

Ramirez, Angelica

Public Comment - Group 4

#3

From: Luz Reyes-Martin <luz.erendira@gmail.com>
Sent: Tuesday, September 15, 2020 8:51 AM
To: sbcob; Williams, Das; Hart, Gregg; Hartmann, Joan; Adam, Peter; Lavagnino, Steve
Subject: SB County Resolution in Support of Prop 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 Members of the Santa Barbara County Board of Supervisors,

I am writing today with a few "hats" that I wear in the community. I have the honor of serving on the Goleta Union School District Board and I am also elected to the Delegate Assembly for the California School Boards Association (representing Santa Barbara County). More than ever, our society recognizes the importance of Public Education to the fabric of our communities.

Schools and Communities First is a fair and balanced reform that raises revenue to invest in schools and vital services in our communities.

California's public schools are among the least funded in the nation and our local communities have significant funding challenges in responding to the impact of COVID-19.

During COVID (and even outside of COVID), public education deserves to be funded at a level that allows us to provide the very best educational environment and supports for students.

Investing more dollars into public education and into our classrooms benefits ALL students, ALL schools, and ALL communities.

Thank you for considering support for Schools and Communities First (Prop 15). I urge you to support this resolution.

Thank you,

Luz Reyes-Martin
Trustee, Goleta Union School District
Delegate Assembly, California School Boards Association

Ramirez, Angelica

From: Mary <calmft6@aol.com>
Sent: Tuesday, September 15, 2020 9:25 AM
To: sbcob; Williams, Das; Hart, Gregg; Hartmann, Joan; Adam, Peter; Lavagnino, Steve
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.

I am writing to urge you to support Proposition 15, which will help to fund vital services, our schools and agriculture, as well as small businesses during these challenging times we are facing due to COVID 19.

Thank you for your kind attention to this matter.

Sincerely,

Mary Lewis,
Santa Barbara

Ramirez, Angelica

From: Joey Williams <josephwilliams488@gmail.com>
Sent: Tuesday, September 15, 2020 10:15 AM
To: sbcob; Williams, Das; Hart, Gregg; Hartmann, Joan; Adam, Peter; Lavagnino, Steve
Subject: Vote Yes on Resolution Bringing \$12 Billion back to Schools & Communities
Attachments: SCF - Small Biz FAQs 5-18-20.docx; SCF-Small Biz Infographic_updated 3_18.pdf

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.

SB Board of Supervisors,

I'm writing in support of your resolution to support Schools and Communities First. As an alumni of Santa Barbara City College, these funds are dire during this pandemic to fully fund local schools and communities.

Prop 15 (SCF) will:

- Close property tax loopholes that benefit wealthy corporations by requiring reassessment of commercial and industrial properties ONLY. Right now, they are only reassessed if the physical property changes ownership. Most corporations have held their property for a long time - longer than most homeowners or small businesses do - and if they do sell, they commonly sell the company as opposed to physical property.
- Exempts homeowners, renters, small businesses, and agriculture. Also exempts commercial and industrial properties valued at under \$3 million
- Reclaim billions of dollars that will go directly to our schools and local community services throughout the state. In Santa Barbara County info on what can be reclaimed can be found [here](#). But basically this is the summary:
 - Santa Barbara County General Fund: around \$30 million - this is around the same as our cannabis tax is generating and we have already seen how that has helped us save services during this COVID recession. We don't know how long this will last and this money will be CRITICAL to preserving services
 - Santa Barbara City: between \$5 and 6 million
 - Goleta City: a little over \$1 million
 - Carp City: around \$500,000
 - Santa Maria City: between \$3 and 4 million
 - Around \$43.5 million for Santa Barbara County schools and an additional \$10 million for our community colleges

We cannot let our local schools and communities continue to be divested, and we need to reclaim the billions in tax breaks that the top 8% of big corporations benefit from. Please vote yes in supporting Prop 15, and put schools and communities first.

Please see attachments for more information on how it will benefit small businesses, and SCF does not affect home owners at all.

Joseph Williams

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Joey Williams
Cell - 661.735.6053

SCHOOLS COMMUNITIES FIRST

SMALL BUSINESS FAQS

Big corporations and wealthy investors receiving billions of dollars in commercial property tax breaks are hiding behind small business scare tactics to mislead the public about Schools & Communities First.

Here are the facts:

- **SCF provides a substantial CUT in small business taxes:** Schools & Communities First eliminates the business personal property tax (taxes on things such as equipment, supplies, machinery, desks and chairs, restaurant equipment, computers and servers) for the first \$500,000 in investments, reducing tax obligations by hundreds of millions of dollars and encouraging new business investment. The vast majority of businesses will no longer pay any of this tax.
- **The vast majority of small businesses will not pay more in property taxes:**
 - **Small business with under \$3 million in property are explicitly exempted from SCF tax changes:** The summary of SCF from the Attorney General of California explicitly states, "Exempts from this change: residential properties; agricultural properties; and owners of commercial and industrial properties with combined value of \$3 million or less." These smaller properties are where many small businesses are renters.
 - According to the California Department of Industrial Relations, **more than half of all small businesses are home-based and therefore exempt. 1.**
 - According to a USC Program for Environmental and Regional Equity report, **nearly 78% of the increase in business property taxes under split roll comes from just the most expensive 6% of commercial and industrial properties valued over \$5 million.** Many properties are already assessed at or near market value.
 - And Schools & Communities First **maintains California's low property tax rate – 1% of the assessed value, one of the lowest in the nation.**
- **Even for the roughly 28% of businesses who rent and are not in exempt smaller properties, there is an extended phase in – at least a 3-year period** with the largest properties being reassessed first. Under current law, anytime more than 50% of a commercial property is sold, the property is reassessed. Rents are determined by the market, not property values and SCF will not change that. 2.
- **Small businesses are already paying more than their fair share.** Local governments need revenues for the vital services small businesses and communities rely on. When the largest commercial property owners don't pay their fair share, we all pay more in the form of increased fees, sales taxes, gross receipts taxes, parcel taxes, bond measures and more.
- **Now more than ever we need SCF:** The Schools & Communities First initiative puts more resources back in the hands of local leaders who best know how to address local needs and priorities. Schools & Communities First will be a vital part of how California recovers from this crisis. SCF is tax friendly to small businesses, many of whom will receive a net tax cut. And it also benefits businesses with investments in education, health care, parks, public safety and infrastructure that we all count on for a decent quality of life and a healthy business climate.

Commented [L1]: We should use restaurants, which in fact have a lot of equipment and will benefit more than many others, also very popular with the public and ones we want to help.

Commented [VC2]: I'm not completely sure about this stat. It seems like a small number.

Commented [VC3R2]:

1. <https://www.dir.ca.gov/SmallBusiness/index.htm>
2. <https://www.nfib.com/content/news/california/nfib-in-thick-of-fight-for-prop-13/>

SCHOOLS & COMMUNITIES FIRST



What are the benefits to small business owners?

- ✓ Small businesses thrive when our communities thrive.

The **\$12 billion** reclaimed annually by SCF **stays** in our communities to invest in the public schools and vital local services that your business, employees, and customers depend on.

40% goes to K-12 and community colleges -- and 60% goes to local services such as first responders, street and sidewalk repair, parks, county public health, and other quality of life services.

- ✓ Cuts small business taxes.

SCF exempts up to **\$500,000** of equipment and fixtures from the business personal property tax. This eliminates a nuisance tax for 90% of all businesses.

- ✓ Levels the playing field for small businesses.

Small businesses are being nicked and dimed with fees and new taxes while multinationals use expensive corporate attorneys to help them abuse the broken tax system. They avoid paying their fair share to support local schools and communities.

How Does Schools & Communities First (SCF) Impact Small Businesses?



How does SCF reclaim \$12B per year for schools and local communities?

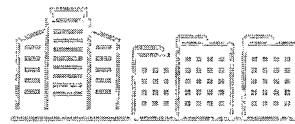
- ✓ SCF closes a commercial and industrial property tax loophole that benefits a fraction of the wealthiest corporations.

SCF uses a common sense approach: simply require that commercial and industrial properties be assessed at their current market value every three years.

This would fix California's **anti-competitive commercial property assessment system** that taxes most businesses at current market value but other businesses at far lower values. This system is prone to abusive tax avoidance schemes, distorts market competition, and disadvantages small businesses and start-ups.

- ✓ SCF protects the 1% limit on all property taxes.

The rate was adopted by voters in 1978 with Prop. 13. This means that even after SCF passes, California's commercial and industrial property taxes will still be among the lowest in the country -- lower than Texas and New York!



Which businesses will be impacted by SCF?

SCF only impacts commercial and industrial property owners with a direct or indirect interest in commercial and industrial properties **with market values totaling above \$3 million**.

- ✓ Each commercial/industrial property owner will be impacted differently.

This will largely depend on how big the gap is between the current assessed value and the actual market value of their properties. Assessment increases will be phased in for affected businesses.

Most commercial properties are already paying at or near current market rates! 80% of the new revenue comes from the 6% of commercial/industrial properties valued over \$5 million.



Who is exempt from reassessment?

- ✓ Owners of non-residential commercial and industrial property valued at or below \$3 million

This includes the total value of properties in which they have a direct or indirect interest.

88% of all California non-residential commercial and industrial properties have a market value of \$3 million or less.

- ✓ All residential properties, including homeowners, apartments and condominiums.
- ✓ Agricultural property used in the production of agricultural commodities.
- ✓ Non-profits exempted from the property tax by the California Constitution.

Paid for by Schools and Communities First - Sponsored by a Coalition of Social Justice Organizations

Representing Families and Students. Committee major funding from:

California Teacher's Association (Nonprofit (501(c)(5)) SEIU State

Council (Nonprofit (501(c)(5))

Chan Zuckerberg Advocacy (Nonprofit (501(c)(4))

Funding details at <http://fpcc.ca.gov>

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