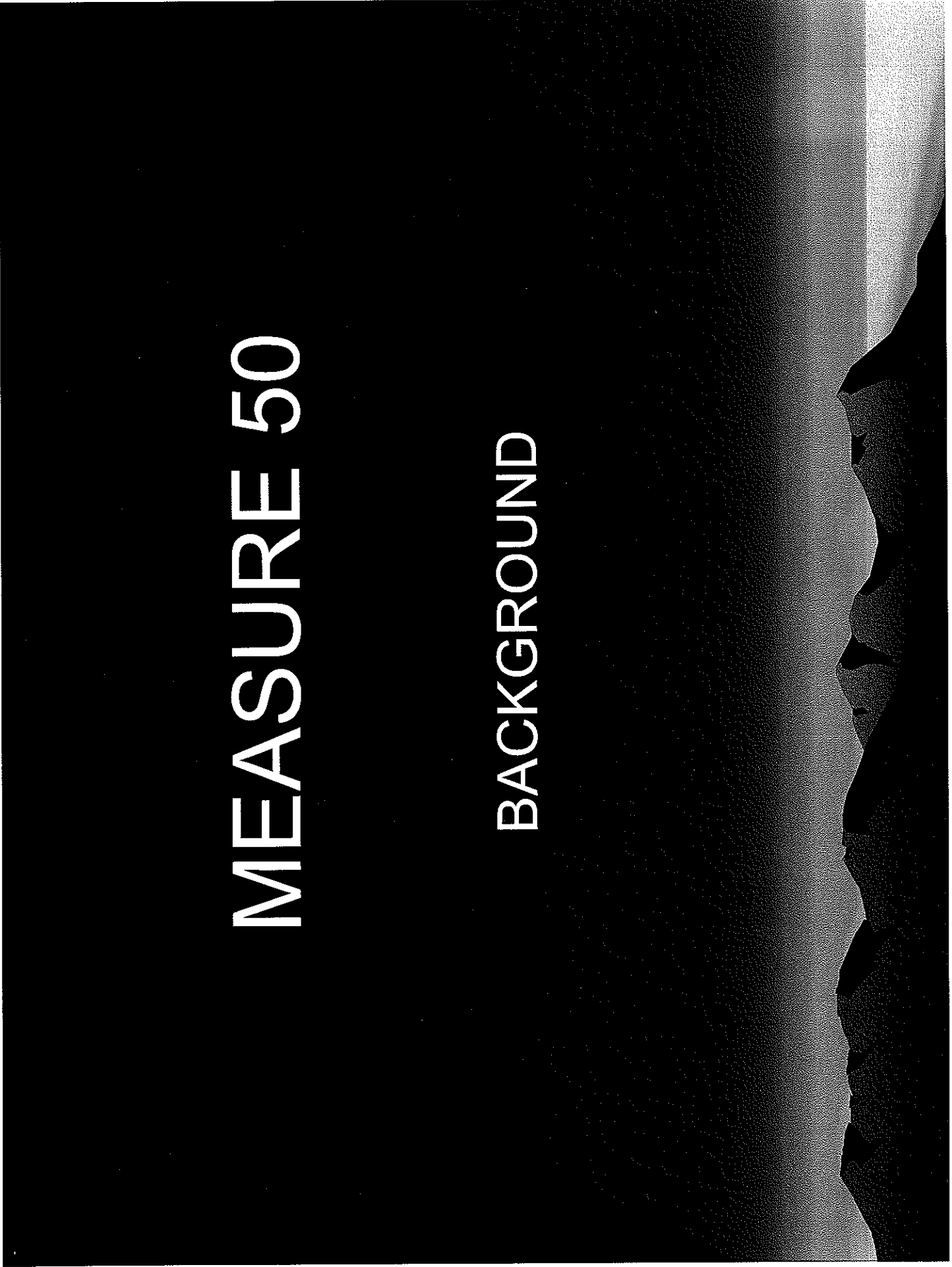


# MEASURE 50

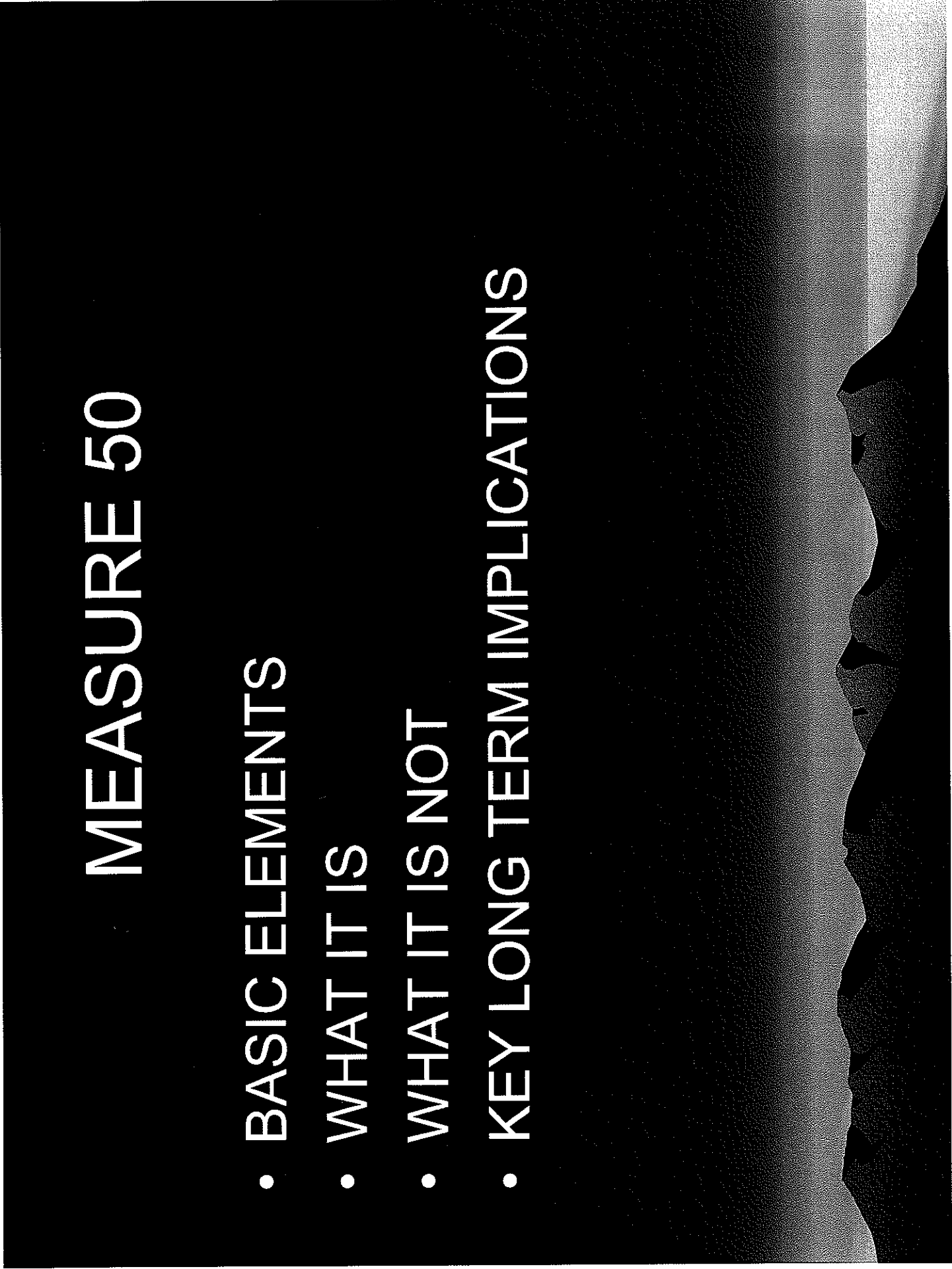
## BACKGROUND



#C

# MEASURE 50

- BASIC ELEMENTS
- WHAT IT IS
- WHAT IT IS NOT
- KEY LONG TERM IMPLICATIONS

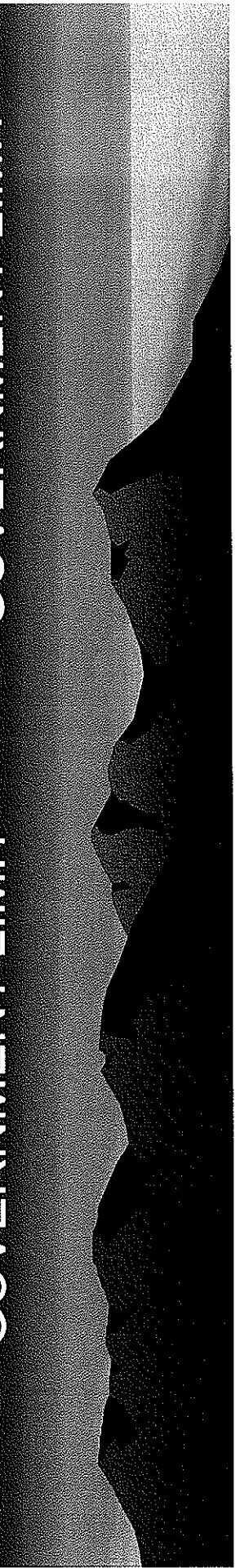


# BASIC ELEMENTS

- RATE LIMITS
  - PERMANENT RATES
  - LOCAL OPTIONS
  - BOND LEVYS
- VALUE LIMITS
  - 3% ANNUALLY
  - EXCEPTION VALUE
- VOTER PARTICIPATION REQUIREMENT

# MEASURE 50

- WHAT IT IS
  - BOTH A RATE & A VALUE LIMIT
  - A SYSTEM WHERE MARKET VALUE AND ASSESSED VALUE ARE OFTEN VERY DIFFERENT
  - A LOCAL GOVERNMENT LIMIT
- WHAT IT IS NOT
  - A REPLACEMENT FOR MEASURE 5
  - A SYSTEM WHERE PROPERTY IS RESET AT MARKET VALUE WHEN TRANSFERRED
  - A STATE GOVERNMENT LIMIT



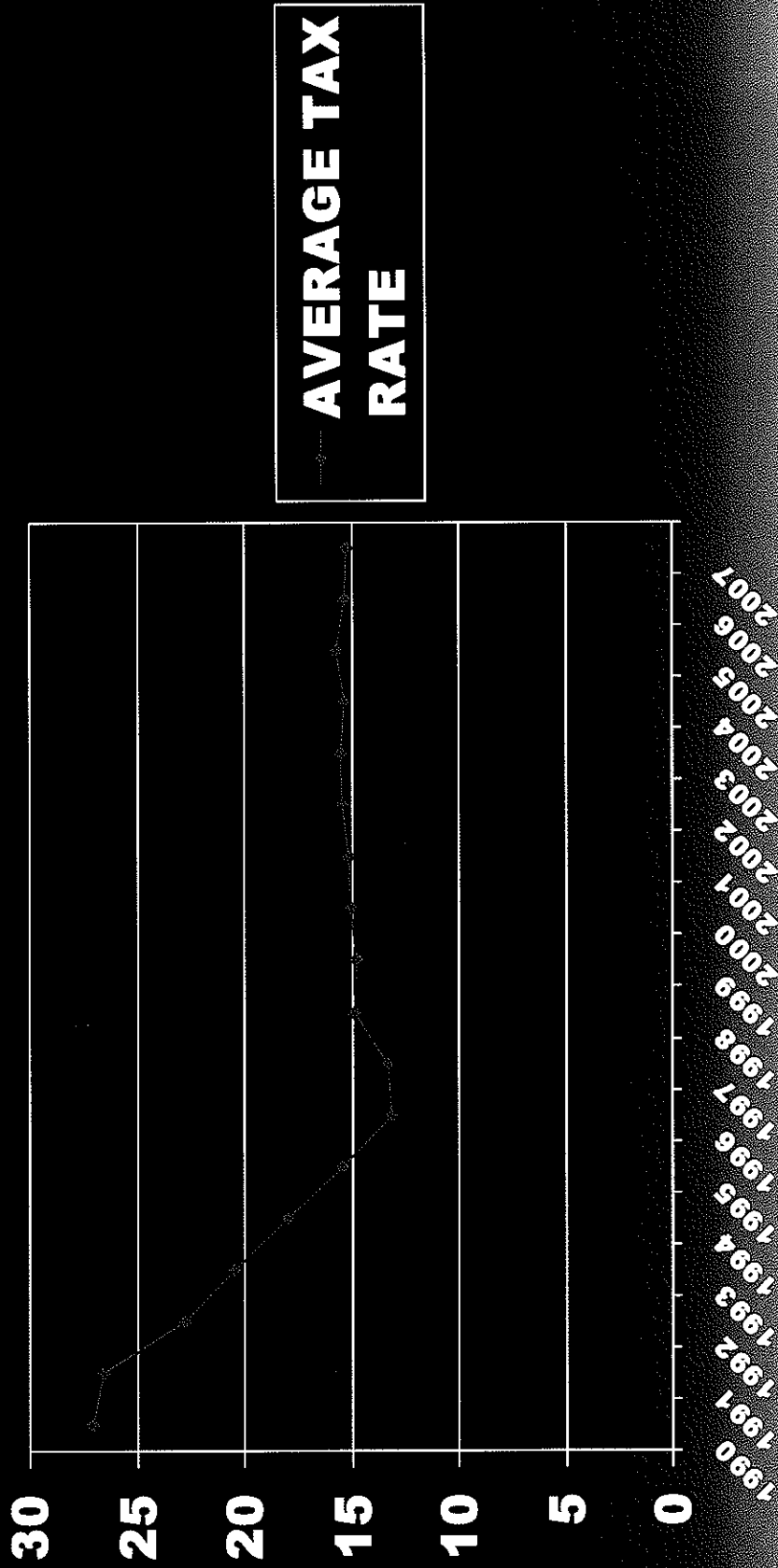
# KEY LONG-TERM IMPLICATIONS

- VARIATIONS IN EFFECTIVE TAX RATES WITHIN AND ACROSS DISTRICTS
- FALLING STATEWIDE EFFECTIVE TAX RATES OVER TIME



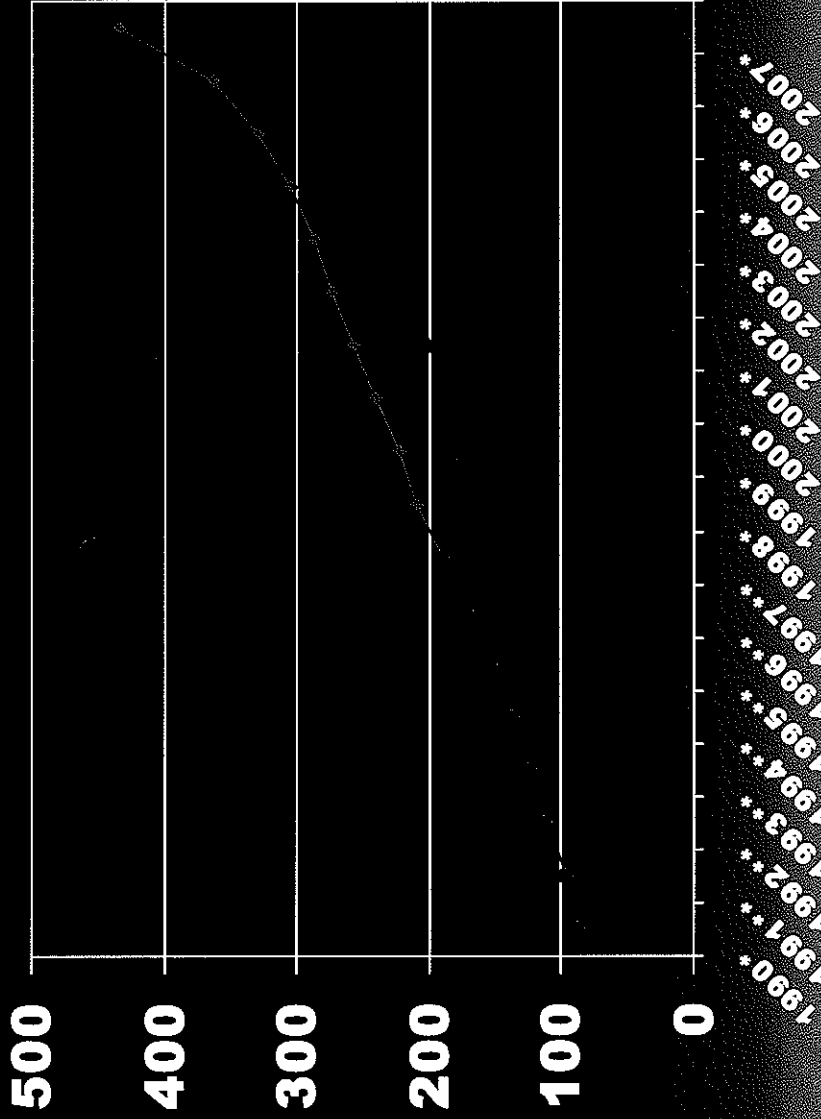
# MEASURE 5 REDUCED PROPERTY TAX RATES

(AVERAGE TAX RATE PER \$1,000 OF ASSESSED VALUE)



# MEASURE 50 SEPARATED ASSESSED VALUE FROM MARKET VALUE

(STATEWIDE PROPERTY VALUES IN BILLIONS OF \$)



**REAL MARKET VALUE**

**ASSESSED VALUE**

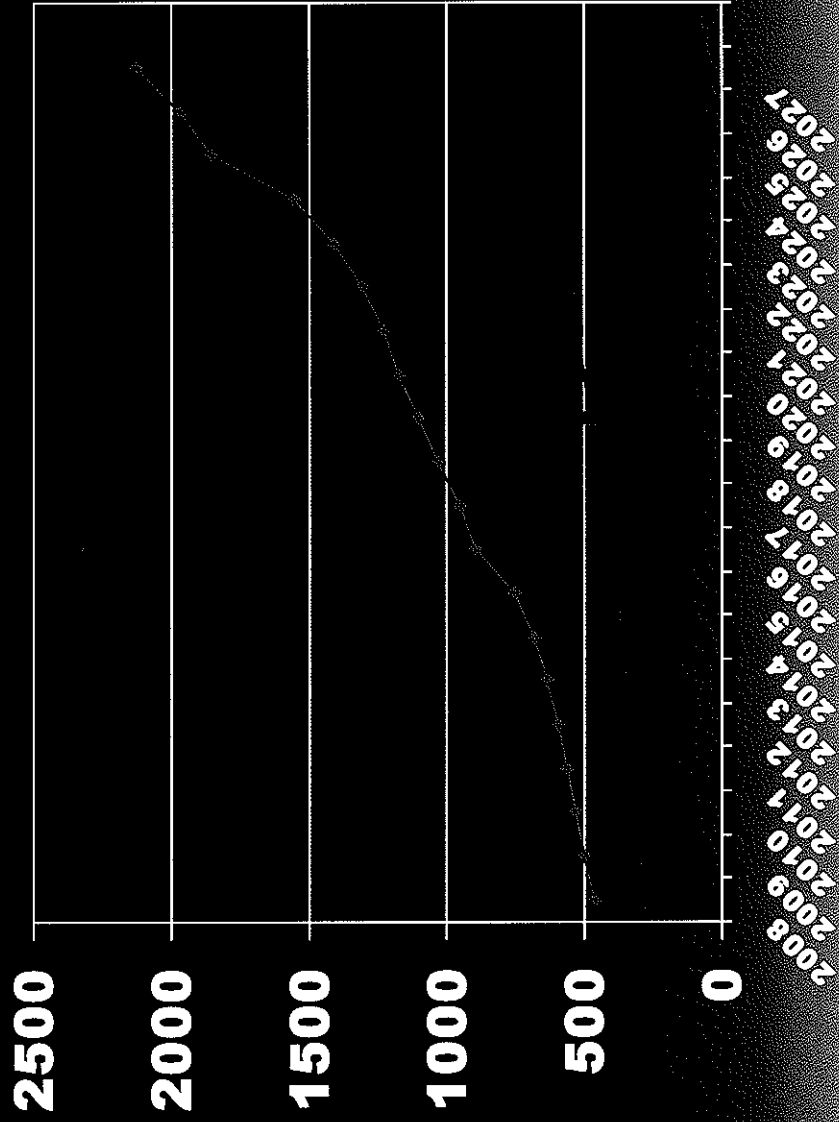
# VARIATIONS IN TAX RATES AMONG TAXPAYERS--I

- PROPERTY 1
  - 2008 AV=\$160,000
  - 2008 RMV=\$200,000
  - TAX RATE = 1.5%
  - ETR = 1.2%
  - RMV GROWS 10%
  - AV GROWS 3%
- AFTER 10 YEARS
  - 2018 AV = \$215,027
  - 2018 RMV = \$518,748
  - TAX RATE = 1.5%
  - ETR = 0.62%
  - TAX BILL = \$3,225
- PROPERTY 2
  - 2008 AV=\$160,000
  - 2008 RMV=\$200,000
  - TAX RATE = 1.5%
  - ETR = 1.2%
  - RMV GROWS 4%
  - AV GROWS 3%
- AFTER 10 YEARS
  - 2018 AV = \$215,027
  - 2018 RMV = \$296,049
  - TAX RATE = 1.5%
  - ETR = 1.1%
  - TAX BILL = \$3,225

# VARIATIONS IN TAX RATES AMONG TAXPAYERS--II

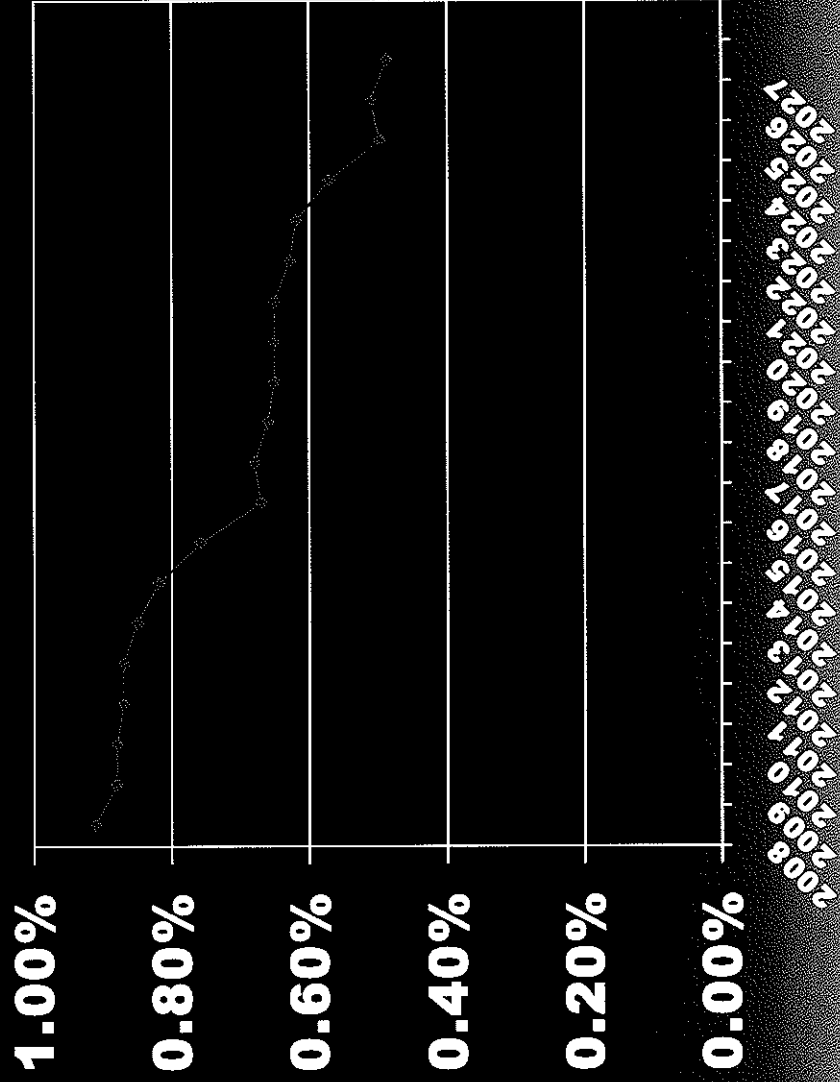
- PROPERTY 1
  - 2008 AV=\$160,000
  - 2008 RMV=\$200,000
  - TAX RATE = 1.5%
  - ETR = 1.2%
  - RMV GROWS 5%
  - AV GROWS 3%
- AFTER 10 YEARS
  - 2018 AV = \$215,027
  - 2018 RMV = \$325,779
  - TAX RATE = 1.5%
  - ETR = 0.99%
  - TAX BILL = \$3,225
- PROPERTY 2
  - 2008 AV=\$80,000
  - 2008 RMV=\$100,000
  - TAX RATE = 1.5%
  - ETR = 1.2%
  - RMV GROWS 12.54%
  - AV GROWS 3%
- AFTER 10 YEARS
  - 2018 AV = \$107,513
  - 2018 RMV = \$325,888
  - TAX RATE = 1.5%
  - ETR = 0.49%
  - TAX BILL = \$1,613

**LONG-TERM PROJECTION:  
GROWING DISPARITY BETWEEN ASSESSED VALUE  
AND MARKET VALUE  
(STATEWIDE PROPERTY VALUES IN BILLIONS OF \$)**



**REAL MARKET  
VALUE**  
**ASSESSED  
VALUE**

# LONG-TERM PROJECTION: FALLING EFFECTIVE TAX RATES (ESTIMATED TAX BILL/MARKET VALUE)



**EFFECTIVE TAX RATE**

# LONG-RUN IMPLICATIONS UNDER MEASURE 50

- VARIATIONS IN EFFECTIVE TAX RATES AMONG TAX PAYERS WILL INCREASE
- THE OVERALL EFFECTIVE TAX RATE WILL DECLINE ON A STATEWIDE BASIS

