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## **Speaking the unspeakable in California politics**

**L.A. Mayor Antonio Villaraigosa may push for Prop. 13 reform. It would be an uphill fight. But there has to be a way to protect longtime homeowners and make corporate property owners pay more.**

Steve Lopez

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I got a call one morning a few weeks back from the mayor of Los Angeles saying he wanted to talk about a subject no one in California politics is supposed to talk about.

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Proposition 13.

You can talk about it, sure. But they put a tag on your toe before you can utter a full sentence.

Mayor Antonio Villaraigosa was aware of that, but said he thought someone ought to speak honestly about the perennial state budget mess that spills over into cities, affecting public safety, education, healthcare and everything else.

OK, I thought, that's pretty interesting. The mayor gets accused of having a better backswing than a follow-through, and this could end up being another example of that. But at least he was willing to take a hack at a sacred cow.

Villaraigosa had read my column about USC professor Dowell Myers and wanted to get in touch with him. Myers, if you missed the column, is a demographer and housing expert. He argues that the majority of today's California voters don't benefit from the landmark 1978 initiative that scaled back property taxes, shifted money and power out of communities and up

to Sacramento, and required a two-thirds approval for state tax increases.

Myers said that because home prices haven't appreciated for several years, Prop. 13's annual limits on tax increases haven't been much help for newer homeowners, nor do they do much for renters. Myers also suggested that longtime homeowners, whose property taxes are way below national averages, are in effect being subsidized by later buyers.

That's why, on the same block, one homeowner might be paying \$1,600 in annual property taxes while a neighbor pays \$10,000 on a home of the same market value. And for old-timers who want to sell now in the middle of the housing glut, Myers said, one factor working against them is that many potential buyers can't qualify because of those disproportionately high property taxes they'll have to pay after the house is reassessed at sale time.

And let's not forget that the biggest winners when Prop. 13 passed were commercial property owners. They made out like bank robbers, because corporate property doesn't change hands as often as residential property. Critics argue that economic investment is discouraged too, because it's hard for a new entrepreneur to compete against an established business with a much lower property tax bill.

OK, so back to the mayor. He called Myers, they talked and on Friday the mayor told me he's studying the material but doesn't have a specific strategy yet.

But he said he plans to go to Sacramento in August, and he's thinking he might make a speech to the press club pitching Prop. 13 reform. He said he was surprised that Gov. Jerry Brown hasn't done it himself, because at the age of 73, Brown doesn't need to give much consideration to his political future.

"If he needs a guy like me to start it, then I'm going to do it," said Villaraigosa, a former state Assembly speaker.

And by the way, if you've owned your house for several decades, you can stop hyperventilating. Villaraigosa said there's "absolutely" no way he'd advocate something that would get AARP members tossed out of their homes. Without protections for longtime homeowners, he said, no reform pitch has a chance.

It would make the most sense to go after commercial property taxes first, Villaraigosa said, since business has gotten the biggest break. "But do you know how much money they'd spend to kill this?"

Well sure, it's an uphill fight. But as Myers had suggested, it's not impossible to protect elders, phase in adjustments for other homeowners and make corporate property owners begin pulling more weight, even if it means lowering business taxes in return.

Myers, the academician, suggested an appeal to our common interest.

Villaraigosa, the politician, knows better than that. He said the trick is to convince people that at a time of disintegrating public services, reforming Prop. 13 is in their self-interest.

Before Prop. 13, Villaraigosa said, 5.6% of Californians' personal income went to funding public schools and today that number is 3.5%. With the latest state budget, which has the smallest general fund in decades, we're skimping on healthcare, infrastructure and higher education.

Villaraigosa needs to remind everyone that government can do its job better, beginning with public employee pension reform. But the whole tax system is screwed up, and Prop. 13 is a big part of that, forcing the state to live and die on rising and falling income and sales taxes.

Yes, Prop. 13 was enacted on fears that homeowners would be priced out of their homes by annual tax increases, and it saved many of those people. But it went too far.

And Prop. 13 literally changed the landscape of California, Villaraigosa said, as towns and cities approved big-box retail monstrosities because they needed infusions of sales taxes to fill budget holes. So now we've all got a dozen places to buy flip-flops and tubs of Cheetos, but the library is closed three days a week and the parents club is holding a raffle to save a teacher's job.

"The number of people who benefit from Prop. 13 is shrinking, and shrinking, and shrinking," said Villaraigosa.

When my column on Myers ran, I got pilloried by lots of readers. But many others — including more than a few elderly homeowners who think Prop. 13 did more damage than good — had the same reaction as Villaraigosa.

Maybe, finally, it's time for a change.

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