

FILE NO. 020350

RESOLUTION NO. **3-03**

1 [Corporate property reassessments.]  
2

3 **Resolution urging the California State Legislature to place on the ballot a constitutional**  
4 **amendment modifying current tax code to close corporate loopholes in Proposition 13**  
5 **and allow reassessment of corporate property at current value.**  
6

7 WHEREAS, Proposition 13, which was passed by California voters in 1978, made no  
8 distinction between residential and commercial property; and

9 WHEREAS, Proposition 13 changed the process by which property is reassessed so  
10 that property is reassessed at no greater than 2% annually or only when property ownership  
11 changes or when new construction occurs or when there is a decline in property due to  
12 damage; and,

13 WHEREAS, While Proposition 13 was represented as benefiting homeowners, two  
14 thirds of the tax cut went to corporate property owners; and

15 WHEREAS, Because homes change ownership more often than corporate property,  
16 they are reassessed more frequently, which results in homeowners carrying a larger  
17 proportion of the tax burden than they otherwise would; and

18 WHEREAS, The higher tax burden for new businesses as compared with businesses  
19 that have continued to hold the same property for some time can result in a disincentive for  
20 the formation of new businesses and a reduction in competition; and

21 WHEREAS, Under current tax law, even if more than 50% of the stock of a corporation  
22 changes hands, that is not considered a change in ownership, and reassessment of property  
23 owned by the corporation will not result; and

24 WHEREAS, The Center on Budget and Policy Priorities estimates that the corporate  
25 loopholes in Proposition 13 results in a loss of tax revenue of \$3.5 to \$5 billion annually; and

1           WHEREAS, The lack of tax revenue resulting from Proposition 13 has resulted in a  
2 scarcity of funds for California's public schools; and

3           WHEREAS, Allowing periodic reassessment for commercial property rather than the  
4 current system would result in property being valued and taxed based on its actual worth,  
5 rather than based on acquisition value; now, therefore be it

6           RESOLVED, That the Board of Supervisors of San Francisco urges the California State  
7 Legislature to place on the ballot a constitutional amendment modifying current tax code to  
8 allow reassessment of corporate property periodically; and, be it

9           RESOLVED, That a change in ownership for non-residential property shall result in  
10 reassessment when a cumulative 50% ownership change hands; and, be it

11          FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall forward a  
12 copy of this resolution to San Francisco's State legislative delegation.



# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails Resolution

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**File Number:** 020350

**Date Passed:**

Resolution urging the California State Legislature to place on the ballot a constitutional amendment modifying current tax code to close corporate loopholes in Proposition 13 and allow reassessment of corporate property at current value.

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March 4, 2002 Board of Supervisors — REFERRED: Rules and Audits Committee

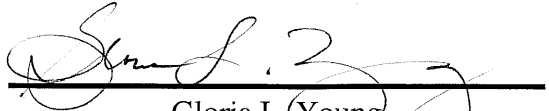
January 13, 2003 Board of Supervisors — ADOPTED

Ayes: 10 - Daly, Dufty, Gonzalez, Ma, Maxwell, McGoldrick, Newsom, Peskin,  
Ammiano, Sandoval

Noes: 1 - Hall

File No. 020350

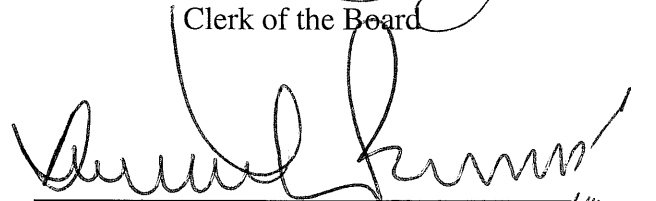
I hereby certify that the foregoing Resolution was ADOPTED on January 13, 2003 by the Board of Supervisors of the City and County of San Francisco.

  
Gloria L. Young  
Clerk of the Board

JAN 24 2003

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Date Approved

  
Mayor Willie L. Brown Jr. 