



City of Culver City

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Staff Report

File #: 21-237, **Version:** 1

Item #: C-9.

CC- (1) Consideration of Adoption of a Resolution in Support Proposition 15, the California Schools and Local Communities Funding Act of 2020, which Appears on the November 3, 2020 Ballot; and/or (2) Direction to the City Manager as Deemed Appropriate.

Meeting Date: September 14, 2020

Contact Person/Dept: Shelly Wolfberg/City Manager's Office
Phone Number: (310) 253-6000

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☐

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: Leslie Lockhart, CCUSD Superintendent; Yes on 15 - Schools and Communities First; No on Prop 15, Stop Higher Property Taxes and Save Prop 13 Coalition; (E-Mail) Meetings and Agendas - City Council (09/09/2020);

Department Approval: John M. Nachbar (09/09/2020)

RECOMMENDATION

Staff recommends the City Council (1) consider adopting a resolution in support of Proposition 15 (Prop 15), the California Schools and Local Communities Funding Act of 2020, which appears on the November 3, 2020 Ballot; and/or (2) provide additional or alternate direction to the City Manager as deemed appropriate.

BACKGROUND/DISCUSSION

At the August 24, 2020 City Council Meeting, the City Council achieved consensus to agendize a discussion of adopting a resolution in support of Prop 15, the California Schools and Local Communities Funding Act of 2020, which appears on the November 3, 2020 Ballot.

Prop 15 Information from the California Legislative Analyst's Office

The Legislative Analyst's Office (LAO) provides fiscal and policy advice to the Legislature. It is known for its fiscal and programmatic expertise and nonpartisan analyses of the state budget. According to

the LAO:

Prop 15 Increases Funding for Public Schools, Community Colleges, and Local Government Services by Changing Tax Assessment of Commercial and Industrial Property. It is an Initiative Constitutional Amendment.

Yes/No Statement

A YES vote on this measure means: Property taxes on most commercial properties worth more than \$3 million would go up in order to provide new funding to local governments and schools.

A NO vote on this measure means: Property taxes on commercial properties would stay the same. Local governments and schools would not get new funding.

Ballot Label

Fiscal Impact: Increased property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 billion in new funding to local governments and schools.

The text of this measure can be found on the Secretary of State's website at voterguide.sos.ca.gov and Attachment 1.

According to Official Title and Summary, prepared by the Attorney General (Attachment 2), Prop 15:

- *Increases funding sources for K-12 public schools, community colleges, and local governments by requiring commercial and industrial real property be taxed based on current market value, instead of purchase price.*
- *Exempts from taxation changes: residential properties; agricultural land; and owners of commercial and industrial properties with combined value of \$3 million or less.*
- *Any additional education funding will supplement existing school funding guarantees.*
- *Exempts small businesses from personal property tax; for other businesses, provides \$500,000 exemption.*

Summary of Legislative Analyst's estimate of net state and local government fiscal impact:

- *Increased property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 billion in new funding to local governments and schools.*

It is estimated that revenue generated by Prop 15 could result in \$5,246,000 for the City of Culver City and \$4,205,029 for Culver City Unified School District. Revenue would also be allocated to such entities as the Los Angeles Community College District, the County of Los Angeles, and Los Angeles County Library.

If the City Council desires to support Prop 15, the proposed Resolution (Attachment 3) has been prepared based on a template provided to the City by Schools & Communities First (Attachment 4).

FISCAL ANALYSIS

There is no fiscal impact for the City Council to adopt a Resolution in Support of Prop 15.

ATTACHMENTS

1. 2020-09-14__ATT__ November 3, 2020 Text of Prop 15
2. 2020-09-14__ATT__ November 3, 2020 Official Voter Information Guide, California General Election-Prop 15
3. 2020-09-14__ATT__ City Council Resolution in Support of Prop 15
4. 2020-09-14__ATT__ Schools & Communities First Resolution Template

MOTION

That the City Council:

1. If desired, adopt a Resolution in support of Prop 15: Schools and Local Communities Funding Act of 2020; and/or
2. Provide additional or alternate direction to the City Manager as deemed appropriate.