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Unjust Legacy

How Proposition 13 Has Contributed to Intergenerational, Economic, and Racial Inequities in Schools and Communities

APPENDICES

Appendix A: State Property Tax Revenues and Rankings

State	Population	No. Public School Students	State and Local Property Tax Revenue, 2017						
			Total (Millions of Dollars)	Per Capita (Dollars)	Per Capita Rank	Per $1,000 of Personal Income (Dollars)	Per $1,000 of Personal Income Rank	Per Student (Dollars)	Per Student Rank
United States	324,985,539	50,615,189	525,513	1,617	—	31	—	10,383	—
Alabama	4,874,486	744,930	2,838	582	51	14	51	3,810	51
Alaska	739,700	132,737	1,568	2,120	12	37	13	11,816	12
Arizona	7,044,008	1,123,137	7,747	1,100	35	26	34	6,898	35
Arkansas	3,001,345	493,447	2,218	739	49	18	49	4,494	49
California	39,358,497	6,309,138	63,306	1,608	20	27	31	10,034	25
Colorado	5,611,885	905,019	8,672	1,545	24	28	28	9,582	29
Connecticut	3,573,297	535,118	10,792	3,020	4	42	8	20,167	5
Delaware	956,823	136,264	883	923	44	18	47	6,482	38
District of Columbia	694,906	85,850	2,541	3,656	1	46	4	29,597	1
Florida	20,963,613	2,816,791	27,901	1,331	30	28	30	9,905	26
Georgia	10,410,330	1,764,346	12,143	1,166	34	26	32	6,883	36
Hawaii	1,424,393	181,550	1,760	1,235	32	23	39	9,693	28
Idaho	1,717,715	297,200	1,750	1,019	39	24	37	5,888	43
Illinois	12,778,828	2,026,718	28,625	2,240	9	42	9	14,124	10
Indiana	6,658,078	1,049,547	6,936	1,042	36	23	40	6,609	37
Iowa	3,141,550	509,831	5,132	1,634	18	34	16	10,066	24
Kansas	2,908,718	494,347	4,484	1,541	25	32	19	9,070	31
Kentucky	4,452,268	684,017	3,693	829	46	20	45	5,399	46
Louisiana	4,670,560	716,293	4,215	903	45	21	44	5,885	44
Maine	1,334,612	180,512	2,868	2,149	11	46	5	15,887	9
Maryland	6,023,868	886,221	9,524	1,581	23	26	33	10,747	19
Massachusetts	6,859,789	964,514	16,714	2,437	7	36	14	17,329	8
Michigan	9,973,114	1,528,666	14,070	1,411	29	30	22	9,204	30
Minnesota	5,566,230	875,021	8,902	1,599	21	29	24	10,173	21
Mississippi	2,988,510	483,150	3,034	1,015	40	28	29	6,279	42
Missouri	6,106,670	915,040	6,330	1,037	37	23	41	6,918	34
Montana	1,052,482	146,375	1,674	1,590	22	35	15	11,434	14
Nebraska	1,915,947	319,194	3,711	1,937	13	38	12	11,626	13
Nevada	2,969,905	473,744	3,007	1,013	41	22	43	6,348	40
New Hampshire	1,348,787	180,888	4,458	3,305	2	57	1	24,646	2

State	Population	No. Public School Students	State and Local Property Tax Revenue, 2017						
			Total (Millions of Dollars)	Per Capita (Dollars)	Per Capita Rank	Per $1,000 of Personal Income (Dollars)	Per $1,000 of Personal Income Rank	Per Student (Dollars)	Per Student Rank
New Jersey	8,885,525	1,410,421	29,359	3,304	3	51	3	20,816	4
New Mexico	2,091,784	336,263	1,658	792	48	20	46	4,930	47
New York	19,589,572	2,729,776	56,853	2,902	5	44	7	20,827	3
North Carolina	10,268,233	1,550,062	10,005	974	42	22	42	6,454	39
North Dakota	754,942	109,706	1,249	1,655	16	31	20	11,386	15
Ohio	11,659,650	1,710,143	15,346	1,316	31	28	27	8,973	32
Oklahoma	3,931,316	693,903	2,881	733	50	17	50	4,152	50
Oregon	4,143,625	606,277	6,166	1,488	28	31	21	10,170	22
Pennsylvania	12,787,641	1,727,497	19,567	1,530	26	29	25	11,327	16
Rhode Island	1,055,673	142,150	2,543	2,409	8	46	6	17,890	7
South Carolina	5,021,268	771,250	6,032	1,201	33	29	26	7,821	33
South Dakota	872,868	136,302	1,415	1,621	19	33	18	10,383	20
Tennessee	6,708,799	1,001,562	5,409	806	47	18	48	5,401	45
Texas	28,295,273	5,360,849	53,019	1,874	14	39	10	9,890	27
Utah	3,101,042	659,801	3,209	1,035	38	23	38	4,863	48
Vermont	624,344	88,428	1,667	2,671	6	51	2	18,855	6
Virginia	8,463,587	1,287,026	13,955	1,649	17	30	23	10,843	18
Washington	7,423,362	1,101,711	11,122	1,498	27	26	35	10,095	23
West Virginia	1,817,004	273,855	1,722	948	43	25	36	6,288	41
Wisconsin	5,790,186	864,432	9,586	1,656	15	34	17	11,090	17
Wyoming	578,931	94,170	1,255	2,169	10	38	11	13,332	11

Note. All data except for the number of students are retrieved from or derived from Lincoln Institute of Land Policy, *Summary—State and local property tax revenue, by state—2017*, lincolninst.edu/research-data/data-toolkits/significant-features-property-tax/government-finance-data/summary-23. Number of students is public school enrollment in prekindergarten through grade eight for selected years, fall 1990 through fall 2029, retrieved from the National Center for Education Statistics, *Digest of education statistics*, Table 203.20, nces.ed.gov/programs/digest/d21/tables/dt21_203.20.asp?current=yes.

Appendix B: Estimated Potential New Revenues per Average Daily Attendance (ADA) for California's 30 Largest School Districts

Local Educational Agency	ADA, 2020–21	Unduplicated Pupil Percentage, 2020–21 (%)[a]	Estimate of Potential New Revenues Per ADA (Dollars)
Los Angeles Unified	414,376	85	1,429
San Diego Unified	97,967	59	1,193
Long Beach Unified	68,167	68	1,198
Fresno Unified	66,931	89	1,318
Elk Grove Unified	60,862	55	1,090
Corona-Norco Unified	50,664	48	1,078
San Francisco Unified	50,265	59	1,199
San Bernardino City Unified	45,880	90	1,365
Capistrano Unified	44,723	27	1,045
Santa Ana Unified	43,795	88	1,314
Clovis Unified	41,560	49	1,078
Garden Grove Unified	40,700	76	1,241
Kern High	39,392	72	1,335
Riverside Unified	39,080	69	1,190
Sacramento City Unified	38,325	72	1,212
San Juan Unified	37,510	54	1,103
Sweetwater Union High	36,413	62	1,211
Poway Unified	35,368	22	1,029
Irvine Unified	35,088	32	1,042
Fontana Unified	34,711	86	1,307
Fremont Unified	34,011	27	1,040
Oakland Unified	33,912	76	1,271
Stockton Unified	33,019	82	1,290
San Ramon Valley Unified	30,964	10	1,003
Moreno Valley Unified	30,393	84	1,289
Bakersfield City	29,453	92	1,302
Mt. Diablo Unified	29,144	48	1,076
Anaheim Union High	28,841	76	1,297
San Jose Unified	27,642	46	1,203
Visalia Unified	27,036	69	1,187

[a] Percentage of students who are low income, English learners, or youth in foster care.

Appendix C: Construction of Counterfactual Scenarios

As briefly described in the report, to compute counterfactual scenarios of effective property tax rates we proceeded as follows.

We first consulted field specialists to select the most comparable states in terms of fiscal policies and, in particular, property taxes. These states were New York, Illinois, Texas, Massachusetts, Florida, and Washington. Our baseline counterfactual analysis used the average ETRs at the national level and in the different counterfactual states. We used the National Historic Geographic Information System to compute the average ETR as the ratio between aggregate property taxes and aggregate home values. We then multiplied the aggregate home value by all counterfactual ETRs to obtain county-specific property taxes for each counterfactual scenario. Having both the self-reported property taxes paid by California homeowners and the counterfactual property taxes, we wanted to know how much more revenue the state of California could generate under different tax scenarios. We therefore computed for each county the difference between actual and counterfactual property taxes and then summed these differences across all California counties to obtain the total revenue gain for the state of California.

As a second analysis, we exploited county characteristics to refine the construction of counterfactuals. We computed counterfactual ETRs within specific groups of counties in counterfactual states. For each state (both counterfactuals and California), we divided counties based on the three categories of urbanization and their positions in the personal and household average income distribution—that is, we divided counties based on whether they belonged to the first, second, third, or fourth quartile of the average income distribution. For each counterfactual state, we then computed the group-specific ETRs. These are reported in Tables C-1 and C-2 with the share of counties in each urbanization category and the average incomes in each income quartile. As an example, in the state of Illinois, counties in the first personal income quartile (with an average income of around $28,000) have an ETR of 1.4 percent.

Table C-1. Urbanization Characteristics of Counterfactual States and California

Urbanization	Illinois		Texas		New York		Massachusetts		Florida		Washington		California	
	% Share	ETR (%)	% Share	ETR (%)	% Share	ETR (%)	% Share	ETR (%)	% Share	ETR (%)	% Share	ETR (%)	% Share	ETR (%)
Large Metro Areas	17.0	2.0	14.0	1.5	32.0	1.8	43.0	1.1	24.0	0.9	13.0	0.9	28.0	0.8
Medium/Small Metro Areas	22.0	1.9	18.0	1.4	29.0	2.1	36.0	1.3	42.0	0.8	41.0	0.9	36.0	0.8
Micro/Noncore	61.0	1.6	68.0	1.2	39.0	2.0	21.0	0.8	34.0	0.7	46.0	0.8	36.0	0.7

Note. ETR = effective tax rate.

Table C-2. Personal Income Characteristics of Counterfactual States and California

Personal Annual Income	Illinois		Texas		New York		Massachusetts		Florida		Washington		California	
	Avg. ($)	ETR (%)	Avg. ($)	ETR (%)	Avg. ($)	ETR (%)	Avg. ($)	ETR (%)	Avg. ($)	ETR (%)	Avg. ($)	ETR (%)	Avg. ($)	ETR (%)
First Quartile	28,588	1.4	23,691	1.2	30,315	1.9	38,647	1.4	22,177	0.7	29,521	0.9	28,124	0.8
Second Quartile	32,148	1.7	29,375	1.3	33,152	2.1	44,577	1.1	27,754	0.7	33,151	0.8	33,841	0.7
Third Quartile	34,841	1.8	32,773	1.2	37,189	2.1	50,378	0.9	34,486	0.9	37,442	0.8	40,289	0.7
Fourth Quartile	42,243	2.0	40,171	1.3	50,623	1.7	62,677	0.8	43,051	0.8	45,792	0.9	57,081	0.7

Note. ETR = effective tax rate.

We then assigned ETRs to California counties based on their characteristics in terms of urbanization and income. Following the previous example, for the Illinois personal-income-adjusted counterfactual ETR, we assigned California counties in the first quartile of the California personal income distribution an ETR of 1.4 percent, compared to an actual ETR of 0.8 percent. We then multiplied the aggregate home value by the assigned ETR for each counterfactual state. We proceeded as previously described to compute the aggregate revenue gains under alternative scenarios. Table C-3 summarizes the average counterfactual property taxes per capita in reality and under different scenarios as well as the differences between actual and counterfactual property taxes.

Table C-3. Property Taxes for California Under Different ETR Scenarios

CF State	California							
	Average Property Tax (in Dollars Per Capita)							
	State Avg. CF	Difference	Urbanization-Adjusted CF	Difference	Personal-Income-Adjusted CF	Difference	Household-Income-Adjusted CF	Difference
New York	1,499	726	2,081	1,308	2,052	1,279	2,032	1,259
Illinois	2,069	1,296	1,953	1,180	1,896	1,123	1,900	1,127
Texas	1,815	1,042	1,436	663	1,322	549	1,332	559
Massachusetts	1,161	388	1,119	346	1,061	288	1,084	311
Florida	1,003	230	861	88	865	92	858	85
Washington	960	187	902	129	889	116	895	122

Note. CF = counterfactual. The average California home value was $487,026, and the average property tax per capita was $773.

Further Analyses

In what follows, we first show graphically how property taxes that were computed in different ways and for different counterfactual states compare to one another as well as relative to actual property taxes paid in California counties. Figures C-1 through C-6 display the property taxes (in dollars per capita) in reality and under different counterfactual computations. Each plot represents a different counterfactual state as specified in the figure caption. California counties are ordered according to the actual property taxes paid (blue dots). Overall, the plots show that different measures of counterfactual ETRs provide similar, though varying, counterfactual property taxes. Moreover, counties with higher real property taxes are likely to pay higher property taxes under alternative scenarios (with higher ETRs).

To further investigate these dynamics, we computed the average difference between all counterfactual property taxes and actual property taxes, and we correlated this measure with county characteristics. Figures C-7 through C-12 show the scatterplot and the linear fit of the relationships between mean difference and county characteristics. In all figures, the y-axis reports values for the mean difference between actual and counterfactual property taxes, and the x-axis reports the values of county characteristics. Each blue dot represents a California county. It appears clear that larger differences are correlated with higher personal and household income, meaning that counties that would experience an increase in property taxes are also the richer ones. We find weak or nonexistent correlations between the mean difference measure and the shares of white households, family households (with children), and homeowners.

Figure C-1. Property Taxes in Reality and Counterfactual (CF) Computations for Washington

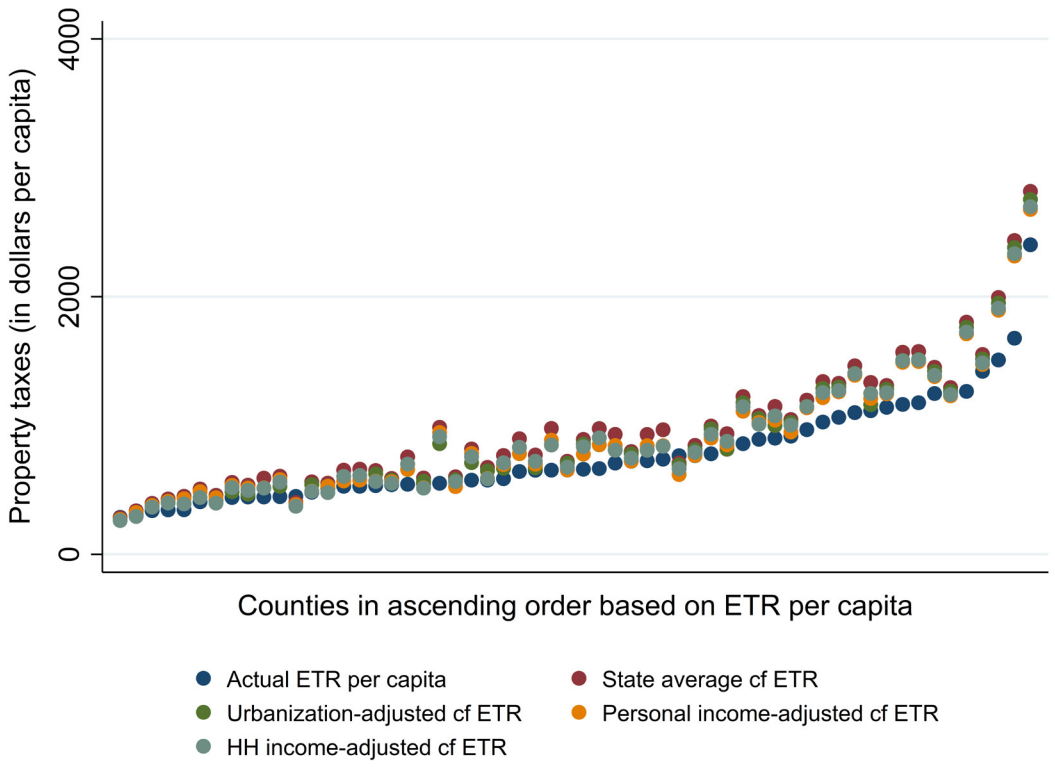

Figure C-2. Property Taxes in Reality and Counterfactual (CF) Computations for Texas

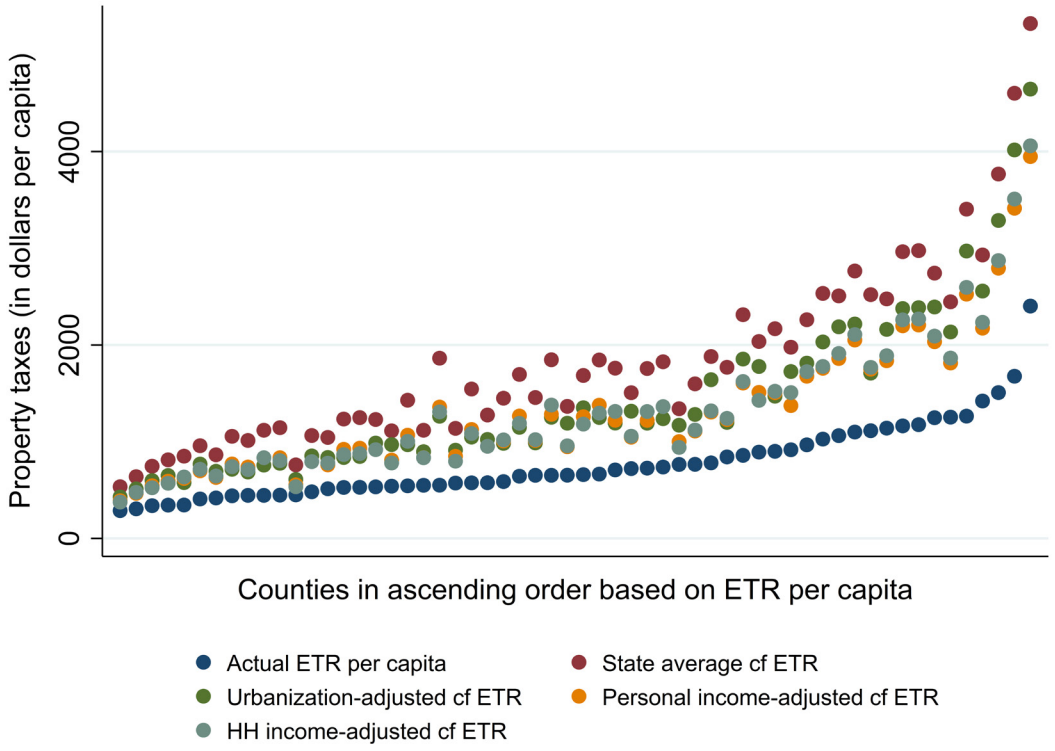

Figure C-3. Property Taxes in Reality and Counterfactual (CF) Computations for New York

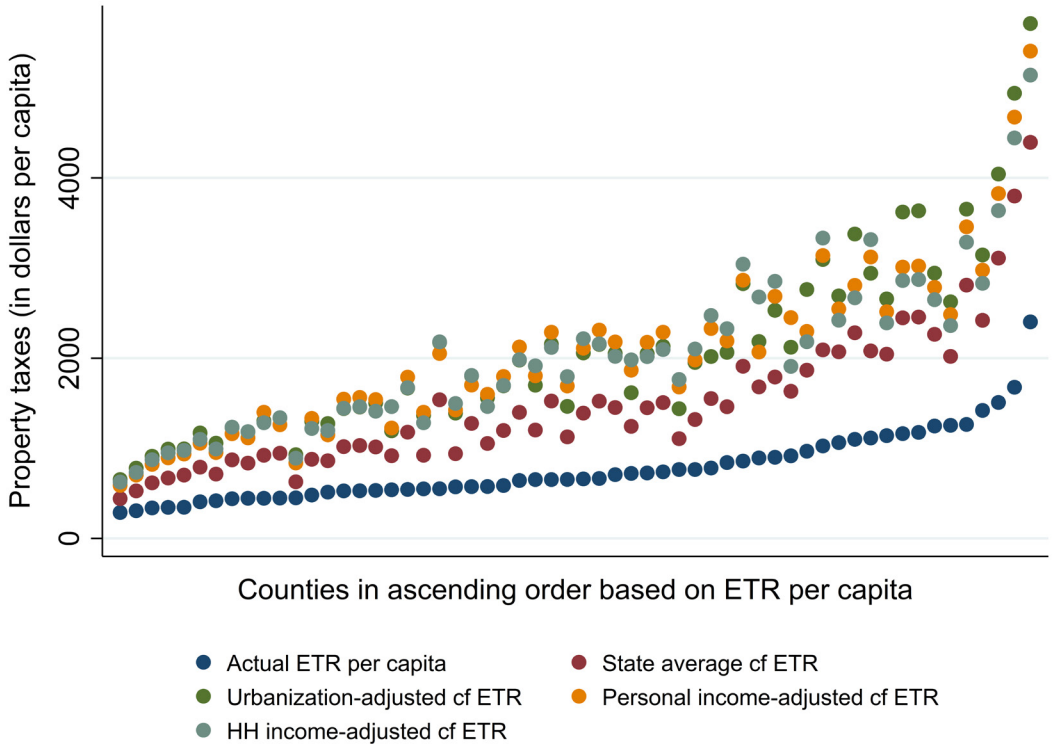

Figure C-4. Property Taxes in Reality and Counterfactual (CF) Computations for Massachusetts

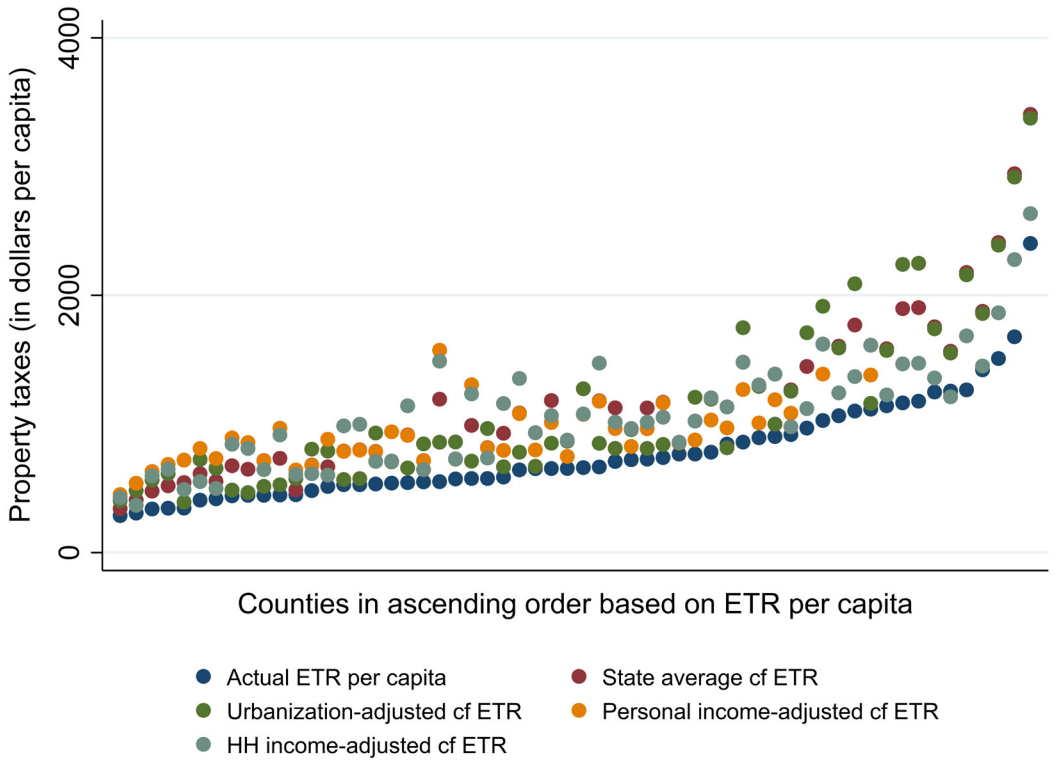

Figure C-5. Property Taxes in Reality and Counterfactual (CF) Computations for Illinois

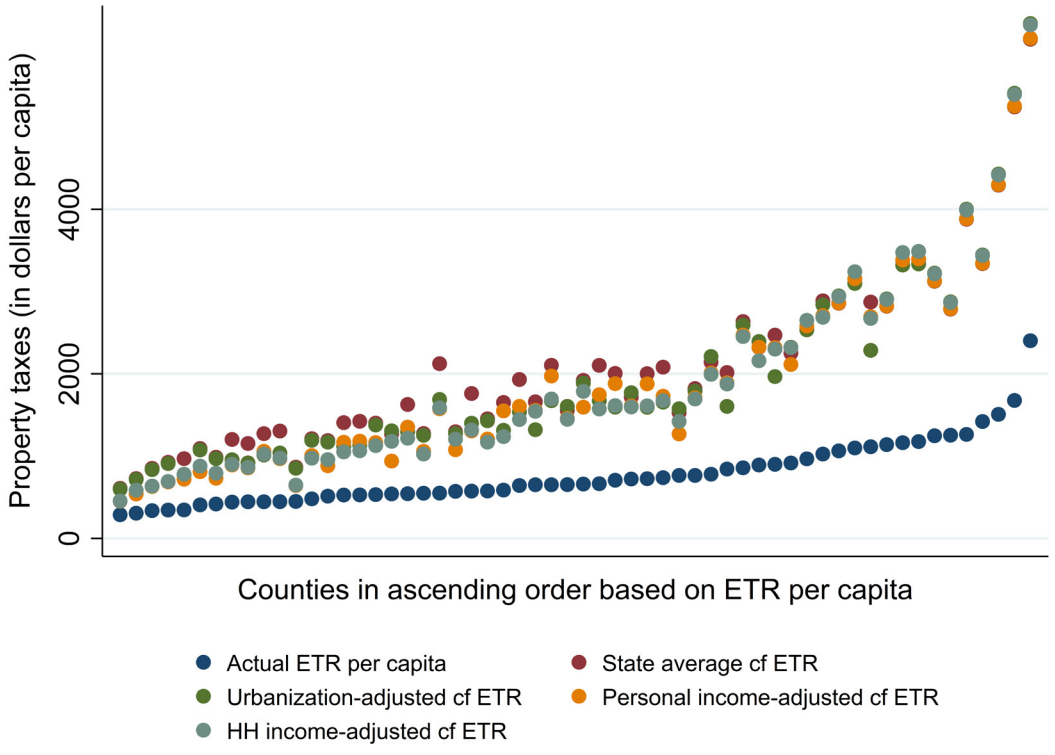

Figure C-6. Property Taxes in Reality and Counterfactual (CF) Computations for Florida

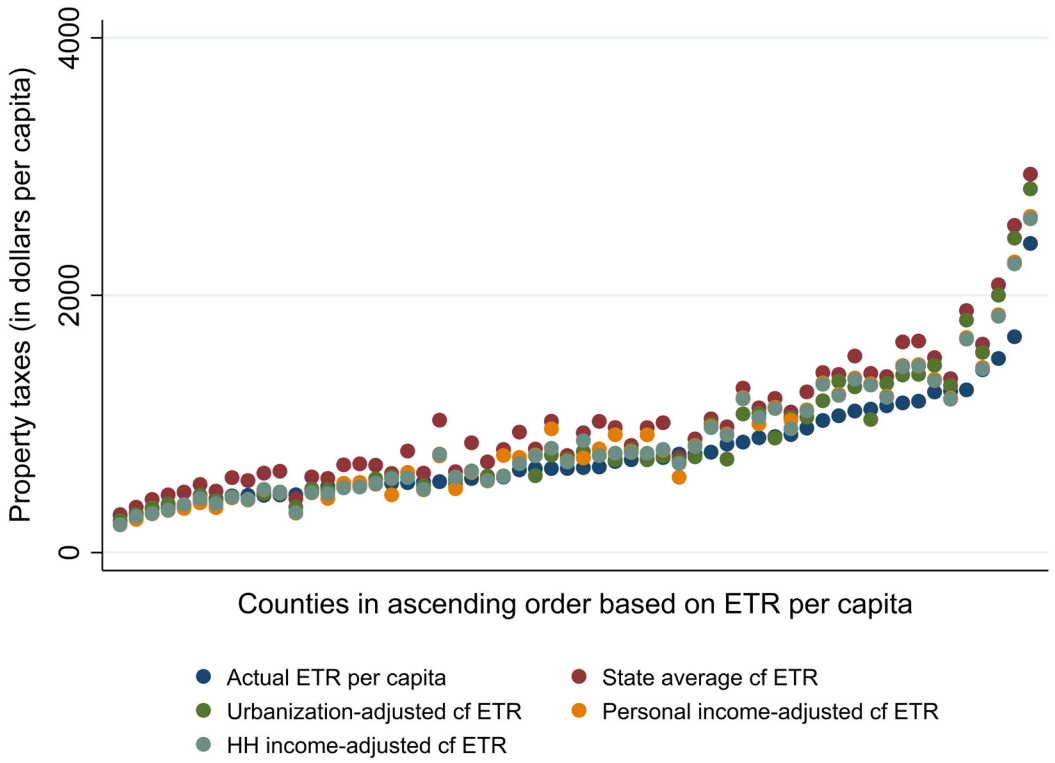

Figure C-7. Scatterplot and Linear Fit of the Relationships Between Share of Family Households and the Mean Difference in Actual and Counterfactual Property Taxes Per Capita

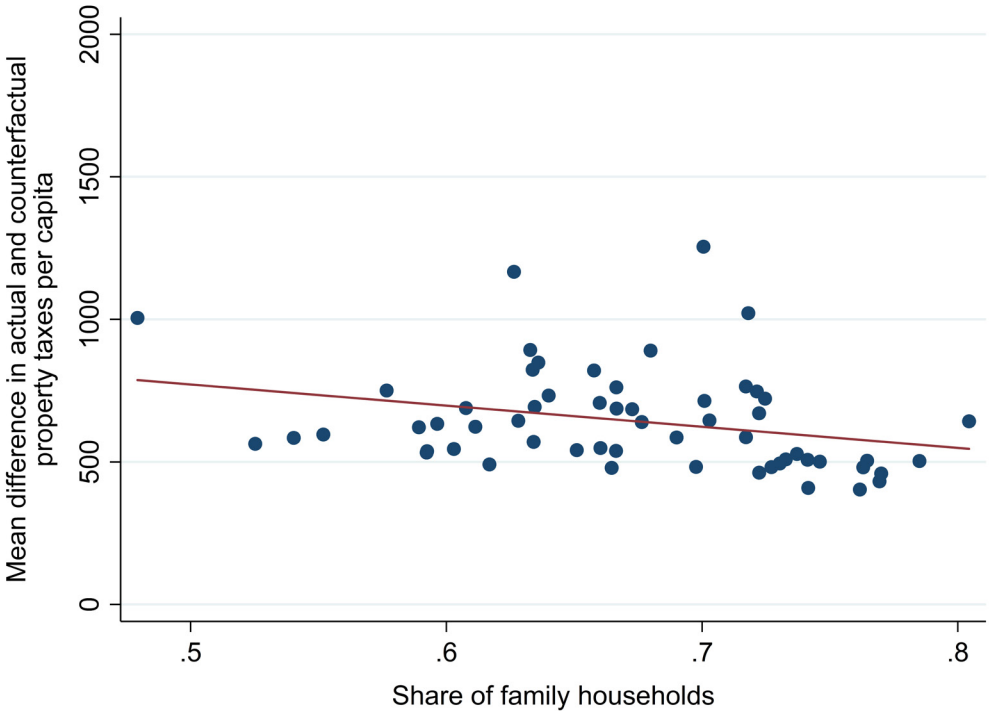

Figure C-8. Scatterplot and Linear Fit of the Relationships Between Share of Population That Is White and the Mean Difference in Actual and Counterfactual Property Taxes Per Capita

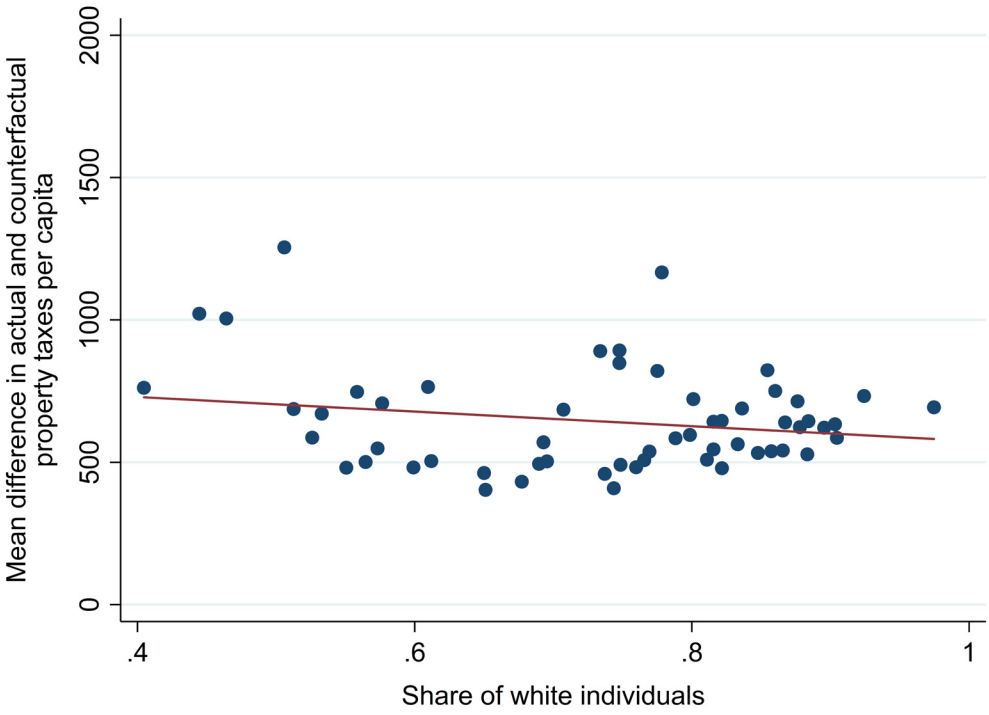

Figure C-9. Scatterplot and Linear Fit of the Relationships Between Share of Highly Educated Households and the Mean Difference in Actual and Counterfactual Property Taxes Per Capita

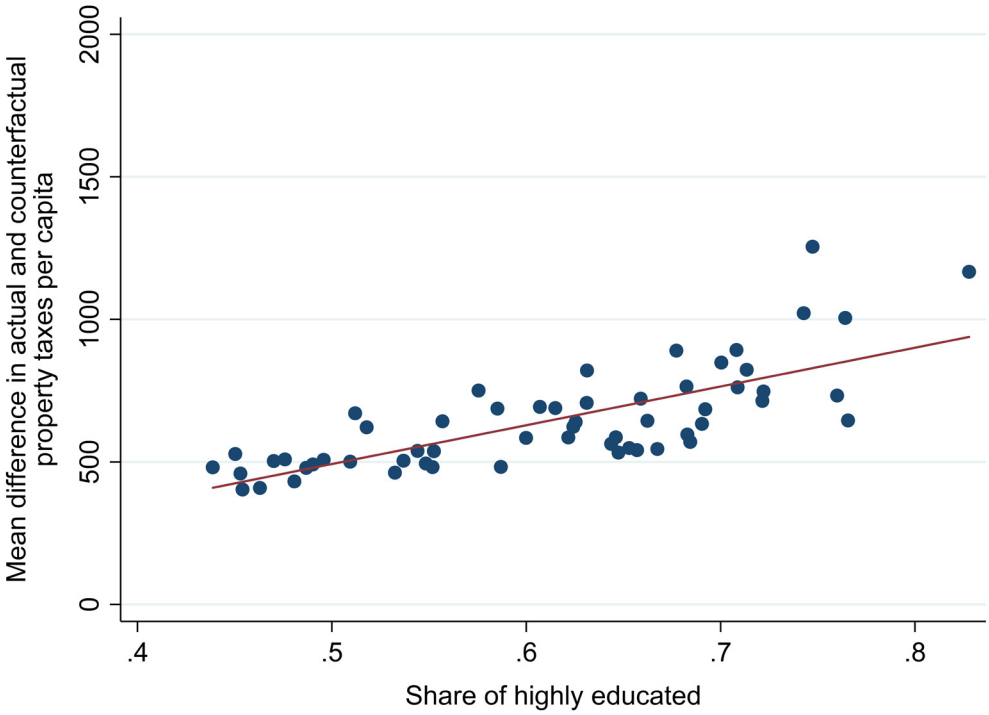

Figure C-10. Scatterplot and Linear Fit of the Relationships Between Share of Householders That Are Homeowners and the Mean Difference in Actual and Counterfactual Property Taxes Per Capita

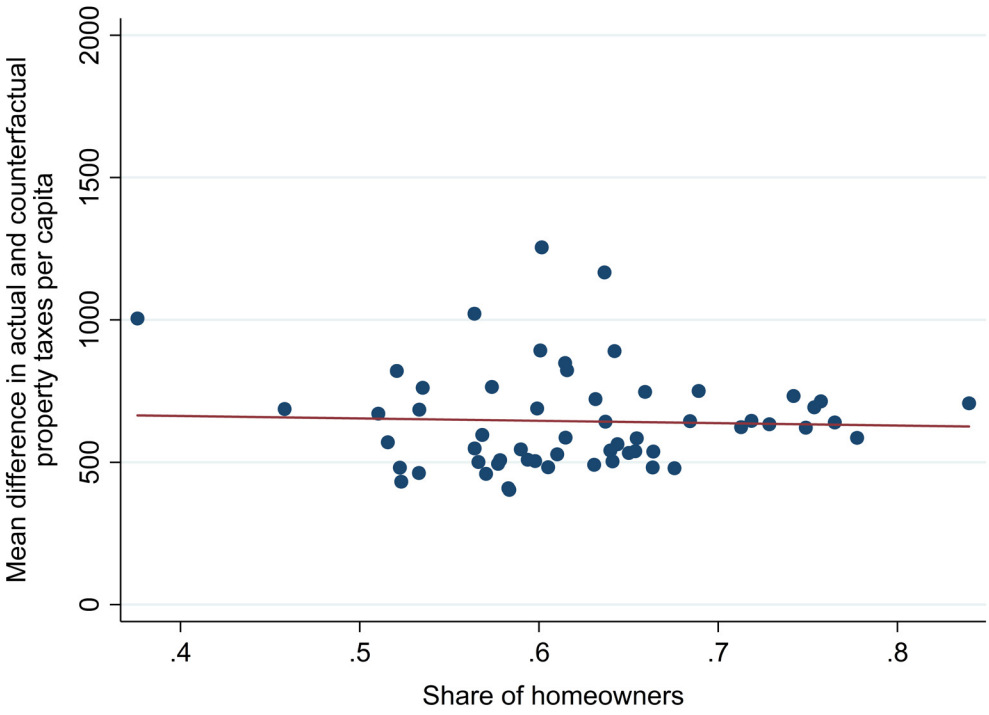

Figure C-11. Scatterplot and Linear Fit of the Relationships Between Annual Income and the Mean Difference in Actual and Counterfactual Property Taxes Per Capita

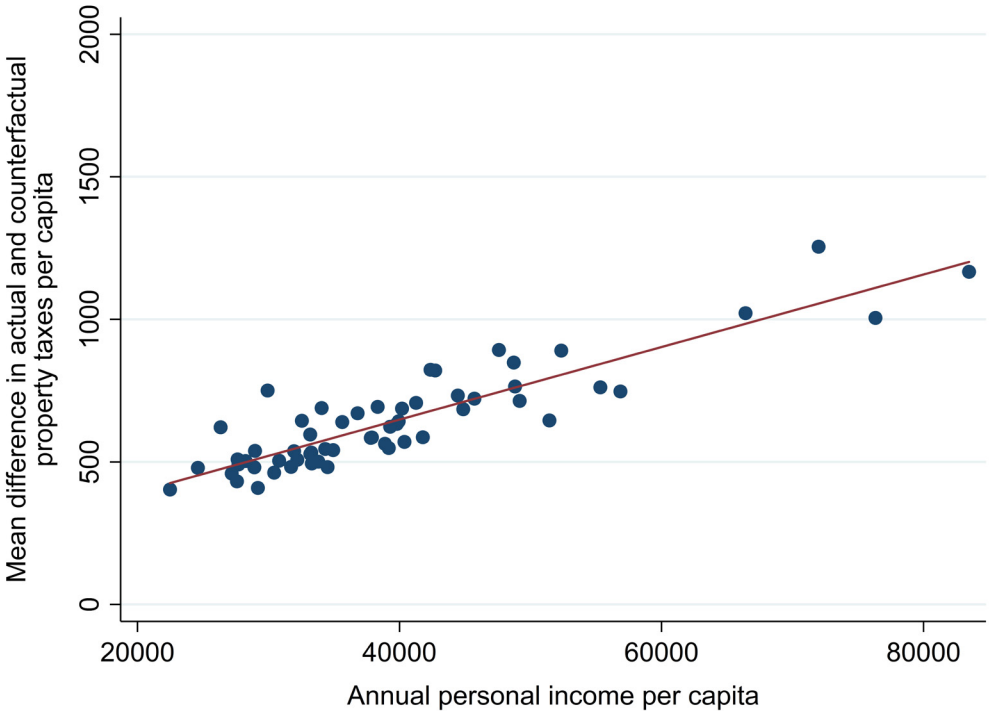

Figure C-12. Scatterplot and Linear Fit of the Relationships Between Average House Value and the Mean Difference in Actual and Counterfactual Property Taxes Per Capita