Howard Jarvis Taxpayers Association

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What's Theirs Is Theirs and So Is What's Yours

By Jon Coupal

One of the quirky qualities of government bureaucrats is that they regard all money as fungible. They have no qualms about raising taxes for a purpose that is attractive to voters and then spending the additional funds on something else.

We saw the interchangeable quality of government money in perspective after the passage of Proposition 172 a dozen years ago. The measure was intended to provide an additional half-cent in sales tax revenue to local government to be used for "public safety." When the measure passed, some counties used the "new" money for fire protection and law enforcement as promised, but diverted the money they previously spent on these programs to *other* purposes. Perhaps this is why Howard Jarvis used to say, "If you don't want them to spend it, don't give it to them in the first place." He recognized that once money reached the hands of the bureaucracy, there was no accounting for how it would be spent.

This attitude toward money carries over to how officials view tax cuts. Any time citizens take action to cut their taxes, as with Proposition 13, the bureaucracy regards it as a "loss" and their first response is to try to get the money back — usually with a new tax, charge or fee.

In Watsonville, California, local homeowners fed up with paying hundreds of dollars extra in property taxes each year to support government worker pensions placed the issue on last June's ballot. Up until the election, city officials issued weekly horror stories about what would happen if homeowners ceased paying. Programs for the most vulnerable — seniors and children — would be cut, fire service curtailed and (horrors!) the city would no longer subsidize the Strawberry Festival. Apparently they were able to scare just enough voters, as the tax cutting measure failed by just a few votes.

However, had the city failed to dissuade its citizens from approving the ballot measure, officials were prepared with Plans B and C. They were prepared to go forward with a sales tax increase or a fire service assessment to make up the lost revenue. In other words, not only do they regard public money as interchangeable, but they see the taxpayers' money in the same vein.

Howard Jarvis and Paul Gann understood the avaricious nature of the bureaucracy, and in writing Proposition 13 they went to great lengths to protect taxpayers from these excesses.

Proposition 13 did more than limit property taxes, it was a complete program of tax reform. Once the measure reduced the tax burden for property owners, Jarvis and Gann wanted to be sure that politicians and bureaucrats did not reach into *another* pocket to take back the money they regarded as "theirs." To this end, the authors required a two-thirds vote of the

Legislature to impose new state taxes, a public vote for new local taxes, including a two-thirds vote to approve additional property taxes known as per parcel taxes.

Ironically, we are now seeing a direct assault on these protections, not from the bureaucracy, but from several individuals from outside government. Two wealthy Silicon Valley executives, Reed Hastings, CEO of Netflix, and venture capitalist John Doerr are spending millions to promote a new ballot initiative, Proposition 88, which would impose a *new state parcel property tax* on all property owners. If they are successful, the new tax would be approved with just a majority vote, *not* the two-thirds vote mandated by Proposition 13.

One can be sure there is a lot of lip licking going on in the ranks of the bureaucrats throughout the state. If Hastings and Doerr are successful in getting voters to approve this new property tax, those with similar proposals will be lined up behind, a hundred deep, with new schemes to wring more tax revenue from homeowners.

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