

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

INCREASES HOMEOWNERS' PROPERTY TAX EXEMPTION AND RENTERS' TAX CREDIT. INCREASES TAXES ON HIGH-VALUE PROPERTIES. LIMITS LOCAL RESTRICTIONS ON HOUSING DEVELOPMENT. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

Increases portion of homeowner's property value that is exempt from property tax from \$7,000 to \$200,000 (adjusted for inflation). Increases renters' income tax credit to up to \$2,000 (adjusted for inflation); increases income limit for claiming credit to up to \$400,000. Reimburses local governments' lost revenue from these changes with new property tax surcharge of up to 1.2% on properties valued over \$4 million. Limits local government discretion to deny certain housing development projects. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments:

Increased property taxes on property with a taxable value of more than \$4 million providing \$16 billion to \$19 billion in new revenue. Increased state costs resulting from the increases to the homeowners' property tax exemption and renters' tax credit. Increased costs to local governments for carrying out the measure. Total costs would be \$16 billion to \$19 billion annually and likely would be fully offset by revenue from increased property taxes on higher value properties. (21-0032A1.)