

*A digest summarizing California voter opinions about
**Proposition 13 Thirty Years
After its Passage***

June 2008

Findings in Brief

- When California voters are asked how familiar they are with the landmark 1978 property tax reduction initiative, Proposition 13, they divide into three camps. About one-third (37%) report being very familiar with it, another third (30%) say they are somewhat familiar, while the remaining third (33%) report being not too or not at all familiar with it. Nearly three times as many homeowners (46%) as renters (16%) are very familiar with Prop. 13. When a homeowner bought their current home is also a big factor, with long-time homeowners more likely to report high familiarity than those who purchased their homes more recently.
- Thirty years after its passage, Prop. 13 remains highly popular with voters. Statewide more than twice as many voters (57%) report that they would vote in favor of Prop. 13 if it were up for a vote again today as would vote against it (23%). Support for Prop. 13 is much greater among homeowners (64%) than renters (41%), particularly long-time homeowners. Support reaches 79% among homeowners who bought their present home prior to the passage of Prop. 13.
- When voters are asked their opinion about various proposals that have been made to change Prop. 13, most are rejected by wide margins. For example . . .
 - ... A proposal to gradually raise the property taxes of long-time property owners, so the amount they pay is more in line with the amount paid by recent buyers of similarly valued property, is opposed two and one-half to one (66% to 27%).
 - ... A proposal to amend Prop. 13's provision that local governments cannot increase property taxes by more than 2% per year is rejected by an even wider 78% to 17% margin.
 - ... There is strong resistance to the idea of changing the Prop. 13 provision requiring a two-thirds vote of the state legislature to increase taxes, with about seven in ten opposed.
- Voter reactions to the idea of creating a split roll property tax system, whereby residential and commercial properties would be taxed at different rates, depend on how the issue is framed. Voters are divided if this means increasing the property taxes of business and commercial property (47% approve and 44% disapprove). On the other hand, voters approve 61% to 28% if this means lowering the property tax rates of residential property owners.
- Six in ten voters (61%) now describe state and local taxes as being much too high or somewhat high and 37% saying they are about right. These findings are near the thirty-year average result obtained across fifteen separate Field Poll measures on this subject since 1977, and are quite similar to the four most recent surveys conducted between 2001 and 2007.
- When asked to specify which state and local taxes they feel are too high, voters most often mention the gasoline tax (32%), the property tax (29%), the state income tax (27%) and the sales tax (22%). No other single tax is cited more than 9%.

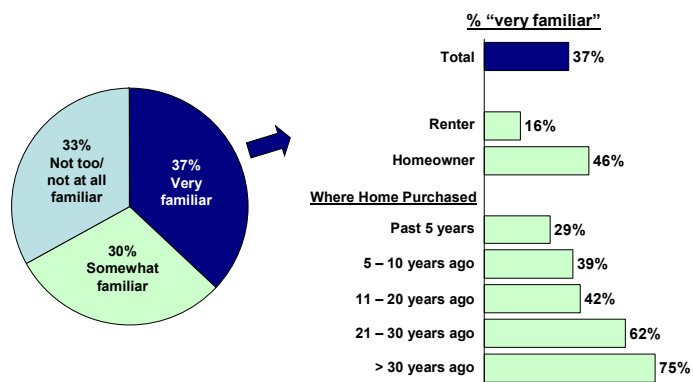
Continuing voter familiarity with and opinions about Prop. 13 tied to homeowner and renter status. Length of homeownership also a big factor.

When registered voters are asked how familiar they are with the landmark 1978 property tax reduction initiative, Proposition 13, they generally divide into three camps. About one-third (37%) report being very familiar with it, another third (30%) say they are somewhat familiar, while the remaining third (33%) report being not too or not at all familiar with it.

Familiarity with Proposition 13 is directly related to whether a voter is a homeowner or renter. Nearly three times as many homeowners (46%) as renters (16%) say they are very familiar with it. In addition, when a homeowner bought their current home is also a big factor. Long-time homeowners are much more likely to report a high level of familiarity with Prop. 13 than those who purchased their homes more recently.

Table 1

Voter familiarity with Proposition 13 thirty years after its passage

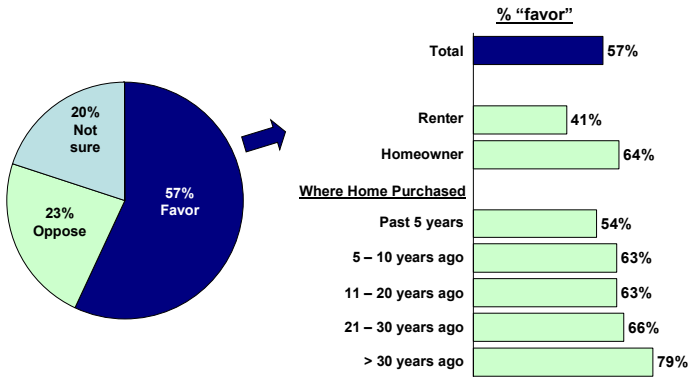


Even thirty years after its passage, Prop. 13 remains highly popular with voters in California. Statewide more than twice as many voters (57%) in the latest *Field Poll* survey report that they would vote in favor of Prop. 13 if it were up for a vote today as would vote against it (23%). Another 20% aren't sure.

Support for Prop. 13 is greater among homeowners (64%) than renters (41%), particularly long-time homeowners. For example, nearly eight in ten homeowners who bought their present home prior to the passage of Prop. 13 (79%) would support the initiative if it were up for a vote again today. This compares to 54% support among homeowners who bought their home within the past five years.

Table 2

Voting preferences if Proposition 13 were up for a vote again today



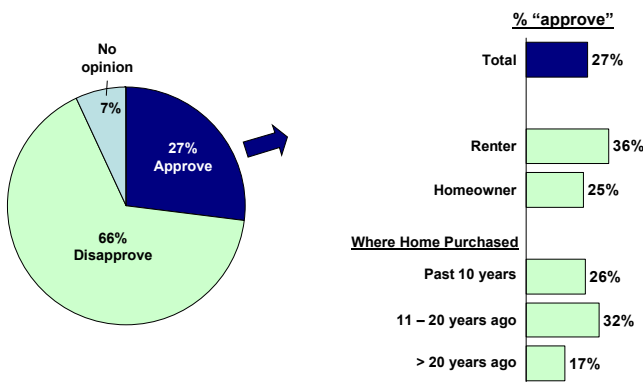
Most proposals aimed at changing Prop. 13 face stiff voter resistance

Voters in the survey were asked their opinions about various proposals that have been made to change Prop. 13 or amend some of its most salient provisions. Most are rejected by this state's voters by wide margins.

For example, a proposal to gradually raise the property taxes of long-time property owners, so the amount they pay is more in line with the amount paid by recent buyers of similarly valued property, is opposed two and one-half to one (66% to 27%). Even among renters and voters who bought their homes more recently, support for this proposal does not exceed 36%.

Table 3

Change Prop. 13 to gradually raise the property taxes of long-time property owners, so the amount they pay is more in line with the amount paid by recent buyers of similarly valued property



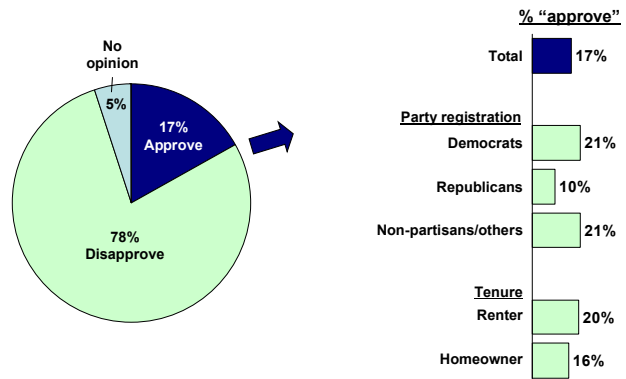
Note: Asked of a split sample of 502 registered voters statewide.

A second proposal posed in the current survey asked voters about the idea of amending Prop. 13's provision that prevents local governments from increasing property taxes by more than 2% per year. This proposal is rejected by an even wider 78% to 17% margin of voters statewide.

Support for allowing local government to increase property taxes by more than 2% each year is supported by just 10% of registered Republicans, and just 21% of Democrats and non-partisans.

Table 4

Change Prop. 13 to allow your local government to increase property taxes by more than 2% per year



Note: Asked of a split sample of 550 registered voters statewide.

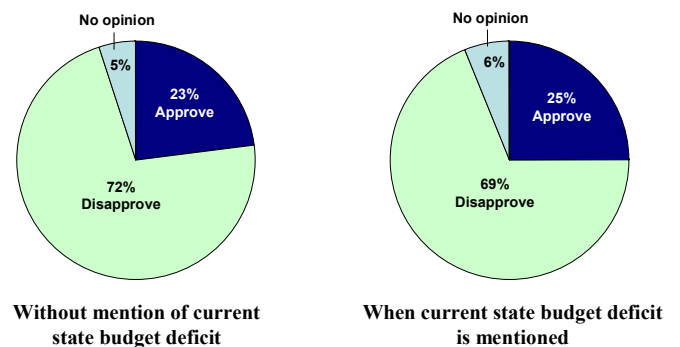
Similarly, there is strong resistance to the idea of changing the Prop. 13 provision that requires a two-thirds vote of the state legislature to increase taxes.

This question was posed in two slightly different ways in the current survey. One-half of survey respondents were asked the question after reminding voters that the state government is currently facing a very large budget deficit of between \$14 and \$20 billion. On the other hand, the version asked of a second random subsample of voters made no mention of the current state budget deficit in the question.

Regardless of whether the deficit is cited or not, very similar large majorities of voters — about seven in ten — disapprove of making this change.

Table 5

Change Prop. 13 to enable the state legislature to increase taxes by a simple majority vote (with and without mention of the state's current budget situation)



Note: Each question asked of a split sample of 502 or 550 registered voters statewide.

Views about split roll taxation differ depending on how the question is framed

Voters in the survey were again divided into two random sub-samples and asked one of two questions about a split roll method of property taxation, whereby residential and commercial properties would be taxed at different rates.

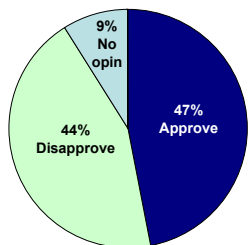
One version asked voters whether they approved or disapproved of “changing Prop. 13 to permit business and commercial property owners to be taxed at a higher rate than owners of residential property,” implying a tax increase for businesses.

The other version asked voters whether they approved of “changing Prop. 13 to permit owners of residential property to be taxed at a lower rate than business and commercial property owners,” implying a tax reduction for homeowners.

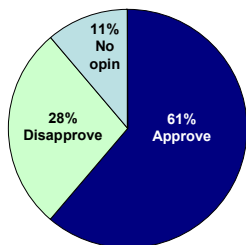
When the issue is posed as a tax reduction to homeowners, the change is received much more positively than when it is presented as a tax increase to businesses. By a greater than two to one margin (61% to 28), voters say they approve of a split roll method of property taxation if it results in a lower property tax rate for residential property owners than business owners. However, when the issue is framed as a tax increase for businesses, voters are more evenly divided, with 47% approving and 44% disapproving.

Table 6

Change Prop. 13 by taxing residential and commercial properties at different rates (using alternative descriptions of how this would be done)



Tax commercial property at a higher rate than residential property



Tax residential property at a lower rate than commercial property

Note: Each question asked of a split sample of either 502 or 550 registered voters statewide.

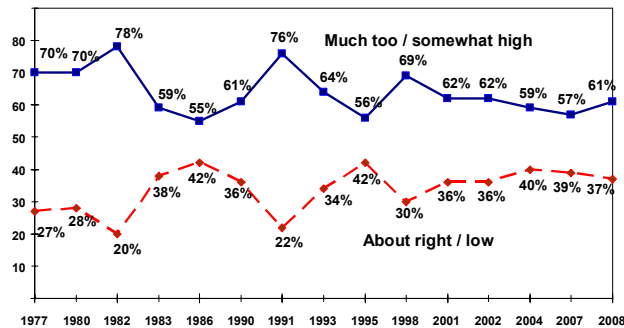
Californians’ views of the overall level of state and local taxes similar to previous recent measures

Since 1977 *The Field Poll* has at intermittent intervals asked cross-sections of Californians their perceptions of the overall level of state and local taxes. Results from the current survey show that about six in ten (61%) describe state and local taxes as being much too high or somewhat high, while 37% say they are about right.

The current findings are not a great deal different from those obtained in the four most recent prior *Field Poll* surveys about this conducted between 2001 and 2007. These findings are also near the thirty-year average result obtained across fifteen separate measures taken by *The Field Poll* on this subject since 1977.

Table 7a

Trend of Californians’ perceptions of the level of state and local taxes (1977 – 2008)

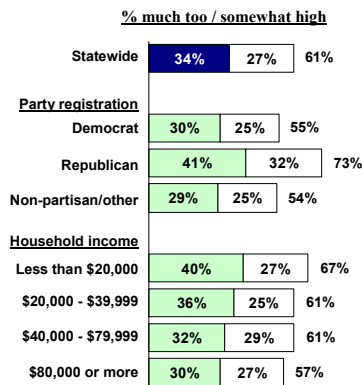


Note: 1977-1998 measures conducted among all California adults, while 2001-2008 measures conducted among registered voters.

A larger majority of Republicans (73%) than Democrats (55%) or non-partisans (54%) feel the overall level of state and local taxes is too high. While lower income Californians are also more likely than high income voters to describe taxes as being too high, majorities of voters across all income categories hold this view.

Table 7b

Californians’ perception of the level of state and local taxes (2008 by subgroup)



Specific state and local taxes seen as being too high

In 1977 prior to Prop. 13’s passage, *The Field Poll* asked voters to volunteer which specific state and local taxes they felt were too high. At the time, a majority (60%) offered property taxes as a tax they felt was too high, far surpassing the two next most frequently cited taxes, the state income tax (20%) and the sales tax (17%).

The Poll has updated measures on this question on three other previous occasions – in 1980, 1991 and 1998. In 1980 the tax cited most frequently was the state income tax (42%), while in 1991 more voters mentioned the sales tax (52%) than any other state and local tax. Ten years ago, when this question was again repeated, no single tax was singled out, with roughly equal proportions citing the sales tax (32%), the state income tax (30%) and the gasoline tax (30%).

When this question was posed to voters this year, a similar pattern emerges. At present, 32% of voters offer the gasoline tax as the state and local tax they believe is too high, followed by the property tax (29%), the state income tax (27%) and the sales tax (22%).

Other specific taxes are each volunteered by fewer than 10% of voters in the current survey. These include the tobacco tax (9%), the vehicle registration tax (9%), the alcohol tax (7%) and business/corporation taxes (6%).

Table 8

Which specific state or local tax is too high? (volunteered replies) (1977 - 2008)

	1977	1980	1991	1998	2008
Gasoline tax	10%	26%	12%	30%	32%
Property tax	60	23	22	22	29
State income tax	20	42	26	30	27
Sales tax	17	29	52	32	22
Tobacco tax	1	8	3	11	9
Vehicle registration tax	**	**	**	**	9
Alcohol tax	10	8	3	9	7
Business/corporation tax	**	**	**	**	6
Other tax	13	13	15	15	4
None/no answer	11	22	12	26	28

Columns add to more than 100% due to multiple mentions.

** Not coded separately in prior years. Answers for these categories were included in the "other tax" category.

More or fewer government services – it depends

The current survey asked voters' opinions about whether state and local governments should provide more or fewer services to the public. The answers obtained depend in large part on whether its potential impact on taxes was mentioned in the question.

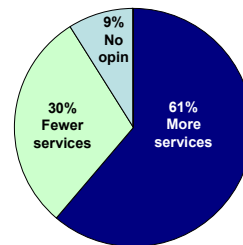
When the question is asked without any mention of the possible impact that expanded government services might have on taxes, by a two to one margin (61% to 30%) voters prefer more rather than fewer government services. However, when the question included a reference to the potential impact that more or fewer government services could have on taxes, a very different result emerged. The alternative wording of this question was as follows:

"In general, would you like to see your state and local governments provide more services to the public even if it means raising your taxes and fees, or provide fewer service to the public if this means that your taxes and fees will be kept at or below current levels?"

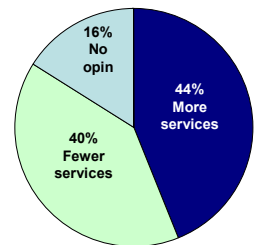
When posed in this context, voters are much more divided in their answers, with 44% preferring more government services and 40% opting for fewer government services.

Table 9

Should state and local government provide more or fewer services to the public (with and without mention of its impact on taxes)



No mention of impact on taxes



More services... "even if it means raising your taxes and fees"

Fewer services... "if this means that your taxes and fees will be kept at or below current levels"

Note: Each question asked of a split sample of 502 or 550 registered voters statewide.

About the Survey

The findings in this report are based on a random sample survey of 1,052 registered voters statewide. The survey was conducted by *The Field Poll*. The survey questions were developed collaboratively with Professor Jack Citrin, Director of the Institute for Governmental Studies (IGS) at The University of California, Berkeley, with supplemental funding provided to *The Field Poll* by IGS.

Interviewing was conducted by telephone in English and Spanish May 17-26, 2008. Up to six attempts were made to reach and interview each randomly selected voter on different days and times of day during the interviewing period. In order to cover a broad range of issues and still minimize respondent fatigue, the overall voter sample was divided into two random subsamples of 502 and 550 registered voters each on some questions.

The overall sample was developed from telephone listings of individual voters selected at random from a statewide list of registered voters in California. Once a voter's name and telephone number have been selected, interviews are attempted only with the specified voter. Interviews can be conducted on either the voter's landline or cell phone, depending on the source of the telephone listing from the voter file. After the completion of interviewing, the results are weighted slightly to *Field Poll* estimates of the demographic and regional characteristics of the state's registered voter population.

Sampling error estimates applicable to any probability-based survey depends on the sample size. The maximum sampling error for results based on the overall sample of 1,052 registered voters is +/- 3.2 percentage points at the 95% confidence level, while findings from each random subsample have a maximum sampling error of +/- 4.5 percentage points. The maximum sampling error is based on percentages +/- in the middle of the sampling distribution (percentages around 50%). Percentages at either end of the distribution (percentages around 10% or around 90%) have a smaller margin of error.

While there are other potential sources of error in surveys besides sampling error, the overall design and execution of the survey minimized the potential for these other sources of error. The maximum sampling error will be larger for analyses based on subgroups of the overall sample.