

*A Digest on How the California Public Views*  
**Prop. 13 — Twenty Years Later**

May 1998

**Background**

The passage of Proposition 13 by California voters in June 1978 was characterized at the time as a political and economic earthquake. The initiative cut property taxes by about 60% and limited the taxing powers of all levels of state and local government. Prior to Prop. 13 California had been on a course of steady growth of government services, and passage of the initiative signaled the start of a new era of fiscal retrenchment.

During the past twenty years, The Field Institute has periodically measured Californians' opinions and attitudes toward taxes and government spending in general and Prop. 13 in particular. This report updates the public's view of Prop. 13 on the twentieth anniversary its passage.

**Highlights of the Findings**

- Voters are about evenly divided when asked how satisfied they are with the tax and government spending changes which have occurred in California since the passage of Prop. 13 — 40% are satisfied and 38% are dissatisfied. However, if Prop. 13 were up for a vote today by a 53% to 30% voters would again endorse the measure.
- Almost half of voters (49%) believes that things have worsened for the public schools during the past twenty years. Slightly less than half of these voters (23%) feel Prop. 13 has contributed to this decline.
- Two favorable consequences which voters perceive from the passage of Prop. 13 are that government officials have had to look for more ways to cut government costs rather than raising taxes and that its passage has put a brake on the continual increase in property taxes whenever property values go up. Some of the drawbacks that voters see from Prop. 13's passage are that it has not reduced the overall size of local government and that most of the funding and control of the public schools has shifted from the local communities to the state.
- Similar to voter sentiments prior to Prop. 13's passage, a plurality of the state's voters (40%) thinks the level of state and local taxes in California is much too high.
- By a 53% to 40% margin voters are opposed to changing the current two-thirds vote requirement to a simple majority vote for passage of local bonds. However, by a 57% to 35% margin voters are willing to lower the two-thirds requirement to a 60% threshold.

**Belief that state and local taxes are too high**

Four in ten voters (40%) feel that state and local taxes are much too high, another 29% say they are somewhat high, and 30% think they are about right. The 40% who feel taxes are much too high is double the proportion reporting this just three years ago. However, the current distribution of responses is similar to the way residents felt in 1977, the year before Proposition 13 was passed.

	<b>Much too high</b>	<b>Somewhat high</b>	<b>About right</b>	<b>No opinion</b>
1998	40%	29	30	1
1995	20%	36	42	2
1993	31%	33	34	2
1991	38%	38	22	2
1986	20%	35	42	3
1983	30%	31	38	1
1982	42%	36	20	2
1980	36%	34	28	2
1977	39%	31	27	3

**Variety of taxes seen as too high**

In 1977 one tax, the property tax, was clearly singled out as being too high, with 60% of voters saying this. Two years after Prop. 13's passage fewer (23%) cited the property tax and more (42%) pointed to the state income tax as being too high. Voter opinions shifted again in 1991 with 52% citing the sales tax as being too high.

Now, it appears that a variety of taxes — gasoline, tobacco, alcohol, as well as the sales tax, state income tax and property tax — are contributing to the overall feeling that taxes are too high, although no single tax is mentioned by more than 32%.

	<b>1998</b>	<b>1991</b>	<b>1986</b>	<b>1980</b>	<b>1977</b>
Sales tax	32%	52%	26%	29%	17%
State income tax	30	26	31	42	20
Gasoline tax	30	12	15	26	10
Property tax	22	22	28	23	60
Tobacco tax	11	3	6	8	1
Alcohol tax	9	3	6	8	10
Other	15	15	3	13	13
None/no answer	26	12	35	22	11

*(Columns add to more than 100% due to multiple mentions.)*

**Mixed views of tax and spending changes since Prop. 13**

Voters are about evenly divided in respect to the tax and government spending changes which have occurred in California since the passage of Prop. 13, with 40% satisfied and 38% dissatisfied. This, however, marks an improvement in outlook compared to 1991 when 59% were dissatisfied and just 32% were satisfied.

	<b>Satisfied</b>	<b>Dissatisfied</b>	<b>No opinion</b>
1998	40%	38	22
1991	32%	59	9
1980	48%	47	5

**Pre-1978 homeowners are more satisfied**

Homeowners who bought their homes in 1978 or earlier are more satisfied than others with the tax and spending changes over the past twenty years. This group splits 53% satisfied and 34% dissatisfied. Those who bought after 1978 are marginally dissatisfied, while renters are much more dissatisfied than satisfied.

	<b>Satisfied</b>	<b>Dissatisfied</b>	<b>No opinion</b>
Homeowners	44%	40	16
Bought 1978 or earlier	53%	34	13
Bought after 1978	39%	44	17
Renters	26%	40	34

**Prop. 13 would win again**

If Prop. 13 were up for a vote today by a 53% to 30% margin voters would again support the measure. Since 1978 when this question was asked no more than one-third of the public has ever indicated that they would vote against Prop.13.

	<b>For</b>	<b>Against</b>	<b>Undecided</b>
1998	53%	30	17
1991	50%	34	16
1980	63%	33	4
1978 (actual vote)	65%	35	—

**Homeowners are most supportive of Prop. 13, while renters are divided**

Majorities of all homeowners regardless of when they purchased their home would support Prop. 13 if it were up for a vote today. On the other hand, renters are evenly divided.

	<b>For</b>	<b>Against</b>	<b>Undecided</b>
Homeowners	61%	26	3
Bought in 1978 or earlier	68%	25	7
Bought after 1978	58%	27	15
Renters	38%	38	24

**Prop. 13's tax assessment inequity remains troubling**

Voters still have trouble with one aspect of Prop. 13 — the situation where similar houses on the same street are taxed differently depending on when the home was purchased. In previous years when residents were asked about this, about two out of three voters disapproved of this provision of Prop. 13. Now, the disapproval level has declined to 55%.

	<b>Disapprove</b>	<b>Approve</b>	<b>No opinion</b>
1998	55%	35	10
1991	63%	29	8
1980	68%	28	4

**Post-1978 homeowners and renters disapprove of current tax assessment method**

Homeowners who purchased their home after Prop. 13 went into effect disapprove (55%–37%) of the provision resulting in two similar homes being taxed differently. Renters also disapprove of this 63% to 27%. However, homeowners who bought their homes prior to 1978 are evenly split on this issue.

	<b>Disapprove</b>	<b>Approve</b>	<b>No opinion</b>
Homeowners	50%	40	10
Bought in 1978 or earlier	40%	43	17
Bought after 1978	55%	37	8
Renters	63%	27	10

**Public schools have worsened since Prop. 13 passed**

Insofar as what has happened to the public schools since Prop. 13's passage almost half of voters (49%) believe that things have worsened, while just 17% think they have improved. Another 17% say they have not seen any change. Of those who feel the state's public schools have deteriorated over the past twenty years, about half (23%) say they believe Prop. 13 contributed a great deal or some to this decline.

The public is more divided in their appraisals of the quality of services provided by local governments since the passage of Prop. 13. Thirty percent of voters feel that local services have gotten worse, 31% think they have remained the same, while 27% say they have improved. Most of the 30% who perceive a worsening of local government services (21%) feel that a great deal or some of this is due to Prop. 13.

**Table 9**  
**What has happened since passage of Prop. 13 to:**

	Public schools	Local government services
	%	%
Gotten worse	49	30
Remained same	17	31
Improved	17	27
No opinion	17	12

**Positive aspects of Prop. 13**

The way voters view the effects of Prop. 13 comes into sharper focus when examining how they react to a series of statements describing some of the comments which have been made about its passage.

Two positive aspects in which large majorities are in agreement include these: as a result of the passage of Prop. 13 "elected officials have had to look for more ways to cut the cost of government rather than simply raising taxes" and "it put a brake on the continual increase in property taxes whenever property values went up." Sixty-three percent and 61%, respectively, agree with these statements.

**Table 10**  
**Reaction to two positive statements regarding effects of Prop. 13**

	Agree	Disagree	No opinion
One of the good things about the passage of Prop. 13 is that elected officials have had to look for more ways to cut the cost of government rather than simply raising taxes.	63%	23	14
One of the good things about the passage of Prop. 13 is that it put a brake on the continual increase in property taxes whenever property values went up	61%	18	21

**Negative aspects of Prop. 13**

Sizeable pluralities of the public register disappointment on other things that have happened since the passage of Prop. 13. By a 56% to 16% ratio voters agree that Prop. 13 did not really reduce the overall size of the local government in their area.

Another perceived negative consequence of Prop. 13 has been the shifting of control and funding of the public schools from the local community to the state. Twice as many people agree that this is one of the bad things about Prop. 13 (49% to 24%).

By a 47% to 25% margin the public also believes that state and local taxes have increased since Prop. 13's passage to the point where they have now completely offset the property tax reductions of Prop. 13.

**Table 11**  
**Reaction to three negative statements regarding effects of Prop. 13**

	Agree	Disagree	No opinion
Prop. 13 did not really reduce the overall size of local government in my area.	56%	16	28
One of the bad things about Prop. 13 is that most of the funding and control of the public schools has shifted from the local community to the state.	49%	24	27
Since Prop 13 passed, other state and local taxes have increased to the point where they now completely offset the property tax reductions of Prop. 13	47%	25	28

**Split roll taxation**

At about the time of Prop. 13's passage, a 54% to 38% majority supported a recommendation that business and commercial property be taxed at a higher rate than private residences. Despite this, the idea was never enacted. The proportions favoring that provision increased in subsequent measures in the years following its passage. Now, the margin approving such a step has dropped, with 46% approving and 39% disapproving of the idea split roll taxation.

**Table 12**  
**Tax business and commercial property at a higher rate than private residences?**

	1998	1981	1980	1978
	%	%	%	%
Approve	46	66	68	54
Disapprove	39	29	26	38
Don't know	15	5	6	8

### ***Preferred size of various levels of government***

When it comes to the level of services provided by the federal government, 40% of California voters prefer that it become smaller and provide fewer services, while 18% support a bigger federal government providing more services. Almost four in ten (39%) think the size and amount of services provided by the federal government should remain as it is now.

As far as the state government is concerned, the public is a little more divided, but more still favor a smaller government with fewer services (34%) than a bigger government providing more services (24%).

At the local government level, about half (52%) want no change in the size and level of services now provided. However, among those who want change there is a little greater sentiment for a bigger local government providing more services (27%) than a smaller one with fewer services (17%).

**Table 13**  
**Preferred size of levels of government**

	<b>Federal gov't</b>	<b>State gov't</b>	<b>Local gov't</b>
	%	%	%
Smaller/fewer services	40	34	17
Remain the same	39	39	52
Bigger/more services	18	24	27
No opinion	4	3	3

### ***Level of bond passage vote***

Over the years many have advocated the idea of lowering Prop. 13's two-thirds vote requirement for passage of local general obligation bonds for such needs as schools, fire, police, and water. Two alternative lower levels have been suggested — a 60% majority or a simple majority, i.e., anything greater than 50%.

In the current study and in a previous survey taken during 1993 a five to four majority of voters indicates their disapproval of lowering the current two-thirds vote requirement to a simple majority.

**Table 14**  
**Opinion of changing vote requirement for passage of local bonds from two-thirds super majority to a 50% simple majority**

	<b>1998</b>	<b>1993</b>
Keep 2/3 vote requirement	53%	54%
Change to simple majority	40	42
No opinion	8	4

However, when asked their opinion of lowering the vote requirement to a 60% majority, voters approve by a 57% to 35% margin.

**Table 15**  
**Opinion of changing vote requirement for passage of local bonds from two-thirds super majority to a 60% majority**

	<b>1998</b>	<b>1993</b>
Change to 60% vote requirement	57%	61%
Keep 2/3 vote requirement	35	31
No opinion	7	8

### ***About the Survey***

*The findings in this report come from a statewide cross-section survey of 931 registered voters conducted April 20–28, 1998 by telephone. For some questions the overall sample was divided into two approximately equal sized sub-samples of about 465 voters each. According to statistical theory, 95% of the time results from the overall sample have a sampling error of ±3.4 percentage points, while findings from each sub-sample have a sampling error of ±4.6 percentage points.*

### ***About The Field Institute***

The Field Institute is a non-partisan, not-for-profit research organization devoted to the study of public opinion on a variety of social, economic and political issues in California. *The Field Poll* and The Field Institute have been operating since 1947 and have conducted more than 250 statewide surveys whose results have provided for a rich data base of opinions, attitudes and behavior of the state's residents.

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#### ***Officers***

Officers of The Field Institute are Mervin Field, Mark DiCamillo and Dr. E. Deborah Jay.