





Aug. 17, 2020

**TO:** Mayor Eric Garcetti, Los Angeles

Mayor Libby Schaaf, Oakland Mayor Adrian Fine, Palo Alto

Mayor Justin Cummings, Santa Cruz

Mayor Nick Pilch, Albany

Mayor London Breed, San Francisco Mayor Jesse Arreguin, Berkeley

FROM: California Farm Bureau

Western Growers

Agricultural Council of California

Mayor Jan Flory, Fullerton Mayor Rick DeGolia, Atherton Mayor Rey Leon, Huron Mayor Tom Butt, Richmond Mayor Michael Tubbs, Stockton Mayor Greg Lyman, El Centro Mayor Christian Patz, Emeryville

RE: Proposition 15's Impacts on Agriculture and Food Consumers

Dear Mayors-

Our organizations represent over 60,000 farmers and ranchers in California who grow and produce the food that feeds our state, our nation and people around the world.

Agriculture makes up an important part of our state economy and plays a particularly critical role in rural communities across the state. Even more importantly, we provide the food that all Californians – including your constituents – rely on. When a policy impacts agriculture, it impacts us all.

We are writing to draw your attention to a glaring error in your <u>recent letter to Governor Newsom</u> regarding the scope and implications of Prop 15. Specifically, your letter states about Prop 15: "... all while protecting homeowners and renters, small businesses, <u>and agriculture</u>." (Emphasis added).

This is false.

As the state Legislative Analyst's Office and County Assessors have recognized, while Prop. 15 exempts agricultural <u>land</u> from reassessment and the inevitable higher taxes which follow, it failed to exempt agricultural fixtures and improvements, which include a wide range of agricultural property including:

- Fruit trees
- Nut Trees
- Vineyards
- Irrigation systems
- Fences

- Dairies
- Wineries
- Barns
- Feedlots
- Processing facilities

As Stanislaus County Assessor Don Gaekle stated: "Voters should realize that Prop 15 exposes a wide range of agricultural property to higher taxes, including agricultural barns, milking parlors, shops, hulling operations, irrigation systems, fruit & nut trees and grape vines, all of which are 'improvements' and not excluded from the definition of 'commercial and Industrial real property' under the measure."

But Prop. 15 doesn't just increase property taxes on agriculture – it exposes critical support industries to property tax increases as well, like farm equipment dealers, transportation companies, warehouses and our food processors.

Every step in the process of producing food and getting it to your neighborhood grocery store or restaurant – planting, irrigating, harvesting, processing, transporting, storing – is exposed to higher property taxes under this poorly timed and flawed measure.

In other words, Prop. 15 exposes much of California's food supply to steep property tax increases.

The orange wedges in our children's lunch, the eggs we have for breakfast, the cheese and avocado on our sandwich at lunch, the almonds we snack on and the wine we enjoy after a hard day's work – *nearly all the food and drink we consume* – is exposed to higher taxes by Prop. 15.

Our farmers and ranchers are already struggling with the impacts of COVID-19. Our state's consumers – your constituents – are already struggling with the high costs of living here. Hiking food taxes will hurt our state's farmers and ranchers and add a new cost burden to California families.

For these reasons, we urge you to do the following:

- **Correct your misstatement.** Voters deserve the truth about propositions, especially from their elected representatives.
- Ask the people you represent their opinion about taxing farmers and higher food prices. Even if you don't have farming or ranching in your cities, Prop 15's tax on agriculture will impact every single one of your constituents.
- **Oppose Prop 15.** California is already struggling with the high cost of living and the economic crisis from COVID. Higher taxes on the basic necessities of life are not the answer.

Respectfully,

Jamie Johansson, President California Farm Bureau Emily Rooney, President Ag Council of California

Jame Stanson Guilog Rooney 7) 1/1.

Dave Puglia, President and CEO Western Growers