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August 11, 2020

California State Senate Judiciary Committee  
State Capitol, Room 3044  
Sacramento, CA 95814

Dear Senator,

On behalf of the 260,664 members and supporters of the Council for Citizens Against Government Waste in California, I urge you to oppose SB 1410.

Until California's state of emergency ends, SB 1410 will allow tenants the opportunity to defer rent payments, while continuing to occupy their lessors' property. The bill would legally obligate landlords in California to offer these rent deferment to tenants, and if the tenant accepts the deferral, all of the tenant's back rent payments would immediately be transferred to the state government. In addition to the rent deferments, landlords would also receive a transferable tax credit equal to the amount of the tenant's unpaid rent, and they can redeem or sell the tax credits between 2024 and 2034. It is expected that once the landlords collect their tax credits, the state's tax revenues will plummet.

While it is expected that the tenants will slowly repay the debt owed to California, once the debt obligation is assumed, it will be serviced using taxpayer funds. Whether the taxpayers are renters or owners, SB 1410 proposes to shift the tax burden to them through higher income, real estate development, sales, and excise taxes.

This bill will further harm California's already struggling budget for at least the next 15 years if it is signed into law. According to one [estimate](#), SB 1410 will cost the state of California at least \$10 billion in revenues and force landlords across the state to relinquish their property rights. And the bill is trying to solve a problem that doesn't exist, since 94 percent of tenant are paying their rent, according to a June 27, 2020 survey by the National Multifamily Housing Council. While the desire to address the current rent crisis is understandable, extending this temporary problem into 10 years of higher taxes is ill-conceived.

I urge you to vote against SB 1410. The bill imposes unfair economic burdens on landlords and taxpayers alike, and it will further harm the state's budget deficit.

Sincerely,

*Tom Schatz*