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California Secretary of State

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Proposed Initiative Enters Circulation

Changes Requirements for Certain Property Owners When Transferring Their Property Tax Base To Replacement Property. Initiative Constitutional Amendment and Statute.

SACRAMENTO – Secretary of State Alex Padilla announced the proponent of a new initiative was cleared to begin collecting petition signatures yesterday.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponent and to the Secretary of State, and the initiative may be circulated for signatures. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials. The Attorney General's official title and summary for the measure is as follows:

CHANGES REQUIREMENTS FOR CERTAIN PROPERTY OWNERS WHEN TRANSFERRING THEIR PROPERTY TAX BASE TO REPLACEMENT PROPERTY. INITIATIVE STATUTE. Removes the following requirements for homeowners who are over 55 or severely disabled to transfer property tax base to replacement residence: that replacement property be of equal or lesser value; that replacement property be in an eligible county; and that transfer occur only once. Removes location and replacement-value requirements on transfers of contaminated or disaster-destroyed property. Adjusts replacement property's tax base, based on market value. Limits tax benefit for eligible familial transfers. Expands circumstances triggering corporate property reassessment. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Local governments and schools each could gain or lose low tens of millions of dollars of property tax revenue per year, likely growing over time. State school spending would increase (decrease) by an amount similar to school property tax losses (gains). Other local and state revenues each could increase by tens of millions of dollars per year. County property tax administration costs likely would increase by tens of millions of dollars per year.** (18-0006)

The Secretary of State's tracking number for this measure is 1857 and the Attorney General's tracking number is 18-0006.

The proponent of the measure, Alexander E. Creel, must collect signatures of 585,407 registered voters (eight percent of the total votes cast for Governor in the November 2014 general election) in order to qualify it for the ballot. The proponent has 180 days to circulate petitions for the

measure, meaning the signatures must be submitted to county elections officials no later than February 13, 2019. The proponent can be reached at (916) 492-5200.

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