

CONCERNED LOS ANGELES BUSINESS LEADERS



Dear Mayor Villaraigosa:

It is with great concern and disappointment that we are writing to you about your recent comments regarding your interest in leading the charge to overturn key property tax protections in Proposition 13. As small business owners and representatives of tens of thousands of small businesses across the state, we feel compelled to convey the devastating impacts such a property tax increase would have on our ability to survive and create jobs.

California faces a staggering 11% unemployment rate. Small businesses, between June 2008 and June 2009 alone, saw bankruptcies rise 81%. Higher property taxes would only make things worse.

Standard leases require tenants to pay for maintenance, insurance and TAXES. A split roll property tax would mean higher rents — leaving small businesses across the state with few unappealing options including raising prices, reducing wages, laying off employees, or even closing our doors for good.

With that in mind, it is no surprise that a recent economic study found that split roll property tax increases would disproportionately harm women and minority-owned businesses.

Even more disconcerting is the fact that you suggested raising taxes on commercial and business properties as just the first change to Proposition 13. Homeowners across the state would undoubtedly be next.

You said the trick is to convince voters that higher property taxes are in their self-interest — voters know better, higher taxes mean higher prices. They know that if we want to see jobs return to California, we need to focus on policies that create them, not destroy them.

Sincerely,

John Kabateck
Executive Director, National Federation of Independent
Business/California

Stuart Waldman
President, Valley Industry & Commerce Association

Tracy Rafter
CEO, Los Angeles County Business Federation

Michael Farahnik
Rental Property Owner
California Apartment Association – Los Angeles, President

Ruben Guerra
Chairman & CEO, Latin Business Association

Michele Dennis
President, Building Owners and Managers Association
of Greater Los Angeles