

**RESOLUTION NO. 64-15**

**RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND CALIFORNIA IN SUPPORT OF CLOSING THE COMMERCIAL PROPERTY LOOPHOLE THROUGH THE PASSAGE OF SCA 5 (HANCOCK, MITCHELL)**

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**WHEREAS**, voters in the state of California approved Proposition 13 in 1978; and

**WHEREAS**, Proposition 13 created limits on the property taxes paid by residential and commercial properties; and

**WHEREAS**, residential and commercial property values in California are reassessed upon change of ownership; and

**WHEREAS**, on average, California residential property changes hands frequently while change of ownership for commercial property is far more complicated and therefore generates reassessments less often; and

**WHEREAS**, commercial property owners are able to avoid reassessment of their property by limiting the portion of ownership that changes hands to ensure that no single party owns more than 50 percent; and

**WHEREAS**, Proposition 13 has shifted the tax burden away from commercial properties to residential properties; and

**WHEREAS**, in large part because of Proposition 13, California has been forced to rely on volatile revenue sources like income and sales taxes instead of stable property taxes; and

**WHEREAS**, California continues to face chronic budget crises because of a budget that moves in tandem with economic cycles, causing deficits and requiring cuts to vital services; and

**WHEREAS**, Proposition 13 is anti-competitive in that new entrepreneurs and businesses must pay fair market value for their property, while commercial property owners who have owned their property for a longer time pay disproportionately lower property tax rates; and

**WHEREAS**, regularly reassessing non-residential property would, according to an analysis of data by researchers at USC Program for Environmental and Regional Equity, generate \$9 billion in additional revenue for public schools and other public services by 2019-20.

**NOW THEREFORE BE IT RESOLVED** that the City Council of Richmond, California, does hereby support SCA 5 (Hancock, Mitchell) currently in the State Legislature, that will establish the regular and fair reassessment of commercial and industrial property to market value while protecting small businesses and maintaining Proposition 13 protections for residential properties including homeowners and renters; and

**BE IT FURTHER RESOLVED**, that tax revenues generated by modernizing how commercial property is reassessed benefit essential public services and local schools; and

**BE IT FURTHER RESOLVED** that the City Council of Richmond, California will communicate this position to local elected officials including members of the Contra Costa County Board of Supervisors, as well as Senator Loni Hancock and Assemblymember Tony Thurmond.

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I CERTIFY that the foregoing resolution was adopted at a special meeting of the City Council on June 23, 2015 by the following vote:

AYES: Councilmembers Bates, Beckles, McLaughlin, Martinez, Pimplé, Vice Mayor Myrick, and Mayor Butt.  
NOES: None.  
ABSTENTIONS: None.  
ABSENT: None.

PAMELA CHRISTIAN  
CLERK OF THE CITY OF RICHMOND  
(SEAL)

Approved:  
TOM BUTT  
Mayor

Approved as to form:  
BRUCE GOODMILLER  
City Attorney

State of California            }  
County of Contra Costa        }       : ss.  
City of Richmond               }

I certify that the foregoing is a true copy of **Resolution No. 64-15**, finally passed and adopted by the City Council of the City of Richmond at a special meeting held on June 23, 2015.

  
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Pamela Christian, City Clerk of the City of Richmond