

Date: January 7, 2010
Initiative 09-0078

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**PROVIDES ADDITIONAL SCHOOL FUNDING BY INCREASING COMMERCIAL
PROPERTY TAXES. INCREASES HOMEOWNERS' TAX EXEMPTION.**

INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE. Funds K-12 schools, community colleges, and state universities by increasing commercial nonagricultural property taxes by 0.55 percent. Restricts funds' use to class-size reduction, instructional materials, teacher and non-management staff compensation, and training; prohibits use for administrative costs. Requires annual audits. Doubles homeowners' tax exemption from \$7,000 to \$14,000 for residential property. Creates small business tax exemption for first \$1,000,000 in personal property. Reimburses local governments for tax revenue decrease. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government:

Increased net state revenues of about \$4 billion annually, due to higher taxes on nonresidential real property. These revenues would be spent by K-12 school districts, community colleges, and CSU. (09-0078.)