

#3

From: Teri <tbsbfb@hwy246.net>
Sent: Friday, September 11, 2020 12:27 PM
To: sbcob
Subject: Opposition to Prop 15 Resolution
Attachments: 8-11-2020 BOS Prop 15.doc

Importance: High



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Good Afternoon,

Please distribute the attached Opposition Letter to Agenda Item D3.

M Best,

Teri Bontrager

Executive Director
Santa Barbara County Farm Bureau
805/688-7479 – Office
805/698-0723 - Cell



Santa Barbara County Farm Bureau

Affiliated with the California Farm Bureau Federation and the American Farm Bureau Federation

September 11, 2020

Santa Barbara County Board of Supervisors
Attn: Honorable Gregg Hart, Chair
105 East Anapamu Street
Santa Barbara, CA 93101

RE: Opposition to Agenda # D3 Hearing - Resolution Supporting Proposition 15

Dear Chairman Hart and Members of the Board:

Agriculture makes up an important part of our state economy and plays a particularly critical role in rural communities across the state. During the COVID-19 pandemic, California's agricultural community and our ancillary food and beverage processors became designated as essential critical infrastructure to ensure that Californians and those beyond still had the availability to purchase and consume the safest agricultural commodities in the world.

We are writing in our **opposition to Proposition 15**, the "split roll" property tax measure on the November ballot, because it exposes California's farms and ranches to steep property tax hikes that will hurt family farmers and ranchers and drive up food costs for consumers.

Prop. 15 exempts agricultural land from reassessment and the inevitable higher taxes which follow, but it failed to exempt agricultural fixtures and improvements, which include a wide range of agricultural property including:

• Fruit & Citrus trees • Vineyards • Irrigation systems • Fences • Wineries • Barns

Prop. 15 doesn't just increase property taxes on agriculture – it exposes critical support industries to property tax increases as well, like farm equipment dealers, transportation companies, warehouses and our food processors.

Every step in the process of producing food and getting it to your neighborhood grocery store or restaurant – planting, irrigating, harvesting, processing, transporting, storing – is exposed to higher property taxes under this poorly timed and flawed measure.

In other words, **Prop. 15 exposes much of California's food supply to steep property tax increases.** The apples in our children's lunch, the orange wedges we have for breakfast, the cheese and avocado on our sandwich at lunch, the almonds we snack on and the wine we enjoy after a hard day's work – nearly all the food and drink we consume – is exposed to higher taxes by Prop. 15.

Our farmers and ranchers are already struggling with the impacts of COVID-19. Our state's consumers are already struggling with the high costs of living here. Hiking food taxes will hurt our state's farmers and ranchers and add a new cost burden to California families.

For these reasons, we are in opposition to Prop. 15.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Teri Bontrager". The signature is written in a cursive, flowing style.

Teri Bontrager
Executive Director

Ramirez, Angelica

From: Glenn Morris <glenn@santamaria.com>
Sent: Friday, September 11, 2020 1:37 PM
To: sbcob
Cc: Williams, Das; Hart, Gregg; Hartmann, Joan; Adam, Peter; Lavagnino, Steve
Subject: Public Hearing D3 - Oppose

Importance: High

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

We noted with interest your agenda item related to Proposition 15. In reviewing the staff report/presentation, it appears clear that you have been given one side of the argument, namely the “promise” of increased revenue for government to spend.

Of course, one person’s “revenue enhancement” is another’s tax increase ... and Proposition 15 represents the single largest tax increase ever in California – placed on the backs of businesses in the middle of the worst economic recession in memory.

Commonly known as the “Split Tax,” this measure will increase property taxes on commercial and industrial properties, with some very limited exemptions, by requiring properties to be reassessed at full market value now, and every three years going forward. Proponents claim that the increased taxes would be used to fund schools, police, and firefighters. Opponents, however, point out that it would result in a \$12 billion tax increase, the largest ever in California and that the cost of those increased taxes will be passed on to consumers, and/or will require businesses to absorb significant new costs, leaving less available for employee hours or positions. A 2012 study by Pepperdine University’s Davenport Institute estimated that a split roll tax could cost the California economy up to \$72 billion in lost output and nearly 400,000 lost jobs.

On behalf of the businesses and employees of the Santa Maria Valley, the Chamber board has formally opposed this proposition based on the following reasons:

- Raising taxes on businesses is never a good idea, but it is especially cruel in the midst of pandemic-caused recession. Most small businesses rent the buildings they use; increased property taxes will be passed on in the form of higher rents, and ultimately show up in higher prices for the goods and services they sell.
- The existing acquisition-based assessment system embedded in Proposition 13 keeps property taxes stable and predictable. Changing this system would make the property tax a volatile revenue source for local government, at a time when their budgets are under significant threat.
- Split-roll activists have acknowledged the long-term goal of repealing Proposition 13 protections for homeowners as well as businesses. This initiative is the first step in that effort.
- The California Assessors Association, representing professional county assessors, has opposed the proposition, citing concerns about the costs of implementation and the volatility that would be added to the market. (<https://norcalrecord.com/stories/542293089-county-assessors-urge-no-vote-on-costly-prop-15-ballot-measure-impossible-to-implement>)

Recognition that Prop 15 has many flaws and is wrong for California, both Republican and Democratic current and former elected officials has opposed this measure. Consider the following:

- “During this time of pain and uncertainty, Prop 15 would impose new hardships on consumers, small businesses and farmers when they are already struggling amid the worst recession in decades,” said Kevin Faulconer,

mayor of San Diego. “The pandemic is already threatening to extinguish the American Dream for generations of Californians, and we should not make a terrible situation worse by adding higher taxes.”

- “Prop 15 isn’t the answer and will only get in the way of California’s much needed recovery,” wrote Antonio Villaraigosa former Los Angeles mayor and speaker of the State Assembly in a recent *CalMatters* op-ed.
- “Millions of Californians are filing for unemployment and are at risk of losing everything,” added Willie Brown, former mayor of San Francisco and speaker of the State Assembly. “Prop 15 will make the economic crisis worse by devastating small businesses – including our neighborhood restaurants, barbershops, and dry cleaners – by raising their rents. Vote NO.”
- Far from benefitting every community, the Legislative Analyst’s Office says, “Not all governments would be guaranteed new money. Some in rural areas may end up losing money,” contrary to claims by the measure’s backers.
- “Prop 15 creates clear winners and losers. Low-income communities like mine stand to gain scraps off the table as home foreclosures are looming. Prop 15 will only increase inequality in California,” added State Senator Cathleen Galgiani (D-Stockton). “Prop 15’s numerous flaws mean it will cause more problems than solutions.”
- According to a study by the California State Conference of the NAACP, Prop 15’s higher property taxes will hurt Black and Latino businesses the most. These same businesses will face rising rents due to Prop 15’s higher property taxes at a time when they are trying to keep their doors open.
- “Given what’s going on with the COVID-19 pandemic and downturn in the economy, now is the worst time possible for the largest property tax increase in California’s history,” said Assemblywoman Sharon Quirk-Silva (D-Orange County). “Prop 15 will be devastating for California and will make things even worse for minority-owned businesses after they have been disproportionately hurt by the recession. That’s just plain unfair.”

We understand the appeal of the proponents pitch to you – more money to spend on programs and services. We believe, however, that what they are selling is false hope – and that the reality will be increased business losses and - given the current strain on the commercial real estate market and the cost of implementing this change – an actual loss of revenues to public agencies at a time when you and your constituents can least afford it.

Please avoid adding any additional burdens on employers and the economy that they create and decline the request to support this proposition.

Glenn Morris, ACE
President & CEO



Business Advocacy & Services | Visitors Bureau | Economic Development

Phone: 805.928.7400 | Fax: 805.928.7414 | glenn@santamaria.com
Visit us online at SantaMaria.com

Need resources to re-open your business and start your recovery process? Click <http://santamaria.com/COVID19-Recovery> for the most current resources!

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Ramirez, Angelica

From: Fugate95 <fugate95@aol.com>
Sent: Friday, September 11, 2020 2:50 PM
To: sbcob
Cc: Williams, Das; Hart, Gregg; Hartmann, Joan; Adam, Peter
Subject: Proposition 15

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Dear Board members,

I'm writing to express the real concern I have about the increase in commercial property taxes that will result from passage of Proposition 15.

My family has been in the business of owning, leasing and managing commercial office buildings in Santa Maria since the mid-1970s. This proposition will affect our company and others in our industry more severely than any other types of businesses. We are already being asked to provide forbearance and other forms of rent relief from our tenants who in many cases are struggling just to survive. My leases do not now require tenant participation in the payment of our property taxes, but even if they did the current business climate would not support my passing through such costs to tenants who may not be able to pay rent, or even cover their current payroll for that matter.

My business and my tenant's businesses are now dealing with the following every day: a severe economic recession and the daily uncertainty it causes; potential rolling blackouts because of the wildfires in our state; the inability to fully staff our offices due to work from home requirements; an already burdensome and costly regulatory environment; property crimes, vandalism and homeless pressures, all of which damage our buildings and create ongoing security issues; very expensive utility costs; gasoline taxes and other fees that make the price of fuel very expensive; some of the highest personal income taxes in the country; and the prospect of even higher taxes if Proposition 15 and other tax increases on the November ballot should pass.

It is hard for me to imagine a worse time to add another cost to the burdens already borne by small business owners in California. I don't have a functioning crystal ball, but it seems certain that California, and Santa Barbara County, will very likely lose jobs and businesses as a direct result of Proposition 15. On top of everything else, the tax burden will simply be too great.

Please do not support Proposition 15.

Thank you,

Mark Fugate, Asset Manager/Broker
Charter Brokerage & Investment Company
2625 S. Miller St. #107, Santa Maria CA 93455
(805) 922-6646