



OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 265 without my signature.

This bill would require annual transfers from the General Fund to the Senior Citizens and Disabled Citizen Property Tax Postponement (PTP) Fund to ensure the balance each June 30 is \$15 million. The PTP Program allows income-eligible homeowners who are seniors, blind, or disabled to defer their property taxes, secured by a lien against the property that is later repaid when the property is sold or refinanced. By design, the PTP Fund is structured to be self-sustaining.

The Department of Finance conducted an analysis of the PTP Program and concluded the program has enough funding for 2023-24, but cannot be sustained without an annual commitment of potentially millions of General Fund dollars to support it thereafter. While I support the PTP Program, discussions regarding this continuous appropriation should be considered in the annual budget process. While I am unable to sign this bill, I look forward to continuing discussions to identify necessary resources in the upcoming fiscal year.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.



With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

A handwritten signature in black ink, appearing to be "Gavin Newsom", is written over the printed name. The signature is stylized and somewhat messy, with several loops and a long horizontal stroke extending to the right.