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*Nordliger v. Hahn Case Brief*

Facts:

Petitioner Stephanie Nordlinger purchased a home in Los Angeles county for $170,000. In early 1989, petitioner received a notice from the Los Angeles County Tax Assessor, who is a respondent here, informing her that her home had been reassessed upward to $170,100 on account of its change in ownership (*Nordlinger V. Hahn*). The resulting property tax increased by 36% upon reassessment due to the ownership change. Petitioner brought suit against the Los Angeles County Superior Court on the basis of challenging the constitutionality of Proposition 13, specifically Article XIIIA. After exhausting all appeals, the Supreme Court granted centiorari to rule as to whether Propostion violated the Equal Protection Clause of the Fourteenth Amendment.

Law:

Proposition 13, adopted in 1978, served to impose strict limits at which real property is taxed and sets limits on future increases. The adoption of Proposition 13 served to amend the California constitution. Proposition 13 limits the maximum amount of any ad valorem tax on real property to not exceed one percent (1%). Furthermore, the full cash taxable value (§ 1(a)) of property may not increase more than the inflationary rate or two percent (2%) in subsequent years. Certain bonded indebtedness incurred by public schools may increase the property tax assessment, so long as fifty-five percent (55%) of the given district approve such a measure.

Analysis:

The court found that the Equal Protection Clause does not forbid classifications so long as such a classification rationally further a legitimate state interest, citing , [*Cleburne v. Cleburne Living Center, Inc*., 473 U. S. 432, 439-441 (1985)](http://scholar.google.com/scholar_case?case=5414073463989452198&hl=en&as_sdt=2,5&as_vis=1); [*New Orleans v. Dukes*, 427 U. S. 297, 303 (1976)](http://scholar.google.com/scholar_case?case=6763024761880654979&hl=en&as_sdt=2,5&as_vis=1). The Supreme Court ruling largely upheld the character of Article XIIIA as an “acquisition value” system in which the California Court Of Appeal established that Article XIIIA “survived equal protection review, because it was supported by at least two rational bases: First, it prevented property taxes from reflecting unduly inflated and unforeseen current values, and, second, it allowed property owners to estimate future liability with substantial certainty.” [225 Cal. App. 3d, at 1273, 275 Cal. Rptr., at 691-692](http://scholar.google.com/scholar_case?case=4189675720663873022&hl=en&as_sdt=2,5&as_vis=1) (citing [*Amador*, 22 Cal. 3d, at 235, 583 P. 2d, at 1293](http://scholar.google.com/scholar_case?case=4751771559370394843&hl=en&as_sdt=2,5&as_vis=1)).

Conclusion:

*Nordliger v. Hahn* solidified the constitutionality of a highly controversial California law. The results of Propostion 13 has been a drastic disparity of property tax paid by Californians. The court, however, affirmed that such a basis for taxation is “rational” and therefore does not violate the Equal Protection Clause. The court sites precedence for such a constitutional basis. However, Justice Stevens did express his dissent. Proposition 13 has perpetuated and is held as a political “third rail,” untouchable for serious discussion. The result of upholding Propostion 13 has created an unprecedented disparity in the property tax bases and resulting tax for Californians. Unquestionably this law has far reaching impact on real estate values, communities, local schools, as well as state and local budgets. As the financial state of California deteriorates due to slower economies and unfunded liabilities, it will be interesting to see if this law will be questioned politically.