



Key Facts About **Proposition 5**

The Property Tax Fairness Initiative (Prop 5) removes the unfair moving penalty for seniors, the severely disabled and disaster victims across the entire state while still ensuring they pay their fair share of property taxes.

- ▶ Seniors will have the freedom to downsize or move closer to family.
- ▶ The severely disabled will be able to move to more practical homes.
- ▶ Many disaster victims will now have the opportunity to find a new home anywhere in the state.

California Has an Unfair Moving Penalty

- ▶ Under current California law, property taxes are set at 1% of the assessed value of the property when purchased. This becomes known as the property's "tax base." In addition, the assessed value can only increase annually by 2%. Often, when a homeowner sells their home, they lose this tax base. For seniors and the severely disabled, particularly those that have owned their homes for a long period of time, a move to a new home can mean a massive increase in their property tax base in what amounts to a "moving penalty." The Property Tax Fairness Initiative protects these vulnerable Californians who are often on fixed incomes and can't afford large property tax increases by allowing them to maintain a lower, fairer tax base when they need to move.

MANY SENIORS CAN'T AFFORD TO MOVE

- ▶ Seniors often live in homes that no longer fit their needs because their homes may be too big or too far away from their families. When seniors want to downsize or move closer to their grandchildren, they could face property tax increases of 100%, 200%, or even 300%.

MANY SEVERELY DISABLED TRAPPED IN INADEQUATE HOMES

- ▶ Severely disabled people may live in homes that are no longer safe or practical for them. Buying a more suitable home is often impossible because they could face significant property tax increases if they want to move, even if they move to a less expensive home.

DISASTER VICTIMS PENALIZED

- ▶ Today disaster victims like those recently affected by the massive wildfires and mudslides have arbitrary and limited protections. They may face a large increase in property taxes if they choose to move outside of their disaster-torn county.

ARBITRARY AND LIMITED PROPERTY TAX PROTECTIONS

- ▶ The current law requires severely disabled people, seniors and victims of natural disasters to navigate a confusing patchwork of county laws. Severely disabled people and seniors can currently transfer their tax base when they move, but only once and only within their own county or in 11 of California's 58 counties that specifically allow it.

Vote for Fairness - Protect Seniors, Severely Disabled & Disaster Victims - Remove the Penalty

GIVE ALL SENIORS AND SEVERELY DISABLED THE RIGHT TO MOVE WITHOUT PENALTY

- ▶ The Property Tax Fairness Initiative eliminates the moving penalty to protect seniors (55+) and severely disabled people who want to move to safer, more practical homes or closer to their families. This initiative limits the property tax penalties they could face if they purchase another home in any county of the state while still ensuring they pay their fair share of property taxes.

EXPAND AID TO HELP DISASTER VICTIMS

- ▶ Under this initiative, a homeowner in a disaster area, whose home is destroyed, would be able to move anywhere in the state without paying the moving tax penalty.

INCREASE ECONOMIC ACTIVITY

- ▶ Economic research has shown that this initiative will increase property sales and increase economic activity, providing new tax revenues to state and local governments.
- ▶ Often there will be an increase in property tax revenues from the property sold by a senior or severely disabled person. The buyer of those properties is likely to pay higher property taxes, providing increased revenue to local governments and school districts.
- ▶ Every property sold results in real estate transaction costs such as transfer fees, escrow costs, closing costs, and additional household spending like building renovations, new furniture, carpeting and other purchases, costs associated with moving, and increases in tax revenue.

UNLOCK THE HOUSING MARKET

- ▶ Too many Californians feel like they will never be able to become homeowners. Eliminating the moving penalty for the severely disabled and seniors will create more opportunities for homeownership for first time buyers and young families.

**To learn more and join our growing coalition,
please visit our website: VoteYesOnProp5.com**

Paid for by Yes on 5 Committee, Sponsored by California Association of REALTORS®. Committee major funding from:
California Association of REALTORS®
National Association of REALTORS®
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