

“California’s Organization of Tax Fighters”



Taxing Times

“Eternal vigilance is the price of liberty.”
Often quoted by
Howard Jarvis

The Official Newsletter of the Howard Jarvis Taxpayers Association ★ Howard Jarvis, Founder ★ Vol. 41, Issue 2 ★ Spring 2015

THE INITIATIVE THREAT

TAXPAYER ENEMIES LIKELY TO USE THE BALLOT TO ATTACK PROP. 13

Two years ago, the major threat to Proposition 13 was the Legislature. Lawmakers who wanted more taxpayers’ money held a supermajority, meaning they had the numbers to pass new taxes and weaken Proposition 13’s taxpayer protections. (Under Proposition 13, it takes a two-thirds vote of the Legislature to increase state taxes, and under our constitution, it takes a two-thirds vote to place a measure on the ballot that would repeal all or parts of Proposition 13.)

It took a monumental effort by HJTA and allied taxpayers to hold these pro-tax lawmakers at bay, to block new taxes and to preserve the benefits of Proposition 13.

In the 2014 elections, taxpayers were able to take back some Senate and Assembly seats, making it more difficult to increase taxes. Still, tax raisers are only a few votes short and the threat remains that they may be able to convince a lawmaker

or two to jump ship and vote with the majority.

Most Sacramento lawmakers who oppose Proposition 13 are Democrats, but it is important to note they are not in touch with over half of their own party. Recent polls show that Proposition 13 has the support of 52% of California Democrats, with even greater support from independents and Republicans. Over a third of the Members of HJTA are registered Democrats.

INITIATIVES ARE WHERE THE ACTION IS

Now that taxpayers have shown the ability to block tax increases in the Legislature, those on the left are looking at the initiative process to undermine Proposition 13 and raise taxes. They don’t care that Californians already bear the second-highest tax burden in all 50 states; they want our state to be number one.

To raise taxes, a number of spending interests are looking to the initiative process to make their golden dreams come true. This is a very real threat because, thanks to the low voter turnout in the last gubernatorial contest between Brown and Kashkari, it is easier to qualify a measure for that ballot than at any time in recent history. This is because the number of signatures required is a percentage of the voter turnout. For the next election cycle the numbers needed, 365,880 signatures for a statute and 585,407 for a constitutional amendment, are about two-fifths less than what was required when the numbers were based on the 2010 Brown-Whitman race.

Now radical Bay Area groups that have been leading the charge against Proposition 13, and government-employee unions promoting new taxes, will be able to qualify anti-

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HJTA founders Howard and Estelle Jarvis. For words of wisdom from Howard, please see page 8.

Taxing Times



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Defending the Two-Thirds Vote

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Wisdom from Howard Jarvis

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Taxfighter of the Year

See page 10

PRESIDENT'S MESSAGE

WHAT CALIFORNIA HOMEOWNERS SHOULD KNOW ABOUT THE STATE BUDGET *By Jon Coupal*

Let's be honest. When politicians and pundits discuss the state budget, very little is about the impact on homeowners. Notwithstanding the fact that a person's home is their most important asset, this lack of perspective is understandable. When people think about political issues impacting their status as homeowners, they are far more likely to focus on local taxation — fees for utilities, parcel taxes, local bond debt, etc.

But state finances in California can — and do — have a profound impact on one's status as a homeowner and, unfortunately, it is rarely in a good way. First, homeowners should be aware that there is no bright line between local governments and the state. State laws on school finance, redevelopment, law

enforcement, natural resources and transportation have a huge impact on the budgets of cities, counties and special districts.

Take schools, for example. Because of California Supreme Court rulings in the 1970s, local school districts have lost a great deal of control over their budgets. (Contrary to urban legend, loss of local control had very little to do with Prop. 13.) Much of K-12 funding now comes from the state. And the amount of that funding has a lot to do with whether a local school district is "rich" or "poor."

The complexity of the relationship between state and local governments leads some to tune out issues about the budget, believing that it is not relevant to their lives. That would be a big mistake. Homeowners should be

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Photograph by Aniko Kiezel

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PRESERVE THE BENEFITS OF PROPOSITION 13

At the Howard Jarvis Taxpayers Association, we have received a number of inquiries from those wishing to help us preserve the benefits of Proposition 13 for their children, grandchildren and heirs. If you would like more information about making an endowment to the Howard Jarvis Taxpayers Association or the Howard Jarvis Taxpayers Foundation, visit www.hjta.org and click on Heritage Society, write to us at 621 S. Westmoreland Ave., Suite 202, Los Angeles, CA 90005, e-mail us at info@hjta.org, or call us at 213-384-9656.

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Heritage Society

We thank and appreciate the following for their generous donations:

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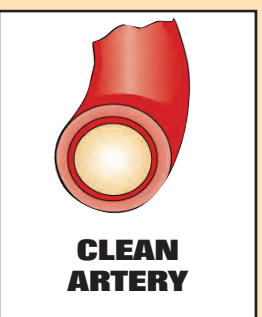
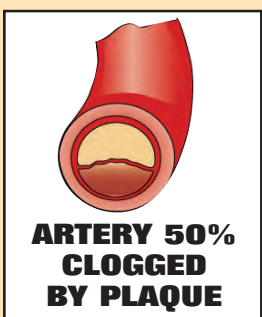
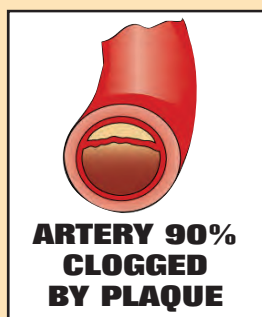
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A big "Thank You" to the Members of the *Heritage Society* who help make possible our work on behalf of taxpayers!



“High Blood Pressure Lowered Naturally — Your Arteries Can Clean Themselves!”

(By Frank K. Wood)

If you suffer from high blood pressure, elevated cholesterol, clogged arteries, or other circulatory problems, you need *High Blood Pressure Lowered Naturally*.

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“Grape Juice Can Do WHAT?!”



What cutting-edge food cures does your doctor still not know?

(By Frank K. Wood)

If you want to take advantage of the literally hundreds of health and household uses for powerhouse foods found in your very own kitchen, you need *The Country Doctor's Kitchen: 1,267 Pantry Prescriptions and Refrigerator Remedies for Almost Every Health and Household Problem*, an informative new book just released to the public by FC&A Publishing® in Peachtree City, Georgia.

Did you know ... cherries will help you sleep, bananas boost your energy, and baking soda can tenderize meat and stop cancer! The kitchen is the source of so many money and health-saving products! Oatmeal, cinnamon, vinegar — even plain old table salt and so much more!

The authors provide many helpful tips with full explanations.

- ▶ The delicious all-purpose health food you should eat daily!
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- ▶ Eat to beat Alzheimer's. 12 fabulous foods to protect memories.
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- ▶ Knee pain linked to shortage of life-giving vitamin!
- ▶ Protect precious eyesight with this vitamin. Can even prevent cataracts!
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- ▶ Sip your way to wide-open arteries! Best beverage for blood vessels.
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- ▶ Flush fat from arteries with this beverage ... hot or cold!
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- ▶ Shocking secrets of the beverage industry. Popular drinks contaminated with waste!
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- ▶ Foods rich in one vitamin may slow damage of osteoarthritis and help repair cartilage!
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- ▶ This supplement outperforms fish oil in reducing cholesterol. Linked to reduced pain, improved memory, and appetite control!
- ▶ Chocolate cheers you up ... if you know when to stop! Discover the best time to enjoy.

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“Who You Should NEVER Name as Beneficiary!”



The answer is guaranteed to surprise you!

(By Frank K. Wood)

If you want to maximize your Social Security payouts, minimize your taxes, get the most from Medicare, and pay less for everything just because you're over 50, you need *What Every Senior Should Know*.

You'll be amazed at how you can bring down expenses without living like a pauper, save money on hospital bills, travel for less, and much more!

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- ▶ Easy way to save \$8,000 a year!
- ▶ Simplest things you can do to live well on a fixed income.
- ▶ Ensure checking and savings accounts never go to probate!

- ▶ Tax credit so hush-hush, 80% of folks who qualify don't know it!
- ▶ Seniors: Eliminate property taxes with a small investment of time!
- ▶ When are groceries the cheapest? Learn industry sales cycles.
- ▶ Dozens of helpful senior programs are going to waste! How to use them!
- ▶ More than 2 million seniors qualify, but don't take advantage. What can save you \$529 each year!
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Coupon

Learn all these amazing secrets and more. To order your books, just return this coupon with your name and address and a check for \$9.99 per book, plus \$3.00 shipping and handling to: FC&A, Dept. 4428, 103 Clover Green, Peachtree City, GA 30269. You get a no-time-limit guarantee of satisfaction or your money back.

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THE LEGAL FRONT

TWO-THIRDS VOTE CASE IN ARIZONA IMPORTANT TO CALIFORNIA

By Tim Bittle, HJTA Director of Legal Affairs

On January 29 at 4:00 in the morning, my daughter gave birth to my third grandchild. Her name is Cadence Janae. Cadence is not my baby. But she will impact my life in many ways.

The same is true for a case recently decided by the Arizona Supreme Court. It was not a California case. But it could have impacted Californians in many ways. That is why HJTA filed a “friend of the court” brief, and was relieved when the case went our way.

Arizona’s State Constitution contains provisions similar to the provisions added to California’s constitution by Proposition 13. Arizona’s Proposition 108, similar to our Proposition 13, includes a two-thirds legislative supermajority requirement for all state tax increases.

Another similarity between the two states is that in Arizona, like California, bare majorities of legislators sometimes seek to evade the supermajority requirement via misleading labels or tricks of legislative procedure.

In early 2013, the Arizona Legislature passed a Medicaid expansion program that levied a new provider tax on health-care providers to fund the program. Under Prop. 108, bills that enact new taxes or increase taxes must

receive two-thirds approval in both houses of the Legislature. The state’s Medicaid expansion bill fell well short of this threshold.

Legislators who voted against the tax and whose votes should have defeated the bill sued the state when the bill was forwarded to the governor and signed into law.

“HJTA’s greatest concern is the preservation of Proposition 13. Proposition 13’s supermajority requirement serves an important function in protecting the rights of political minorities by requiring a greater degree of legislative consensus before their rights can be redefined.”

These legislators alleged that without the constitutionally required two-thirds vote, their constituents were denied

representation, and Arizona taxpayers suffered a violation of their constitutional rights.

The trial court dismissed the lawsuit on the grounds that these legislators had no “standing” to sue. They were not asserting a right of their own, the court ruled. Even to the extent they were, however, the court ruled that determining the vote needed to pass legislation is the prerogative of the Legislature itself, and neither taxpayers nor individual legislators have standing to second-guess the Legislature’s determination.

The legislators appealed, and when the case reached the Arizona Supreme Court, HJTA decided to get involved. HJTA’s greatest concern is the preservation of Proposition 13. Proposition 13’s supermajority requirement serves an important function in protecting the rights of political minorities by requiring a greater degree of legislative consensus before their rights can be redefined.

HJTA sought and received permission from the Arizona Supreme Court to file an amicus curiae (“friend of the court”) brief. HJTA’s brief explained the similarities between California’s Proposition 13 and Arizona’s Proposition 108, and expressed concern that these provisions of our two states’ constitutions would

be essentially unenforceable if no one had standing to sue when violations occur, thus rendering them ineffective.

On December 31 the Arizona Supreme Court agreed with our position, ruling that the minority party legislators have standing to challenge the provider tax. The Court held that “passage of the bill by a simple majority vote effectively negated the plaintiff representatives’ votes and they, as a bloc, have therefore alleged a ‘particularized’ injury sufficient to confer standing.”

HJTA applauds the ruling of the Arizona Supreme Court and is relieved that a nearby sister state has not adopted a procedural rule that, if followed here, would have threatened enforcement of Proposition 13. □

Can’t wait for the next issue of *Taxing Times*?

Get daily tax news and updates at our website.

www.hjta.org

ATRM REPORT

ARIZONA COURT AGREES WITH HJTA/ATRM ON THE TWO-THIRDS VOTE

The Arizona Supreme Court has agreed with the Howard Jarvis Taxpayers Association and its companion organization, the American Tax Reduction Movement, ruling that minority party legislators have standing to challenge a tax on hospitals that was approved by less than the two-

thirds legislative vote required by Arizona law. In its December 31 ruling the Court held that “passage of the bill by a simple majority vote effectively negated the plaintiff representatives’ votes and they, as a bloc, have therefore alleged a ‘particularized’ injury sufficient to confer standing.”

HJTA/ATRM submitted a “friend of the court” brief on behalf of taxpayers in this case.

“HJTA applauds the ruling of the Arizona Supreme Court and is relieved that a nearby sister state has not adopted a procedural rule that, if followed here [in California], would threaten

enforcement of Proposition 13,” said HJTA General Counsel Trevor Grimm. □

For more information, see the *Legal Front*, above.

The American Tax Reduction Movement was founded by Howard Jarvis. Members of ATRM and HJTA enjoy dual membership.

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REPORT FROM THE CAPITOL

NEW LEGISLATORS, NEW RELATIONSHIPS *By David Wolfe, HJTA Legislative Director*

Radical reforms approved by voters are starting to make their mark on the California State Capitol, and it is changing the debate on a number of issues. The open primary system has led to more moderate Democrats being elected who strongly oppose a split-roll commercial property tax increase that directly attacks Proposition 13. And a reform allowing legislators to serve 12 years in one house appears to be forcing them to become more educated on issues that are of greater importance to California taxpayers. The old days of introducing a bill to make a cheap political point in order to score your next legislative office are quickly fading. They are being replaced by legislators increasingly willing to roll up their sleeves and work on a bipartisan basis. Nowhere was this more evident than the work that was accomplished on last year's water bond (which HJTA took no position on, and voters approved), and a rainy day fund measure to help control spending (which HJTA supported, and voters approved). Both measures were supported in the Capitol practically unanimously.

I bring up these reforms to highlight how I see my job as your Legislative Director changing and evolving. In the past, this column has been spent primarily focusing on legislative bills that we support or oppose, including attacks on

Proposition 13. As most legislation will not be introduced in the Capitol until after this issue of *Taxing Times* has gone to print, no doubt future columns will focus on these bills. But there is a lot of education and interaction that I do behind the scenes. I view these relationships, on both sides of the political aisle, as becoming increasingly important to protecting Proposition 13. Consider the following facts:

72 of our 120 legislators have less than two years' experience. Over 90% of these individuals will be in office for the next ten years. The average tenure of a legislative staffer in these offices is less than five years. The average age of State Assembly Members is 48, among the youngest ever, meaning that most were children when Proposition 13 passed. For Republicans, the new State Assembly freshman class is more diverse and features the first Korean-American woman (Young Kim), the first Taiwanese-American woman (Ling-Ling Chang) and the first Republican elected in a San Francisco Bay Area district in a decade (Catherine Baker). Republican State Senator Janet Nguyen is also the first Vietnamese-American to serve in that house.

The opportunities to build relationships with these members and make new inroads within ethnic communities will not only prove valuable to our work in the

Legislature, but also to HJTA's long-term growth and future. In an effort to reach these new legislators early, HJTA is putting together a legislative primer focusing on our key issues that will soon be sent out

*“72 of our
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two years’
experience.”*

to all 120 legislators.

Of course, all this relationship building only goes so far. As of this writing, only 300 of an expected 1,100 bills have been introduced, and there are no new constitutional amendment attacks on Proposition 13. But we know it is just a matter of time until those are introduced. Even at this early stage, a legislative tax-increase proposal has already been introduced. Senate Bill 8 by Los Angeles Democrat Bob Hertzberg promotes “tax reform” by expanding the state sales tax into services, including accounting, haircuts, yoga classes, golf lessons, etc. The result would be a new, extremely regressive \$10 billion tax increase, which we strongly

oppose. A possible extension of the Proposition 30 income and sales tax increases, approved by voters in 2012, is also something we will be watching carefully.

As we do every year, HJTA is also going on offense, attempting to introduce bills that will aid taxpayers and homeowners. One such bill would increase the annual homeowners' exemption (which hasn't been adjusted in 40 years) from \$70 to \$250. Another would allow married couples to transfer the base value of their property two times. Under Proposition 60, individuals can transfer their Proposition 13 base value one time if they are over the age of 55, and move into a new property of equal or lesser value in the same county. HJTA has identified a section of the law that allows registered domestic partners to transfer their base value twice, but punishes married couples, who can only do it once. Our bill would provide equality to this area of law.

We look forward to providing more details on these bills and other new assaults on Proposition 13 in the coming months. Beginning in late March, our website will be updated with all the new legislation that matters to you. Just as it has been for the last eight years, it remains a pleasure to serve you in the rough and tumble hallways of the California State Capitol. Thanks for your continued support that makes such advocacy possible. □

THE INITIATIVE THREAT

Continued from page 1

taxpayer initiatives with a small budget.

It is possible that we could see a half-dozen tax increases and attacks on Proposition 13 on the 2016 ballot.

To qualify, tax backers will have to begin their efforts this year. Measures that could be moving toward the ballot include lowering the vote requirement to pass local

bonds and parcel taxes so as to make it easier to tax homeowners; eliminating Proposition 13 protections for commercial property, apartment buildings and small businesses; and making Proposition 30 sales and income tax increases permanent.

HJTA will be closely monitoring all these efforts and will report back to Members on what they can

do to help prevent an even heavier tax burden on average Californians. To stay on top of these threats, taxpayers are urged to go to the HJTA website, www.hjta.org, and sign up for the free taxpayer alerts.

TAXPAYERS TO FIGHT BACK

While the November election

results made it easier for special interests and radicals to put anti-taxpayer measures on the ballot, it also gives taxpayers the opportunity to place reasonable tax relief up for a vote. At HJTA we are studying our options and will report to Members soon on the possibility of fielding an initiative that would actually reduce the crushing California tax burden. □

This commentary appeared in a number of California newspapers.

KNEE-JERK TAX HIKE

CALIFORNIA COMMENTARY FROM THE HOWARD JARVIS TAXPAYERS ASSOCIATION — WEEK OF FEBRUARY 8, 2015

For the second time in as many weeks Californians got the news that Sacramento politicians are proposing yet another big tax hike. The truth is that new taxes would never be required were it not for Sacramento's mismanagement of existing tax dollars.

Last week it was the proposal to deal with the very real problem of "revenue volatility" in California's tax structure with the very unreal "solution" of a \$10 billion tax on services.

But the latest proposal comes from the new Speaker of the Assembly Toni Atkins, who proposes a brand-new tax on drivers to pay for highway and road repairs in California. This new "fee" would take \$1.8 billion out of the pockets of hard-working California citizens over the next five years.

Now, most Californians would wholeheartedly agree that our roads are in terrible shape. Years of

neglect have resulted in a highway system that, according to a recent state report, requires a massive infusion of \$59 billion. But taxpayers have a very good question that has yet to be answered: How is it that California has the highest gas tax in the nation and yet cannot keep its roads in decent condition?

Moreover, although the exact nature of this new "fee" has yet to be determined, Senator Atkins' comments in proposing the new revenue source can only be described as foolish and insulting. Here is what she said: "California cannot have a strong middle class or a thriving economy if our roadways are congested and people and goods cannot move efficiently."

Really? A left-wing politician now claims that this new tax is needed to protect the middle class? She is simply blind to the truth that the progressive policies of heavy taxation and over-regulation are crushing the middle class in

California. As is so common now in California, statements from politicians such as Atkins reveal a profound disconnect between their pampered lives and the lives of ordinary citizens.

So, instead of slamming Californians with another tax hike, what is a better way to meet the funding needs for our crumbling highway system? Glad you asked.

First, let's demand that gas tax revenues pay for roads, not bike lanes, environmental mitigation programs and mass transit. These programs are all well and good, but gas taxes should go for roads. For purposes of full disclosure, as a cyclist I support bike lanes. But I don't want my gas taxes paying for them.

Second, how many of our transportation dollars are wasted on burdensome labor restrictions? So-called "Project Labor Agreements" add between 25 to 35% to the cost of highway construction. Let's get

rid of PLAs and, while we're at it, "prevailing wage" laws, which also add to the cost of construction unnecessarily.

Third, let's direct valuable transportation dollars to those systems that actually work. This would mean abandoning the doomed-to-fail High-Speed Rail Project that is sucking up tax dollars in a way that voters never approved.

Fourth, we can agree that gas tax revenue has fallen a bit short of expectations because cars are now more fuel efficient. But if that is the case, why does the state still subsidize electric vehicles? Shouldn't we abandon those subsidies and direct those dollars to filling potholes?

Instead of reflexively demanding higher taxes, our elected officials should do what other states seem to do without controversy — prioritize spending. Now there's a novel concept. □

PRESIDENT'S MESSAGE *Continued from page 2*

aware that this year's proposed budget reflects a significant five percent increase over last year. Not only has state spending increased every year except one during the recession, but that spending has gone up 30% in five years. California now has a \$113 billion general fund budget and that doesn't even include special funds and money from the federal government.

One of the driving forces behind higher state spending is an effort by Governor Brown and others to corral the massive obligations to the state's pension funds and government retiree health care. Although Brown should be applauded for his efforts to reduce debt, some of us can't help but feel he is trying to remove sand from a beach with a pair of tweezers.

California's accumulated debt in all forms is staggering. In a recent piece in *The Wall Street Journal*, Steven Malanga of the Manhattan Institute noted how unfunded pension costs, not just in California but nationwide, are gobbling up all the new revenue coming in to state and local governments from the economic recovery and higher taxes.

Some of those tax hikes in other parts of the country are huge. But here in California, we already have the highest income tax rate, the highest state sales tax rate and the highest gas tax in America. In short, the tax-and-spend lobby is running out of options. So who is the last remaining target? You guessed it: homeowners.

The only thing standing in their way is Proposition 13. While other states have some limited

protections for homeowners, none are as effective as California's landmark Proposition 13.

Homeowners need to be on guard. All those proposals to lower the two-thirds vote on local parcel taxes and bonds repaid only by property owners are just

the beginning. As the demands to make good on California's hundreds of billions worth of debt become clear, those who are blessed with home ownership need to pay attention, not only to local politics, but to the state budget as well. □

A BIG HJTA THANK-YOU

to San Luis Obispo County Supervisors **Debbie Arnold**, **Lynn Compton** and **Frank Mecham**. We applaud your response to a Central Coast Taxpayers Association letter and your vote to insert language in the county legislative program stating that in no way should the county lobbyist work with the California State Association of Counties to assault Proposition 13 and its vote threshold to increase taxes.

“WE THE PEOPLE” AND THE X-FACTOR

WISDOM FROM HOWARD JARVIS *By John Suttie, Director, Howard Jarvis Taxpayers Association*

Many times a month we hear people saying, “I am only one person and how can I make changes in the government?” We all think this at times, especially when we feel we are up against the power of public-employee unions and all the government machinery. But changes can be made!

I want to share with you the philosophy of our founder, Howard Jarvis, who showed how just a few can make such a tremendous impact. Keep in mind Howard and his people only had telephones, flyers and word of mouth. He sparked the tax revolution in 1962, and after years of work, achieved victory on June 6, 1978, with the overwhelming passage of Proposition 13, which shook up the entire country and remains the most powerful force in California politics.

Howard’s words continue to be relevant today. At the Howard Jarvis Taxpayers Association we continue to believe in Howard’s theory (which he explains below) of the use of the exponential factor for bringing power back to people.

The following are Howard’s own words excerpted from his book, I’m Mad as Hell, published in 1979.

HOWARD’S THOUGHTS ON GOVERNMENT

“What we have is the façade of a representative government. Most of the legislators, state and federal, have special vested voting blocs that they pass legislation for and appropriate money for, for the simple purpose of getting themselves reelected. That’s true, regardless of party. In California, for instance, 117 out of 120 state legislators received major campaign contributions from public-employee unions. As far as I’m concerned, that is a cancer on free government. If the public-employee unions can elect their bosses to office, the general public is screwed, blued and tattooed.

“Over the years one of the main ploys by our politicians has been to make government so complicated

that people can’t understand it. What the people can’t understand, they’re afraid of and walk away from. That leaves the politicians with a free hand.”

THE BEGINNING

“None of us who gathered around a living-room table in that modest California house foresaw back then that there would be a proposition called 13 which would shake up the entire country. At that point, none of us even knew very much about the details of property taxes or other taxes, except that we were unified by the

in three words: And then some.’ Everyone in our group did what was expected ‘and then some.’

“French Controller General of Finance in 1700 expressed the way most politicians and bureaucrats think when he declared, ‘The art of taxation consists of so plucking the goose as to obtain the largest amount of feathers with least amount of hissing.’ We made up our minds that government officials might continue plucking our feathers, but that we were not going to allow them to do it without a lot of hissing on our part. Most of all, we were determined that we were never going to quit until

victory of 13.”

HOWARD’S MESSAGE

“In thousands of appearances all over the state during the Prop. 13 campaign I hammered home the message: ‘You have a chance to vote for yourselves just this once. The people of California are the government. The people we elect are not the bosses; we are. The elected officials are just temporary employees, and this is your chance to tell them you’re fed up with their record of “Tax, tax, tax, spend, spend, spend, reelect, reelect, reelect.”’ It was the truth; it was exciting; it triumphed.

“Volunteer organizations are hard to hold together, but we fought very hard and managed to sell the idea of loyalty and unity among ourselves. We told our tax fighters to hang tight because we knew that numbers gave us political clout.”

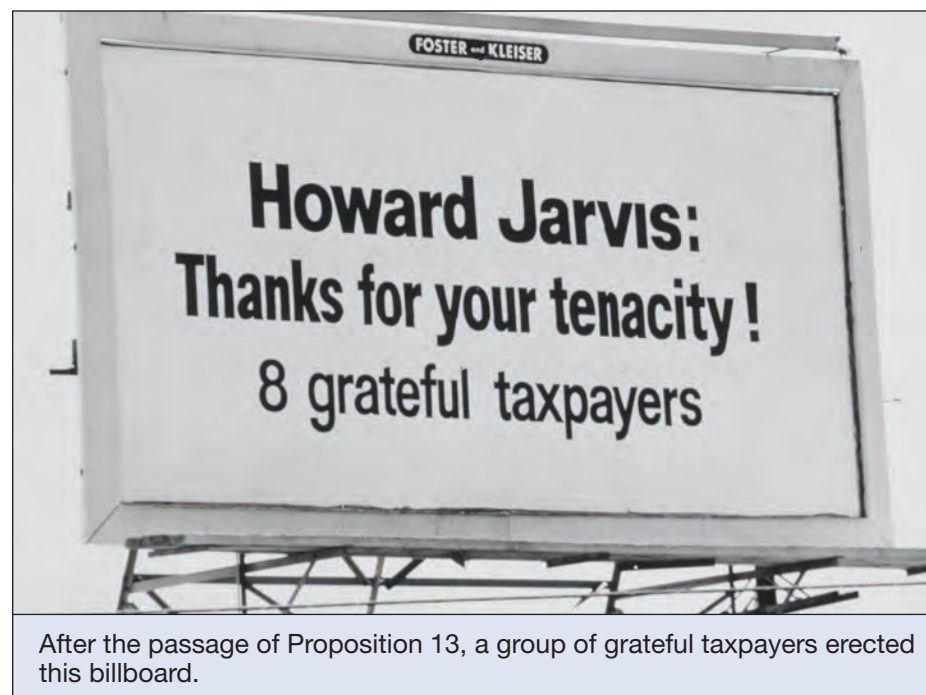
THE MESSAGE OF PROPOSITION 13

“The message of Proposition 13 and its aftermath is clear: People *can* collectively effect change in the public interest, if only they get mad enough, and if their anger is rational and justified. People who want to do something don’t have to wait for somebody else to lead them. I hope that’s one message that will come loud and clear of 13: Americans can do things for themselves. *Everyone knows twenty or thirty people who will work with them.* You don’t need a campaign manager to lead you; you can be your own campaign manager and lead yourself. The brains and capacities of the citizens of the United States are invariably greater than the brains and the capacities of bureaucracy — now misnamed government.”

THE X-FACTOR

“What is the X-Factor? It is simple. As stated above, *everyone knows twenty or thirty people who will work with them.* Meaning that

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After the passage of Proposition 13, a group of grateful taxpayers erected this billboard.

belief that they were too high and counterproductive.

“We believed that although every American is different from every other American, no American has the right to be indifferent or apathetic when liberty and freedom for all Americans are on the auction block. We knew we had to prove again that the American system of freedom and liberty is the greatest in the world.”

HOWARD’S THOUGHTS ON “WE THE PEOPLE”

“I always liked to use the words of Secretary of State James E. Byrnes, who’d said, ‘I discovered at an early age that most of the difference between average people and great people can be explained

we won.

“The last lines in our national anthem, ‘The Star Spangled Banner,’ are: ‘The land of the free and the home of the brave.’ This means that people cannot be free if they are not brave. Our small group of taxpayers in California consisted of brave souls who eventually slew the giant. They had the will, the persistence and the guts to fight and win against great political odds. They re-established the definition of what freedom is, what it is worth and what it takes to keep it. Proposition 13 proved beyond any reasonable doubt that the people can achieve the kind of government structure they want if they are willing to fight for it. In an important sense this realization is more significant than the actual

“WE THE PEOPLE”

Continued from page 8

if 2,000 people pass the word to just 20 people, now 40,000 people have the information, and if they pass the word to just 20 people, now 800,000 people have the information, and if they pass the word to just 20 people we have 16,000,000 people who now have the information.”

Howard believed in the power of getting people involved and informed, and through spreading

the word using the X-Factor we can effectively change government.

“Our success was a tribute to a supreme, dedicated effort by thousands of volunteer workers.”

A tribute to Howard from Leona Magidson, one of the original backers of Prop. 13:

“How do I feel now that we’ve won? I smile, because Howard has proven to me that if you stick with something long enough and

you know you’re right, you will succeed.” —Leona Magidson, Secretary/Treasurer of United Organizations of Taxpayers (the umbrella group behind Proposition 13, of which Howard was State Chairman).

A FINAL THOUGHT FROM HOWARD

“You must be brave in order

to be free. And our little band of ordinary, run-of-the-mill taxpayers was brave. We tackled the giant with honesty and decency and sweat and blood and tears, and we cut his head off.

“You, too, can get mad as hell, along with us Californians. We won, and so can you. Get going now!” □

This commentary appeared in a number of California newspapers.

THE EVER-SHRINKING HOMEOWNERS’ EXEMPTION

CALIFORNIA COMMENTARY FROM THE HOWARD JARVIS TAXPAYERS ASSOCIATION — WEEK OF DECEMBER 21, 2014

During the holidays, most Californians are focused on their homes. This is the time when homeowners — and renters too — are decorating and extending hospitality to friends and neighbors. But heavy taxes and fees imposed on homes by the Grinches in government make it hard for Californians to hang on to their homes.

Homeowners, who work hard to pay for and maintain a house, pay property taxes that often do not fund property-related services. These revenues go into local government coffers and can be spent for any purpose. To pay for property services, like sewer, water and refuse collection, the homeowner pays extra through fees, assessments and other charges added to the property tax bill. Additionally, homeowners throughout California are hit hard with bonds. Virtually all bonds for schools that must be repaid by property owners pass due to Proposition 39, which reduced the two-thirds voter approval requirement to 55 percent.

Even now, there are lawmaker Scrooges in Sacramento who want to make it even easier to load up your property tax bill. They argue that because of Proposition 13’s low property tax rate, they should

be allowed to squeeze more from average homeowners by making it much easier to increase local taxes. They ignore the fact that while the property tax rate may be lower than in many states, because the median price of a California home now stands at about \$450,000, while nationally it is at \$208,000, what the homeowner actually pays is comparatively high. (California is in the top third of states in per capita property tax collections.)

One of the few benefits to homeowners in California — besides Prop. 13 — is the Homeowners’ Exemption. This exemption simply lowers the taxable value of a primary residence by \$7,000, which translates into a paltry \$70 reduction in a homeowner’s tax liability. Not only is the amount of tax savings negligible, the Homeowners’ Exemption hasn’t been adjusted since 1972. If the exemption had been allowed to keep up with inflation, today it would be way higher — at least \$35,000 for a savings of \$350. And if inflation were based on the increase in California housing costs, it would be even higher still.

The 1972 bill — SB 90 authored by Democratic Senator Ralph Dills and signed by Republican Governor Ronald Reagan — that

established this homeowners’ exemption amount also included a renter’s tax credit that allowed the renter to deduct from \$25 to \$45 from their income tax. Here, too, state government has been a piker. Today, the income tax credit sits at \$60 for a single renter or \$120 for a head of household or a married couple filing jointly. While at least here there has been a modest increase, it does not come close to keeping up with inflation. Had it been indexed for the CPI, the \$25 credit of 1972 would be \$140 today.

It’s past time for our political elites to acknowledge the high cost of owning and maintaining a home, as well as the sky-high rents in many communities, by addressing these human concerns with an increase in the Homeowners’ Exemption and the Renter’s Tax Credit.

The tax-and-spend lobby in the Legislature and all those who

receive a check from the taxpayers will say that they cannot afford any loss of revenue. They will confirm the old saying that taking a dollar from a bureaucrat is like taking a piece of raw meat from a hyena — a lot of shrieking ensues. But with the Sacramento politicians bragging about the increase in state revenues that is billions ahead of projections and has resulted in a surplus, they can afford to leave a few bucks in taxpayers’ and renters’ pockets, money that can improve the quality of life for average Californians, money that, when spent, will help to stimulate the economy.

It is long past time to provide some well-deserved relief to those who are struggling to keep a roof over their heads while trying to keep up with constant additions to their property tax bills, as well as to those straining to pay escalating rents. □

THE HJTA WEBSITE UPGRADED FOR YOU

www.hjta.org has been improved to provide more and faster service to taxpayers.

Questions about Proposition 13 or other taxpayer issues? www.hjta.org is for you.



TAXPAYER ADVOCATE LINNEA WARREN IS HJTA TAXFIGHTER OF THE YEAR YOU CAN FIGHT CITY HALL

The Howard Jarvis Taxpayers Association is proud to name Linnea Warren as HJTA's Taxfighter of the Year.

Linnea and her neighbors had always thought they were being treated unfairly by the City of Pasadena, whose municipal utility charged nonresidents water rates that were 25 to 35% higher than residents' rates. Over the years, Linnea and others had addressed the City Council about rate inequities without success; nonresidents like them can't vote in city elections and so have no influence over rate-setting.

"Then, after learning in a news report that Pasadena also transfers 6% of its water revenue to its General Fund, Linnea did more than complain," said HJTA President Jon Coupal. "She took action."

Pasadena claimed the transfers are required by City Charter, but they forced nonresidents to contribute to the treasury of a city that provided them with no services other than the water they paid extra for. Some research convinced Linnea that they also gave nonresidents another reason to protest — both the city's transfers of water revenue and its water rate surcharge violated Prop. 218.

So Linnea began to write letters and talk to people, trying to



Jon Coupal presents Taxfighter award to Linnea Warren on the steps of Pasadena City Hall.

get someone to convince Pasadena to follow California law. But after contacting officials at the city, the L.A. County Board of Supervisors, the County Counsel's office and the PUC, all she got was some sympathy.

With full documentation

in hand, she then contacted the Howard Jarvis Taxpayers Association Legal Department. She supplied HJTA with copies of her correspondence and the city's responses, as well as copies of the city's ordinances and documentation of the transfers.

But she didn't stop there. Linnea has continued to dig and find more evidence that will help HJTA lawyers make the case in court. Some of the nonresident areas served by the city were once served by private water companies. She has obtained copies of the contracts by which the city purchased and assumed control of one such private company, including land surveys that show the city acquired water rights to land that is still producing water not just for nonresidents but also residents. She has researched the city's various other sources of water, its storage methods, and the physical design of its treatment and distribution system, and has supplied HJTA with documents and photos to show that the city's service to nonresidents, and its costs, are no different from resident service and costs. Linnea has invested scores of hours on this case and in many ways has already prepared the case for trial.

"While joining our countrymen in giving thanks at this time of year, we at the Howard Jarvis Taxpayers Association especially want to remember those unsung souls who improve our lives by volunteering their time to act as watchdogs over government spending and who provide advice on making more efficient use of taxpayers' dollars," said Coupal. □

This commentary appeared in a number of California newspapers.

REPRIEVE FOR PROP. 13

CALIFORNIA COMMENTARY FROM THE HOWARD JARVIS TAXPAYERS ASSOCIATION — WEEK OF NOVEMBER 9, 2014

By now, most Californians have read dozens of analyses from experts and partisans alike about the meaning of last Tuesday's election. Analyzing the national scene is not rocket science. Republicans romped and Democrats took a shellacking.

But understanding the impact here in ever-so-blue California is a bit more complicated. While it is true that Republicans, who tend to be more taxpayer friendly, did

not win a single statewide seat, the news for fans of Proposition 13 is actually quite good.

Rather than focus on the statewide races, the Howard Jarvis Taxpayers Association was laser-focused on using our political muscle to prevent the tax-and-spend majority party from securing the dreaded two-thirds supermajority in both the California Senate and Assembly. There are two reasons why a two-thirds supermajority is

dangerous. First, under Proposition 13, taxes imposed by the state cannot be imposed without the two-thirds vote. As long as the minority Republicans hold firm against tax hikes, Californians will be protected. (And it's not like California needs higher taxes. We already have the highest income tax rate, the highest sales tax rate and the highest gas tax in America.)

Second, it takes a two-thirds vote of each house to place a

proposed amendment to the California Constitution on the ballot. Had the majority party achieved the supermajority, it could have placed anti-Proposition 13 measures on the ballot at will. But, because the Democrats were thwarted in their efforts, they will have to convince their political allies — principally the public sector unions — to spend several million dollars to collect the

Continued on page 11

REPRIEVE FOR PROP. 13 *Continued from page 10*

necessary signatures to qualify such a proposal.

Another observation about this year's election is that, as if there were any doubt, the branding of Proposition 13 has never been stronger. Both true defenders and pretenders of Proposition 13 used it as a talking point in their campaigns. It turns out that those candidates who were true Proposition 13 defenders — meaning they had the endorsement of the HJTA Political Action Committee — did very well. So well, in fact, that most of the endorsed candidates won, even those who the pundits thought had little chance of victory.

That Proposition 13 itself was such a centerpiece of this election cycle is astounding. This landmark measure was on the

ballot more than 35 years ago and yet incumbent legislators who had bad Proposition 13 votes while in the Legislature suddenly felt vulnerable. A former legislator who was openly anti-Proposition 13 lost badly to an HJTA-endorsed candidate, Janet Nguyen, in a contested Senate seat. Her opponent, Jose Solorio, was in such deep trouble that Governor Brown cut one of his very few television ads this election cycle in a failed attempt to save him. As in 1978, Jerry Brown was bested by Proposition 13.

Those who think that these political victories allow us a chance to rest should think again. Already, the enemies of Proposition 13 are conducting extensive political research — both polling and focus groups — to determine how

best to dismantle these critical taxpayer protections. And left-leaning anti-taxpayer groups have intensified their efforts to convince local governments and school district boards to pass anti-Proposition 13 “resolutions.” These resolutions may be nonbinding, but our adversaries are laying the groundwork for a repeal of Proposition 13 in 2016. That much is very clear.

But for now, let's enjoy the victories just achieved. Just in time for the coming holiday, taxpayers and homeowners in California have much to be thankful for. And while we realize our reprieve will be short and that we must prepare for battle anew in a few short weeks, these victories give us the much-needed hope that California can, once again, become the Golden State it once was. □

HOMETOWN HEROES

At HJTA we were very pleased to receive the following message from several taxpayer advocates the day after the election. The ABC Unified School District, which includes the cities of Artesia, Cerritos and Hawaiian Gardens as well as parts of Lakewood, Norwalk and Long Beach, had placed a \$195 million bond on the November ballot.

Thank You, Thank You, Jon Coupal

We very much appreciate the quote you provided for our use

in the campaign to defeat the ABC School District General Obligation Bond. We utilized it in a mailer and advertisement in a local newspaper. It, along with our precinct walks and information presentation with some senior groups, distribution of literature at “Back to School” nights and phone calling, all helped to get our message out. We were ahead in the polling results all night.

I am providing you a copy of the ad we utilized with your quote. We will be there to support your organization as we know how important it is in

keeping elected officials from running to the taxpayer first in constantly wanting to increase our property taxes. Here are the results: After all 63 precincts were counted, we got 7,638 ballots to their 5,945 ballots, a whole 10% more than the 46% needed to defeat them.

*Sincerely,
Dixie Primosch
and Joan Pylman*

HJTA's hat is off to Dixie, Joan and all the other taxpayer activists in the ABC Unified School District. □

HJTA MEMBERS: HELP HJTA HELP YOU

The Howard Jarvis Taxpayers Association is California's number-one taxpayer advocacy organization. By recruiting new Members, we strengthen the taxpayers' cause in Sacramento and throughout the state.

Help protect Proposition 13! Every HJTA Member knows at least one person who should join HJTA. Please pass along this coupon or just send us their names and addresses. HJTA will send them information on our ongoing work and a membership application. Thank you!

Mail to: HJTA, 621 South Westmoreland Avenue, Suite 202, Los Angeles, CA 90005-3971

Please send information on the tax-fighting work of the Howard Jarvis Taxpayers Association and a membership application to:

Name: _____
 Street Address: _____
 City: _____ State: _____ Zip: _____

TAX BYTES

RECYCLING RIP-OFF

KUSI (San Diego) reports that high rewards paid to recyclers by the State of California — a nickel for a small container and a dime for a large item — are drawing recyclables from Nevada, Arizona and other neighboring states. Poachers are hauling truck and trailer loads of empty containers into the Golden State and selling them to recycling facilities.

COURTS GUILTY OF MISMANAGEMENT

An audit of the financial management of California's court system questions \$30 million in compensation and other expenses over a four-year period by the agency that helps manage its budget, reports the Associated Press. Among the findings, eight of the nine office directors at the Administrative Office of the Courts were paid more than \$179,000, an amount more than that paid to the governor and other high-ranking state officials with broader responsibilities.

WASTEBOOK AUTHOR RETIRES

Taxpayers will miss just-retired Oklahoma Sen. Tom Coburn's annual *Wastebook*, in which he ranked the top 100 worst examples of government waste. Here are a few examples from the 2014 book:

RABBITS: The National Institutes of Health spent \$387,000 studying the effect of Swedish massages on rabbits.

COUGARS: The National Science Foundation spent \$856,000 to teach mountain lions to walk on a treadmill.

ZOMBIES: A government program provided \$10,000 for an Oregon children's theater production of *Zombies in Love*.

VOODOO DOLL: Money was even spent on a study of couples who used voodoo dolls to determine their level of anger.

Doctor *Designed*. Audiologist *Tested*. FDA *Registered*.

Affordable ***New*** Digital Hearing Aid ***Outperforms*** Expensive Competitors Delivers ***Crystal - Clear*** Natural Sound

Reported by J. Page

Chicago: Board-certified physician Dr. S. Cherukuri has done it once again with his newest invention of a medical grade ALL DIGITAL affordable hearing aid.

This new digital hearing aid is packed with all the features of \$3,000 competitors at a mere fraction of the cost. Now, most people with hearing loss are able to enjoy crystal clear natural sound — in a crowd, on the phone, in the wind — without suffering through “whistling” and annoying background noise.

After years of extensive research, Dr. Cherukuri has now created a ***state-of-the-art*** digital hearing aid that’s packed with the features of those expensive \$3,000 competitors — at a ***fraction of the price***.

New Digital Hearing Aid Outperforms Expensive Competitors

This sleek, lightweight, fully programmed hearing aid is the outgrowth of the digital revolution that is changing our world. While demand for “all things digital” caused most prices to plunge (consider DVD players and computers, which originally sold for thousands of dollars and today can be purchased at a fraction of that price), yet the cost of a digital medical hearing aid remained out of reach.

Dr. Cherukuri knew that many of his patients would benefit but couldn’t afford the expense of these new digital hearing aids. Generally they are not covered by Medicare and most private health insurance.

The doctor evaluated all the high priced digital hearing aids on the market, broke them down to their base components, and then created his own affordable version — called the MDHearingAid® ***AIR*** for its virtually invisible, lightweight appearance.

- ✓ Nearly ***invisible***
- ✓ ***Crystal-clear*** natural sound
- ✓ No suffering with ***‘whistling’*** or background noise
- ✓ ***Outperforms*** \$3,000 models
- ✓ Amazing ***low price***

Affordable Digital Technology

Using advanced digital technology, the MDHearingAid® ***AIR*** automatically adjusts to your listening environment — prioritizing speech and de-emphasizing background noise. Experience all of the sounds you’ve been missing at a price you can afford. This doctor designed and approved hearing aid comes with a full year’s supply of long-life batteries. It delivers crisp, clear sound all day long and the soft flexible ear buds are so comfortable you won’t realize you’re wearing them.

Try It Yourself At Home With Our 45-Day Risk-Free Trial

Of course, hearing is believing and we invite you to try it for yourself with our RISK-FREE 45-Day home trial. If you are not completely satisfied, simply return it within that time period for a full refund of your purchase price.

MDHearingAid® ***AIR***

**FREE
Batteries
For A Year!**



Ecstatic Users Cheer

“I recently purchased an MDHearingAid AIR for both ears. They are as small and work as well as a \$5,000 pair I had previously tried.”

— Dennis

“I’m a physician, and this product is just as effective (if not more) than traditional overly-priced hearing aids. I will be recommending (it).”

— Dr. Chang

“As a retired advanced practice nurse, I purchased the MDHearingAid AIR after the Wall Street Journal review. I am so pleased with the quality. You are providing a real service to our affordable health care.”

— Ned Rubin

Compare to Expensive \$3000 Hearing Aids

- FDA-Registered Hearing Aid — not an imitation “sound amplifier”
- Nearly Invisible open-fit digital hearing aid
- Save Money — 90% less than traditional hearing aids
- 24/7 Physician/Audiologist Support
- FREE — Batteries, Color User Manual, Tubing and Domes, Cleaning Tool, and Shipping
- 45-Day in-home trial
- 100% Money Back Guarantee

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