



## **LOS ANGELES AREA CHAMBER OF COMMERCE IS JOINED BY LA LATINO CHAMBER OF COMMERCE AND GREATER LOS ANGELES AFRICAN AMERICAN CHAMBER OF COMMERCE IN OPPOSING PROPOSITION 15 WHICH ROLLS BACK PROTECTIONS AFFORDED TO PROPERTY OWNERS UNDER PROPOSITION 13**

States News Service

October 6, 2020 Tuesday

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**Length:** 897 words

**Byline:** States News Service

**Dateline:** LOS ANGELES, CA

### **Body**

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The following information was released by the Los Angeles Area Chamber of Commerce:

by L.A. Area Chamber

For immediate release:

Los Angeles, CA - October 6, 2020 The Los Angeles Area Chamber of Commerce has announced its strong opposition to Proposition 15, the "split roll" property tax increase on the November ballot. Proposition 15 is seeking to circumvent the voter will of Proposition 13 but lacks transparency, accountability, critical oversight and education re

After reassessing property values under Prop. 15, less than 35% of the money promised in the measure will go to K-12 schools, with no guarantees it will be spent in classrooms, on student success or provide reforms to address education equity.

For the record, Educational Equity is a critical pillar of the Chamber's advocacy agenda. Over the years the Chamber has supported billions of dollars to improve schools and reduce class size. The Chamber also recently announced its support for Proposition 16 created to repeal Proposition 209 which prohibited the state from considering or granting preferential treatment based on race, sex or ethnicity, specifically in the areas of public employment, public contracting, and public education.

"Prop. 15 is an ill-conceived proposition that will provide a major impediment to restarting the California economy at a time when businesses and property owners are struggling to survive, and provide jobs," said Maria S. Salinas, President and CEO, Los Angeles Area Chamber of Commerce." Additionally, the vast majority of local small businesses, many of which are minority owned, will not be protected under Proposition 15 due to increased property taxes that will be directly passed on to small business owners as rent hikes."

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"Under Proposition 15, Los Angeles would yield the highest property tax revenues in the county due to our high property values without transparency, accountability, critical oversight and there are no guarantees the revenue would be re-invested in our local schools or governments," Salinas continued.

"With most of our members already impacted and struggling to survive during the current pandemic, increased rents generated as a direct result of Proposition 15 would severely impact their ability to stay open," said Gilbert R. Vasquez, former Board Chair of the LA Latino Chamber of Commerce (LALCC). "We join countless Latino and small businesses across California in strongly opposing Proposition 15."

"The cascading effect of this ballot measure will ultimately affect every single person living in California. Small business owners cannot afford to pay the price of this badly written proposition. With the health pandemic and civil unrest, this will drive more businesses out of business", stated Greater Los Angeles African American Chamber of Commerce (GLAAACC) Chairman Gene Hale.

While the intent of Proposition 15 is to raise additional revenue for the state, it is bad tax policy, lacks transparency and creates more bureaucracy. The initiative eliminates a cap on administrative expenses, leading to a lack of oversight over the government entities that will receive these revenues which is projected to be between \$8 billion to \$12.5 billion.

More importantly:

Education: K-12 education will get less than 35% of projected revenues. 60% of Proposition 15 property tax revenue will not go to schools. In fact, most of the revenue raised will go towards the policy's implementation and the bureaucracy to enforce it. Additionally, this proposition will not guarantee that money raised will be spent in classrooms to achieve student success, nor does it prioritize low performing schools. Our schools do need revenue and policies that bring about real reform and address the inequity of school funding and student achievement, but this measure fails to achieve that.

Small and Minority Owned Businesses: Proposition 15 lacks a true exemption for small and minority owned businesses, which means the 93% of businesses in our region will be directly affected by the tax increase. In California, 78% of small businesses rent their space in commercial properties. Prop. 15 property tax increases will be passed directly onto business owners and tenants already struggling with the impacts of COVID-19 to keep their doors open and employees on payroll. This additional tax burden will either force businesses to close their doors or lay off employees. Small businesses, which comprise the majority of the Chamber's membership also serve as one of the largest employers in the state and provide a "first" job for numerous graduating high school seniors, single parents and immigrant populations. Proposition 15 is such a bad measure, the California Assessor's Association which represents the assessors who will be responsible for implementing this initiative is opposing the proposition as well.

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About Los Angeles Area Chamber of Commerce

The Los Angeles Area Chamber of Commerce represents the interests of business in the Los Angeles region. The Chamber's mission is to design and advance opportunities and solutions for a thriving regional economy that is inclusive and globally competitive. Founded in 1888, the Chamber is the oldest and largest business association in the region. Its member companies work together to promote a prosperous economy and quality of life in the Los Angeles region.

For more information, visit [www.lachamber.com](http://www.lachamber.com)

**Load-Date:** October 7, 2020

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