

“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. 42, Issue 1 ★ Winter 2015–2016

## TAXPAYERS’ RIGHT TO KNOW

### HJTA bill requiring more ballot information on tax measures becomes law

Governor Jerry Brown has signed Assembly Bill 809 by Assembly Member Jay Obernolte (R—Big Bear). Sponsored by the Howard Jarvis Taxpayers Association, this bill provides crucial information to voters regarding local tax measures.

AB 809 states that the rate and duration of a local tax measure, as well as the amount of estimated revenue to be raised, will be placed on the ballot label for voters to review. The ballot label, a short description of the measure, is typically the last thing voters see before voting.

Now, when cities, counties and school districts place taxes on the ballot, critical information will be made clear.

“Thanks to this bill, taxpayers will no longer be kept in the dark as to the overall impact of a new

tax,” said HJTA President Jon Coupal. “More information makes for wiser voters.”

HJTA developed the legislation in response to numerous complaints from voters who said they found it almost impossible to find out the extent of the taxpayers’ commitment once a ballot measure is passed. When Assembly Member Obernolte was informed of the problem and the opportunity to solve it, he enthusiastically agreed to introduce the bill requiring that the additional information be made available on the ballot.

“Californians have a right to know what they are voting on, especially when it involves tax increases that could have a significant impact on their finances,” Obernolte stated after his bill was approved in the Assembly.



Assembly Member Jay Obernolte and HJTA President Jon Coupal discuss legislation that requires voters to be supplied with more information about tax measures.

HJTA Legislative Director David Wolfe actively shepherded AB 809 through both houses of the Legislature.

While HJTA works hard to defeat legislation that is detrimental to taxpayers, the organization also promotes measures that increase taxpayer protections. Because of AB 809, voters will no longer have

to wonder about the impact of a tax measure before casting a ballot.

HJTA was working hard to deliver a second bill that would have provided a benefit to senior homeowners, but after passing both the Assembly and Senate, AB 1378 was vetoed by Gov. Brown. The bill authored by Assembly Member

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### Taxing Times



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# PRESIDENT'S MESSAGE

## THREATS TO PROP. 13, AND THANK YOU TO THOSE HELPING US HOLD THE LINE

By Jon Coupal

As this issue of *Taxing Times* goes to print, initiative threats still loom over California property owners. However, while a number of these measures to raise taxes and undermine Proposition 13 have been filed, it is not yet clear which ones will move forward with massive funding from special interests, and which ones will fall by the wayside. To stay informed on anti-taxpayer initiatives and HJTA's work to combat them, please go to [hjta.org](http://hjta.org) and sign up for the free taxpayer updates.

In the Legislature, the battle to protect Proposition 13 continues.

It's been a long year in the Capitol for those of us who advocate against higher taxes, crushing regulations and wasteful government spending. The good news is that California taxpayers have prevailed in virtually all the major tax fights this year. The bad news is that, because the Legislature convenes for two-year sessions, this is only halftime. On January 4, the same cast of characters will reconvene and we will have to fight many of the same battles yet again. Still, it is helpful to assess how homeowners and working Californians fared in the legislative process this year.

For Howard Jarvis Taxpayers Association, there is no higher priority than defending Proposition 13 against attacks. As a constitutional amendment, Prop. 13 cannot be amended

by the Legislature directly. But that doesn't mean the politicians can't inflict harm. Indeed, with a two-thirds vote of each house, the California Legislature can place proposed constitutional amendments on the ballot. And if an anti-Proposition 13 measure is sufficiently enticing or deceptive, voters might unwittingly eliminate some of their own rights as taxpayers.

This past year, there were three such proposals. Two were efforts to lower the two-thirds vote requirement at the local level as a condition for higher special taxes. This is an important part of Prop. 13 because the higher vote threshold was put in place to prevent local governments from taking away the benefits of Proposition 13's reduced property tax burden by simply imposing new or higher levels of other local taxes. The third attack on Prop. 13 was an effort to take away the provision that limits annual increases in the taxable value of property to two percent. Although not affecting all property owners, this dangerous bill was simply "Step 1" for the complete repeal of Prop. 13.

As noted above, the good news is that all three proposals were vigorously opposed by HJTA and each was stopped. But the bad news is that these proposals to repeal or weaken Proposition 13 will be back come January.

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Jon Coupal discusses Proposition 13 with visitors to the HJTA booth at the CRP convention.

**Happy Holidays** from your  
**BOARD OF DIRECTORS**



**Gloria Phillips**  
**John Suttie**

**Craig Mordoh**  
**Bill Kelso**

**Gary Holme**  
**Trevor Grimm,**  
*Secretary and General Counsel*

## 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](http://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](mailto:info@hjta.org) or call us at (213) 384-9656.

Howard Jarvis  
Taxpayers Association

*Heritage Society*

**We thank and appreciate the following  
for their generous donations:**

The Selck Family, *in the name  
of Lester John Selck and Jane Selck*

The Gardner Grout Foundation

The Benson Foundation

The Allan W. and Elizabeth A. Meredith Trust

Baker Family Donor Advised Fund  
*at the Rancho Santa Fe Foundation*

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

*This column appeared in a number of California newspapers.*

# “COST OF SERVICE” PRINCIPLES PROTECT RATEPAYERS

## GOVERNOR BROWN’S ATTACK ON PROP. 218 IS A THREAT TO THE MIDDLE CLASS

*California Commentary from the Howard Jarvis Taxpayers Association – week of Oct. 18*

Governor Brown has foolishly decided to poke a hornets’ nest with his signing of Assembly Bill 401. While AB 401 itself isn’t particularly controversial, as it merely authorizes a couple of state agencies to devise a plan by 2018 to assist low income individuals with paying their water bills, the problem is what Brown wrote in the letter approving the bill.

Although not common, governors occasionally issue a statement when they approve a bill passed by the Legislature. In signing AB 401, Governor Brown exposed his disdain for the taxpayer and ratepayer protections set forth in Proposition 218, a Howard Jarvis Taxpayers Association initiative approved by voters in 1996. Brown stated, “Proposition 218...serves as an obstacle to thoughtful, sustainable

water conservation pricing and necessary flood and stormwater system improvements.”

The governor could not be more wrong. Proposition 218 mandates that water rates be based on “cost of service” principles. Simply stated, “cost of service” means that you should not pay more for water, sewer or refuse collection than it costs to provide you with that service. The reason voters approved Proposition 218 in the first place is because politicians and bureaucrats had cleverly bypassed the property tax limits of Proposition 13 by imposing a myriad of fees, charges, assessments and other exactions to get money from taxpayers’ wallets.

Brown seems to be talking out of both sides of his mouth in his letter approving AB 401.

In blaming Prop. 218 as a major impediment to water conservation efforts, he ignores the fact that “cost of service” water rates actually encourage conservation. Conversely, water subsidies, which he expressly supports, are a disincentive to conservation.

What this means is that Brown believes water needs to be more expensive for the middle class in order to encourage conservation, as well as more expensive for wealth redistribution. And while he suggests that low income people pay less than their fair share, he does not speak of conservation goals as they apply to these ratepayers. The kicker is that he wants the middle and upper classes to fund water service and to bear the burden of the majority of resource conservation. This isn’t fair at

all and is precisely why voters enacted Proposition 218.

To those who believe that taxpayers are overstating their case, consider this: Governor Brown wants to engage in the same sort of social engineering with water rates that he has with energy costs in California. It is painfully obvious that the results of these policies have been a disaster for California, particularly the middle class.

Let’s not let politicians like Brown force higher water rates on California’s ever-shrinking number of working taxpayers and homeowners. Water rates should be based solely on the cost of providing that service without engaging in ill-fated social experimentation dreamed up by bureaucrats unhinged from the real world. □

*This column appeared in a number of California newspapers.*

# BELEAGUERED TAXPAYERS INDEED

*California Commentary from the Howard Jarvis Taxpayers Association — week of Aug. 9*

Especially in California, the word “taxpayer” is frequently preceded by the word “beleaguered.” Given our large tax burden and the tragic level of government waste, perhaps there should be a grammatical rule that these two words must always be combined.

While some California taxes are hidden, most taxes are unfortunate and painfully obvious. But the same is not true for the level of wasteful spending by government. The unstated rule of politicians and bureaucrats is that average taxpayers must be kept in the dark about how their money is being spent.

Ask the average man or woman on the street what they think the 87-cent tax on a pack of cigarettes goes for and they will likely respond that it goes for anti-smoking programs — like those scary TV spots — and for health care.

Because of the detrimental impact of smoking on health, most Californians will agree that there seems a logical connection between what is being taxed and how the money is being spent. However, most of the tobacco tax does not go to these programs. Of the 87 cents, 50 cents goes to children’s programs administered by First Five California, a creation of

Proposition 10. Now children’s programs may be a great idea, but many ask why these are not funded openly out of the state general fund instead of having the costs hidden inside the tobacco tax.

Ironically, we have seen First Five California objecting to additional taxes on tobacco products because the number of smokers might decrease and thus reduce revenue to their programs. So what we have, in effect, is an agency that is tacitly supporting what they concede is an unhealthy habit, simply because it wants the revenue.

Then there are parking tickets that in cities like Los Angeles

can cost more than \$60. While parking fines are imposed, in theory, to make spaces available to all motorists, the real motivation is to satisfy the appetite for revenue. Because Los Angeles has some of the highest paid workers in a state that the federal government says has the highest paid government employees in all 50 states, it desperately needs the revenue to support payroll and benefits. This may help explain some of the city’s confusing signage that makes it difficult for drivers to tell when they can park and where — more confusion that benefits the public sector and

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# THE LEGAL FRONT

## GOVERNOR VETOES HJTA BILL TO HELP SENIOR HOMEOWNERS

By Tim Bittle, HJTA Director of Legal Affairs

Of the roughly 3,000 bills introduced annually in the California Legislature, very few are ideas that originated from a senator or assembly member. Most bill proposals come from lobbyists who work for, or were hired by, some association, industry or union trying to advance its agenda or protect itself from someone else's agenda.

HJTA stands out as an association contributing bill ideas that benefit the general public rather than special interests. Every year, HJTA sponsors one or more bills addressing issues of concern to taxpayers. HJTA's lobbyist, David Wolfe, and senior attorney, Tim Bittle, team up to draft bill language that eventually will be submitted to legislative counsel and put in bill form. David then pitches the idea to certain legislators that he thinks would make a good "author." If one of them likes the idea, he will introduce the bill. From there it will journey through committee hearings and floor votes, and possibly land on the governor's desk.

In the now-concluded 2015 legislative session, HJTA sponsored several bills. This issue of *Taxing Times* reports on the fate of two that made it to the governor. The article titled "Taxpayers' Right to Know" discusses AB 809, which was signed into law. My column is about AB 1378.

AB 1378 was carried for HJTA by Assembly Member Chris Holden from Pasadena. Of the 20 bills Mr. Holden introduced this year, AB 1378 was one of four he proudly publicized on his website marquee. Although he characterized the measure as a "tax break for seniors," it would be more accurately characterized as simply the removal of a tax penalty.

Proposition 60 created a right for persons over 55 to transfer the county assessor's enrolled value from their current home to a replacement home. Thanks to Proposition 13, if you've owned your home for several years, its enrolled value is significantly less than its market value, thus keeping your property tax low. Recognizing

that people may need to downsize when they retire because their income decreases, Prop. 60 gives seniors a one-time right to take their enrolled value with them if they move, protecting them from a jump in property taxes.

Unfortunately, the way the law reads today, married couples are penalized. In the case of common law couples and couples in a registered domestic partnership, each individual can claim his or her own right to an enrolled value transfer. In other words, those couples are entitled to two transfers. But a married couple — although it consists of two people — is considered one claimant for Prop. 60 purposes and can exercise this right only once.

This marriage penalty came to the fore when the Supreme Court announced that same-sex couples have the right to marry. Now, if domestic partners want to exercise their right to marry, it will cost them one of their Prop. 60 transfers. This marriage penalty obviously applies not only to same-sex couples, but to all persons who make a commitment through marriage.

There are frequently times when a married couple may need to move twice and should have the same right that an unmarried couple has to claim two enrolled value transfers. For example, a married couple in their 60s may downsize from the four-bedroom house where they raised their children into a two-bedroom house that is more affordable. But in 15 or 20 years, they may need to move again into an assisted-living situation. Another example is when one spouse dies and the surviving spouse can't bear to stay in the house that serves as a daily reminder of the departed's suffering and death. Yet another example is when two people from former marriages (whether widows or divorcees) get married. If a transfer was claimed in their former marriages, then they lost their individual right to transfer and the new union has no Prop. 60 right at all.

As a society, we value the stability that marriage brings to a family for the benefit of raising

children and for providing mutual support in sickness and old age. As a public policy then, we should reward marriage. Or at least treat it with neutrality. There is no justification for penalizing it.

HJTA's bill would have eliminated this marriage penalty by providing that a claimant's spouse would not be deemed a co-claimant for purposes of enrolled value transfers. The bill sailed through both houses of the Legislature without a single "no" vote. Having passed the Legislature, it proceeded to the governor.

It is extremely rare for the governor to veto a bill that received unanimous bipartisan support in the Legislature. But that is exactly what happened. Governor Jerry Brown vetoed the bill. In his veto letter he explained, "I do not believe that it would be prudent to authorize legislation such as this that would result in significant long-term costs to the General Fund."

The reason offered by the governor seems disingenuous. The Legislature's two appropriations committees estimated the bill's statewide annual cost at only

\$350,000. Why so low? Because even though the couple's purchase of a replacement house won't trigger a reappraisal, the sale of their former residence will, making the transaction essentially a wash. As a percentage of the current \$162 billion state budget, even if you extend out five decimal points, a cost of \$350,000 still comes out to zero. Zero is a small price to pay for restoring the right of each spouse in a marriage to claim their own Prop. 60 value transfer.

Another reason we doubt the governor's sincerity is his claimed concern for "costs to the General Fund." As he surely must know, local property taxes are not a source of revenue for the state's General Fund, nor would the bill require any General Fund subsidy. As recited in the bill itself, "no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost."

Ironically, in signing SB 358 four days later, which makes it easier to sue employers for gender-based pay discrimination, the governor declared his goal of removing the "inequalities that burden women." Apparently tax inequalities that burden women who get married don't count. Or perhaps inequalities count only when found in private enterprise, not when imposed by the government. □

## BELEAGUERED TAXPAYERS INDEED

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puts taxpayers at a disadvantage.

But state and local governments do not have a monopoly on confusing or hidden taxes, charges and other revenue "enhancements."

Enter Congress and the highway bill. The version being considered by the Senate would place a new tax burden on home buyers by increasing the fees Fannie Mae and Freddie Mac charge for their loans. "Not only will it increase the cost of home ownership and make it more difficult for a buyer to purchase a home, it will hinder future efforts at mortgage finance reform," said California Association of REALTORS® president, Chris Kutzkey.

As bad as that sounds, it is even worse. It is another charge whose purpose is intentionally hidden from the casual observer

and where there is a total disconnect between what is being taxed, home loans, and what the money will be spent on, highways. (In California this would be defined as a "special tax" under Proposition 13 and require a two-thirds vote.)

According to the Washington, D.C.-based Tax Foundation, America spends more on taxes than on food, clothing and housing combined. In California, the average taxpayer works for government until May 3, before they start working for themselves.

It is not too much to demand from politicians that they make clear what taxpayers are being charged and what the funds are being spent on. Maybe then we can remove the modifier "beleaguered" from the word "taxpayer." □

# PROPOSITION 13: *THE BASICS*

Almost every Californian has heard of **Proposition 13**, but some, especially younger homeowners, are not aware of exactly how this landmark tax-limiting initiative protects us all.

Whether you bought your home last month, or have owned it for years, **Proposition 13** is protecting you.

**Proposition 13** was passed in 1978 in response to out-of-control property taxes. Some homeowners were even seeing their taxes double in just one year. It was placed on the ballot by a massive grassroots movement headed by retired businessman Howard Jarvis. Here are the ways **Proposition 13** benefits all property owners:

- First of all, **Proposition 13** limits the tax rate on all California property to one percent of market value, usually the purchase price, at the time of sale. Prior to **Proposition 13**, the rate was as high as four percent in some counties.
- Once the value of property is established, county assessors are not allowed to increase this taxable value by more than two percent annually. What this means is that your taxes cannot be increased by more than two percent each year. This is very important because it allows you to predict your future tax bill and budget accordingly.
- Under **Proposition 13**, your taxes are limited and predictable. Before **Proposition 13**, if someone bought a house in your neighborhood for more than you paid, your next tax bill would reflect what your new neighbor was willing to pay, instead of what you paid for your home.

Howard Jarvis wrote **Proposition 13** so that it protects all California taxpayers in other ways:

- **Proposition 13** requires voter approval of new local taxes, and at the state level, it takes a two-thirds vote of each house of the Legislature to raise taxes.

**In brief, Proposition 13 establishes a one-percent tax rate and limits annual increases in your basic property tax bill to two percent. It also requires voter approval of new local taxes and a two-thirds vote of the Legislature to increase state taxes.**

Thanks to **Proposition 13**, property taxes are stable, reasonable and predictable, and voters have a greater say in whether or not new taxes will pass. **Proposition 13** is the one taxpayer protection you can always count on.

# REPORT FROM THE CAPITOL

## LEGISLATIVE YEAR ENDS SUCCESSFULLY — TAXES BEATEN BACK

By David Wolfe, HJTA Legislative Director



Orange County Supervisor Michelle Steel, HJTA Legislative Director David Wolfe and Assembly Member Young Kim on election night last year.

Around this time last year, I sat in an Orange County hotel ballroom eagerly awaiting election results from around the state. For most of the prior week, I had volunteered on the campaign of Young Kim, who was trying to take a contested seat back from the legislative Democrat, pro-tax supermajority.

Hope and a tremendous sense of optimism were in the air. It was wonderful to see other young volunteers proclaim a message of vibrant fiscal conservatism in at least five different languages as we all worked to get the vote out. And it paid off as Young Kim won, becoming the first Republican Korean-American woman ever elected to the Legislature. More important, her victory was crucial to breaking the Democrat two-thirds supermajority. As a result of this and other legislative races, HJTA knew that three Republicans in the Assembly and Senate would have to vote for taxes for the Proposition 13—mandated two-thirds threshold to be reached. Our priority for the year was to not let this happen.

However, recent history was against taxpayers. In the previous four years, nearly a dozen Republicans had voted for a multitude of taxes, including a car tax and an additional sales tax on lumber and other wood products. Finding Republican votes for taxes was not a difficult prospect.

In 2015, there was no shortage

of taxes lawmakers could vote for. Governor Brown even called a special session of the Legislature with the express purpose of raising billions in new taxes! But, we are proud to report, our limited government allies in the Legislature would have none of it and stood firm in the face of mounting pressure.

The narrative of this special session is worth repeating because it demonstrates how, when they are united, legislators can stand up for taxpayers.

Our story begins in July. Governor Brown had just signed a record \$115 billion General Fund budget with a \$6 billion surplus. State government was awash in cash, but you wouldn't know it from what the governor was saying. He immediately took to the streets advocating for nearly \$6 billion in new taxes: a gas and vehicle license fee increase on car owners and an additional tax on health insurance plans and tobacco products to fund health care services.

The governor's script followed a predictable pattern. He intentionally withheld \$300 million in the budget from a disadvantaged group of people, specifically those with developmental disabilities, and used them as a reason to demand additional taxes. Similarly, he used a seemingly insurmountable \$58 billion road maintenance funding backlog to demand billions in higher gas taxes when California is already number one in the nation in

that category.

The response by HJTA and our allies in the Legislature was immediate. With a record \$115 billion budget, we questioned why we needed taxes of any kind. We questioned why we needed a gas tax when only 20 percent of the \$10 billion California spends on transportation goes to road maintenance, and why billions of dollars of cap-and-trade revenues either remained unspent or went toward useless projects like high-speed rail. We also questioned the fiscal priorities of the governor. He spent hundreds of millions of dollars on a new program to help low income Californians when the same amount of money would have helped more people through increased reimbursement rates for Medi-Cal and also helped disabled individuals become more self-sufficient. Ultimately, no taxes were approved this year, and while Proposition 13 remains under attack, no anti-Proposition 13 bills were approved.

HJTA and taxpayers were successful this year not merely because we reflexively said “no” to taxes. Rather, we crafted messages fundamentally stating that unless billions of dollars of structural reforms were undertaken to spend taxpayer dollars better, new taxes would be 100 percent unacceptable.

As we move into an election year, this same discipline will have to be maintained. The special session taxes described above remain active and will be discussed in 2016. Two constitutional amendments undermining Proposition 13's protections, including a direct attack on commercial property and small businesses, also wait in the wings and can be taken up at any time.

Challenges abound, as they always do, but our ability to blow up the governor's tax narrative this year provides an encouraging path forward. Holding the line is the only way to ensure that taxpayers will be protected from a major increase in their already substantial tax burden. □

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

Get daily tax news and updates at our website.

[www.hjta.org](http://www.hjta.org)

## ATRM Report

### Arizona Is Ready for Prop. 13

A tough band of Arizona taxpayer activists is preparing a new effort to qualify a measure paralleling Proposition 13 for the ballot.

Arizona property taxes are complex and not uniform throughout the state. In some counties the rate is over 4% — compare this with California's uniform 1% — and homeowners see taxes go up even when home values decline.

Previous efforts to gather enough signatures to qualify a tax reform measure for the Arizona ballot fell just short in 2008 and 2010, but homeowners are not discouraged. California Proposition 13 supporters know that it actually took Howard Jarvis 15 years to achieve his goal of providing relief to property owners.

Led by their energetic and savvy chairman, Lynne Weaver, the Prop. 13 Arizona movement is preparing the ground for the new effort, including educating the public and making it a bipartisan effort by reaching out to both Republicans and Democrats.

Arizona resident Elaine Jarvis, Howard's daughter, has been a supporter of Prop. 13 Arizona.

ATRM wishes this new effort the best of luck and will continue to provide counsel and support. □

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

# 2015 HJTA LEGISLATIVE REPORT CARD

Our report card is designed to help Californians measure how their state representatives are actually voting on, not just talking about, taxpayer-related issues, including tax increases and direct attacks on Proposition 13. Eight legislators received perfect scores in 2015: **Assembly Members Frank Bigelow, Beth Gaines, Brian Jones, Tom Lackey, incoming Assembly Republican Leader Chad Mayes, Jay Obernolte and Jim Patterson, and State Senator Mike Morrell.** Lackey, Mayes and Obernolte are freshmen legislators completing their first year in the Capitol.

The 2015 grades are derived from 16 bills. For more information about our methodology and scoring system, go to [hjta.org](http://hjta.org) or e-mail Legislative Director David Wolfe at [david@hjta.org](mailto:david@hjta.org)

SENATOR SUMMARY			
SENATOR	PARTY	DISTRICT	GRADE
Allen	D	26	F
Anderson	R	38	A-
Bates	R	36	A
Beall	D	15	F
Berryhill	R	8	A
Block	D	39	F
Cannella	R	12	D
De Leon	D	24	F
Fuller	R	16	A-
Gaines	R	1	A-
Galgiani	D	5	F
Glazer	D	7	D
Hall	D	35	F
Hancock	D	9	F
Hernandez	D	22	F
Hertzberg	D	18	F
Hill	D	13	F
Hueso	D	40	F
Huff	R	29	B-
Jackson	D	19	F
Lara	D	33	F
Leno	D	11	F
Leyva	D	20	F
Liu	D	25	F
McGuire	D	2	F
Mendoza	D	32	F
Mitchell	D	30	F
Monning	D	17	F
Moorlach	R	37	A-
Morrell	R	23	A
Nguyen	R	34	A-
Nielsen	R	4	A
Pan	D	6	F
Pavley	D	27	F
Roth	D	31	D
Runner	R	21	B
Stone	R	28	A
Vidak	R	14	A
Wieckowski	D	10	F
Wolk	D	3	F

ASSEMBLY MEMBER SUMMARY							
ASSEMBLY MEMBER	PARTY	DISTRICT	GRADE	ASSEMBLY MEMBER	PARTY	DISTRICT	GRADE
Achadjian	R	35	B	Hernandez	D	48	F
Alejo	D	30	F	Holden	D	41	C
Allen	R	72	A	Irwin	D	44	C
Atkins	D	78	F	Jones	R	71	A
Baker	R	16	B-	Jones-Sawyer	D	59	F
Bigelow	R	5	A	Kim	R	65	A-
Bloom	D	50	F	Lackey	R	36	A
Bonilla	D	14	F	Levine	D	10	F
Bonta	D	18	F	Linder	R	60	A
Brough	R	73	A	Lopez	D	39	F
Brown	D	47	F	Low	D	28	F
Burke	D	62	F	Maienschein	R	77	A
Calderon	D	57	F	Mathis	R	26	B
Campos	D	27	F	Mayes	R	42	A
Chang	R	55	A	McCarty	D	7	F
Chau	D	49	F	Medina	D	61	F
Chavez	R	76	A	Melendez	R	67	A-
Chiu	D	17	F	Mullin	D	22	F
Chu	D	25	F	Nazarian	D	46	F
Cooley	D	8	F	Obernolte	R	33	A
Cooper	D	9	F	O'Donnell	D	70	F
Dababneh	D	45	F	Olsen	R	12	A-
Dahle	R	1	A	Patterson	R	23	A
Daly	D	69	F	Perea	D	31	F
Dodd	D	4	F	Quirk	D	20	F
Eggman	D	13	F	Rendon	D	63	F
Frazier	D	11	F	Ridley-Thomas	D	54	F
Gaines	R	6	A	Rodriguez	D	52	F
Gallagher	R	3	A	Salas	D	32	D
Cristina Garcia	D	58	F	Santiago	D	53	F
Eduardo Garcia	D	56	F	Steinorth	R	40	A
Gatto	D	43	F	Stone	D	29	F
Gipson	D	64	F	Thurmond	D	15	F
Gomez	D	51	F	Ting	D	19	F
Gonzalez	D	80	F	Wagner	R	68	A
Gordon	D	24	F	Waldron	R	75	A
Gray	D	21	F	Weber	D	79	F
Grove	R	34	A	Wilk	R	38	A-
Hadley	R	66	A-	Williams	D	37	F
Harper	R	74	A	Wood	D	2	F

**SENATOR SUMMARY:**

**A = 11 (90–100%)**  
**B = 2 (80–89%)**  
**C = 0 (70–79%)**  
**D = 3 (51–69%)**  
**F = 24 (0–50%)**

**ASSEMBLY MEMBER SUMMARY:**

**A = 25 (90–100%)**  
**B = 3 (80–89%)**  
**C = 2 (70–79%)**  
**D = 1 (51–69%)**  
**F = 49 (0–50%)**

Only policy committee and floor votes are included in the scorecard.

The grades for Senators Glazer, Moorlach and Runner may not fully reflect their positions due to their assuming office in 2015 special elections.

Assembly Member Holden automatically improved his grade to a “C” for his carrying of AB 1378.

Regarding SB 705, only votes taken after September 3 are included due to its being a gut-and-amend proposal.

Regarding SB 350, only final floor votes in the Assembly and Senate are included.

*This column appeared in a number of California newspapers.*

## CITIZENS EXHAUSTED BY HYPOCRISY

**California Commentary from the Howard Jarvis Taxpayers Association – week of Oct. 12**

Exhaust is what was emanating from the idling three-ton SUV bearing state license plates sitting at the curb outside the Griffith Observatory. The parked vehicle's engine continued to run for over an hour, according to news reports.

Inside the observatory, overlooking downtown Los Angeles, a ceremonial signing of major legislation was taking place. Amidst self-congratulation by members of the political class in attendance, Governor Brown added his signature to legislation mandating that half of California's energy come from renewable sources within 15 years.

The bill by Senate Pro Tem Kevin de Leon, a Los Angeles Democrat, originally contained language requiring a 50 percent reduction in petroleum use by 2030. This draconian feature contained no specific formula for reducing gasoline use, leaving it up to the unelected California Air Resources Board (CARB) to implement restrictions that could have included massive fees, gas rationing or driving restrictions. Moderate Democrats and Republicans united in opposition to adding to the burden on working families already paying the highest gas prices in the nation, and de

Leon was compelled to remove the restrictions on petroleum use.

Brown has blamed lobbying by the oil companies — not the thousands of angry constituents who called their representatives — for the Legislature's failure to cut back gasoline use, and he has promised to implement the restrictions using CARB, whose 12 members are appointed by the governor. (Just-approved legislation will allow the Legislature to approve two members.) This approach of going around lawmakers, who represent the people of California, is reminiscent of President Obama's using executive orders to circumvent Congress in order to make changes to the Affordable Care Act and to halt enforcement of immigration laws.

Even without the de Leon legislation, the state has the nation's highest air-quality standards and, due to legislation passed in 2006, a third of electricity is required to be provided by renewables by 2020.

The problem remains that California has a weak economy, and stringent restrictions on energy production will add to the cost paid by average citizens. Many see this legislation as overly severe and agree with State Senator Jim Nielson, who has stated that



energy, food and all things that require abundant affordable energy to produce and transport will become more expensive, hurting California families least able to afford it.

Meanwhile, back to the SUV sucking up taxpayer-financed gasoline: After chatting with reporters for nearly an hour after the signing ceremony, Senator

de Leon entered the vehicle and was driven away. It was a hot day and no doubt the senator enjoyed entering an air-conditioned interior as he was about to be chauffeured to his next appointment.

Although we didn't get a close look, it would not surprise us if there were a bumper sticker on the back of the senator's ride that read, "Do as I say, not as I do." □

*This column appeared in a number of California newspapers.*

## COMMUTERS, TRAVELERS AND JUNKETEERS

**California Commentary from the Howard Jarvis Taxpayers Association — week of Sept. 27**

According to press reports, Fresno Assembly Member Henry T. Perea is off to Spain to study high-speed rail while accompanied by business and labor representatives. He is being joined by his father, Fresno County Supervisor Henry R. Perea.

Out-of-state travel by California politicians is common. Lawmakers say such trips are valuable in learning about programs and policies in other states and countries. Other times travel is justified as an opportunity to attend

conferences with those facing similar issues. That the destinations of these trips are so often five-star hotels in desirable vacation spots is dismissed as coincidence by the journeying elected officials. Still, it seems strange that so many "important" conferences take place in locations like Hawaii and not in Narvik, in northern Norway, during the fall and winter. A few years ago, a number of Los Angeles City Council members jetted off to Paris in the springtime, explaining that the trip was necessary to study

public toilets. (You can't make this stuff up.)

In fairness to Assembly Member Perea, who is termed out next year, there is no suggestion that taxpayers are footing the bill for his weeklong trip — the expenses will be paid out of campaign contributions, according to his spokeswoman.

While there is nothing unusual about trips like these by lawmakers, this does not relieve concerns that these junkets are far from being in the best interests of average taxpayers.

When legislators spend a great deal of time in the company of those who have an interest in pending legislation or government policy, there is the risk that the concerns of these special interests will become a priority for the lawmakers. After a glass of wine and good paella, the dubious arguments of lobbyists can begin to make sense to even those with a great deal of willpower.

In the case of Perea, there is little additional risk to taxpayers since he is already a forthright and

*Continued on page 12*



# ESTIMATE YOUR PROP. 13 SAVINGS

You can estimate your Proposition 13 tax savings with the chart below. The savings shown are based on the median sales price for homes in California for each year listed. (Every property is different and these should be considered only rough estimates.) If you bought your home for more than the statewide average, your tax savings — thanks to Proposition 13 and HJTA — are even greater. If you paid less, your savings will still be substantial.

PURCHASE YEAR	MEDIAN SALES PRICE IN PURCHASE YEAR <sup>1</sup>	AVERAGE SAVINGS PER YEAR	TOTAL SAVINGS SINCE YEAR OF PURCHASE <sup>2</sup>
1978	\$70,890	\$5,795	\$214,409
1979	\$84,150	\$5,443	\$195,944
1980	\$99,550	\$5,299	\$185,466
1981	\$107,719	\$5,321	\$180,919
1982	\$111,800	\$5,412	\$178,587
1983	\$114,470	\$5,514	\$176,433
1984	\$114,260	\$5,678	\$176,032
1985	\$110,860	\$5,732	\$172,112
1986	\$133,640	\$5,708	\$165,524
1987	\$142,060	\$5,751	\$161,029
1988	\$168,200	\$5,329	\$143,888
1989	\$196,120	\$5,394	\$140,239
1990	\$193,770	\$5,391	\$134,773
1991	\$200,660	\$5,614	\$134,728
1992	\$197,030	\$5,813	\$133,692
1993	\$188,242	\$6,082	\$133,796
1994	\$185,010	\$6,307	\$132,438
1995	\$178,160	\$6,542	\$130,837
1996	\$177,270	\$6,840	\$129,968
1997	\$186,490	\$7,059	\$126,959
1998	\$200,100	\$6,960	\$118,329
1999	\$217,510	\$7,197	\$115,149
2000	\$240,350	\$7,230	\$108,457
2001	\$262,350	\$7,188	\$100,627
2002	\$316,130	\$7,029	\$91,380
2003	\$371,520	\$6,600	\$79,194
2004	\$450,990	\$6,330	\$69,635
2005	\$548,430	\$4,674	\$46,738
2006	\$567,690	\$4,270	\$38,434
2007	\$558,100	\$3,861	\$30,890
2008	\$281,100	\$6,053	\$42,374
2009	\$306,820	\$6,101	\$36,608
2010	\$301,850	\$6,453	\$32,263
2011	\$285,850	\$7,046	\$28,284
2012	\$366,930	\$7,155	\$21,466
2013	\$438,040	\$7,154	\$14,307
2014	\$452,570	\$7,241	\$7,241
1978 Post Prop. 13		\$5,425	\$200,730

## Prop. 13 Savings Chart through 2014, prepared 2015

1) Source: California Association of REALTORS®.

2) Tax savings calculation compares the estimated tax paid under Proposition 13 with the tax that would have been paid if Prop. 13 had not been enacted. The tax rate in place when Proposition 13 passed was an average of 2.6%. (In some counties, the rate was much higher.)

# WHO WAS THAT MAN IN THE TAXI?

By Joel Fox, Former HJTA President

My guess is that few people who see reruns of the movie *Airplane!* recognize the man who hails a taxi at LAX at the beginning of the film. He was not an actor but a major California political figure when the movie was made in the late 70s. And Howard Jarvis's influence — as the leader of California's famous property tax revolt, Proposition 13 — lives on.

How did a man who described himself as having “a face like a mudslide” get a role in a movie? One answer is that the men who made *Airplane!* — David and Jerry Zucker and Jim Abrahams — made bold casting choices part of their comedy to a degree seldom seen in films, before or since. Real characters from Los Angeles and Hollywood showed up as characters in their movie, and actors were cast against type. Before they were in *Airplane!*, Leslie Nielsen, Peter Graves, Lloyd Bridges and Robert Stack were not considered comedians.

As for Jarvis, the movie's producer, Howard W. Koch, invited him to be in the picture. Jarvis told me the story when I worked for him back when the movie came out in 1980. “I told Koch, ‘I'm no actor.’ Koch says, ‘Well, you don't have to know anything to be an actor.’ Which I guess is true, so I agreed. It took them eight hours to film my two or three minutes.”

Why did they bother to put him in the movie? Jarvis was a hot property then. Proposition 13 had won by a landslide, and the tax-cutting mantra reverberated throughout the political world and became a major part of the 1980 presidential campaign. Jarvis was on the cover of *Time* magazine (a big deal in the pre-digital age) and a national figure. And his politics might have fit well with some members of the filmmaking team. Years later, David Zucker directed *An American Carol*, which lampooned contemporary

American culture from a conservative perspective.

*Airplane!* debuted in the summer of 1980, a turbulent time in America. The presidential race between incumbent Jimmy Carter and challenger Ronald Reagan was about dead even in the summer polls. People talked about how the Misery Index, which measured unemployment and inflation, was at a staggering high. The country also faced high interest rates and skyrocketing gas prices.

Americans needed a laugh and a release from difficult times, and *Airplane!* supplied those things. The movie was silly — yet it was

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**Howard Jarvis's  
influence —  
as the leader of  
California's famous  
property tax revolt,  
Proposition 13  
— lives on.**

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a hit with critics and audiences alike. Roger Ebert of the *Chicago Sun-Times* wrote: “*Airplane!* is sophomoric, obvious, predictable, corny, and quite often very funny. And the reason it's funny is frequently because it's sophomoric, predictable, corny, etc.”

For these reasons, and because it came to represent a certain time and place, *Airplane!* has endured. The film was the fourth highest-grossing film of 1980 and made more than 23 times what it cost to create. In 2000, the American

Film Institute ranked *Airplane!* number 10 on its list of the 100 funniest American films. In 2010, the Library of Congress selected *Airplane!* for preservation in the National Film Registry.

The movie had been out awhile when, on a slow weekday afternoon, Jarvis decided it was a good time to see the film. He did not attend a premiere. I don't know if he was invited or if travel schedules got in the way, but the movie was nearing the end of its theatrical run. So Jarvis, his secretary Peggy and I closed the taxpayer association office on Wilshire Boulevard and drove up to Mann's Chinese Theater in Hollywood to catch a late afternoon show.

The movie was playing in one of the newly added theaters, not the main cinema palace built in 1927 and featured in many films. In the lobby, a theater manager recognized Jarvis and retrieved an autograph book used when movie actors came to the theater. Jarvis signed, not as a political figure, but as an actor. The end of the theatrical run on a weekday afternoon did not draw a crowd. As I recall, there were only five people in the theater, including our party of three.

Howard was entertained, although I don't remember now any belly laughs coming from him. But that was a long time ago. So long ago that LAX had just one level, not the dual levels it has now for departures and arrivals. So long ago that the names of the airlines that can be seen on the terminal in the opening shots of the movie — Hughes Airwest, Trans World Airlines, Eastern and Continental — no longer exist.

Some of the film's jokes may feel dated, too. Ethel Merman plays a male soldier who thinks he's...*Ethel Merman*. Barbara Billingsley, best known as the mother June Cleaver in TV's *Leave It to Beaver*, appears as a woman

who can speak jive and translates for two African-Americans on the plane.

One familiar face from the film is Kareem Abdul-Jabbar, who was already a legendary Los Angeles Lakers basketball star. In *Airplane!*, Abdul-Jabbar plays Kareem Abdul-Jabbar pretending to be co-pilot Roger Murdock, a slight twist on his acting career. Today Abdul-Jabbar has over two dozen movie and television credits, most often playing himself.

Jarvis played against type, too. He calls for a taxi in an early scene and hops in while the cab driver, played by Robert Hays, runs into the terminal chasing his girlfriend — after turning on the cab's meter. Jarvis is still in the cab as the plane takes off to Chicago with the taxi driver aboard.

In fact, Jarvis has the last line in the movie but you'll have to wait for it — his closing line comes after the credits. The scene was filmed after midnight when the airport was asleep, not a shooting schedule that pleased Jarvis. However, his line gets one last laugh from the film and continues the motif of actors playing against type. With a nearly empty airport except for cleanup crews, Jarvis checks his watch and says of the cabbie: “Well, I'll give him another 20 minutes but that's it!”

The joke was that Jarvis would never have stood for paying the charge run up on the meter, and everyone knew it.

By the way, Jarvis didn't get rich off the film. His residuals came in for years afterward, with no check being more than \$5. □

*Joel Fox was Howard Jarvis's longtime assistant, who, after Howard passed, served as HJTA president for 14 years. He now serves as the president of the Small Business Action Committee and editor of the Fox&Hounds blog.*

## THE HJTA WEBSITE UPGRADED FOR YOU

[www.hjta.org](http://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](http://www.hjta.org) is for you.



**TAXPAYERS' RIGHT TO KNOW**

*Continued from page 1*

Chris Holden (D—Pasadena) and sponsored by HJTA, would have allowed married seniors to transfer their Proposition 13 base value twice in retirement. Existing law states that married couples can only do this once. AB 1378 would have given seniors added flexibility to retain their property tax savings in the event they needed to move a second time. With seniors living longer, a second move is common, allowing them to be closer to family or to address health issues.

HJTA is looking for an opportunity to reintroduce this, or similar legislation to help seniors, in the coming year. □



Jon Coupal was a featured speaker at the annual meeting of COLAB, the Coalition of Labor, Agriculture and Business centered in Santa Barbara and San Luis Obispo counties. With Jon in a panel discussion are Andy Caldwell, talk show host and the organization's executive director; Katy Grimes, investigative reporter and blogger; and Steve Greenhut, author and *San Diego Union-Tribune* columnist. All are taxpayer advocates.



**A GREAT IDEA**

**Pass Along *Taxing Times!***

**When a member passed along the following suggestion, we at HJTA thought it was terrific!**

*When I finish reading my paper, I never throw it away. I always place it in some public place, which is often a common space at work or some other public place where I believe someone not acquainted with the HJTA would benefit. I am careful to remove my personal identification from the head of the paper since I often place the paper at work and the placement of anything political is forbidden. Again the point is to spread the message to others and introduce them to what far too many do not realize, which is the ill economic effects created by California's elected class.*

**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**

**ART VS. POTHOLES?**

After the Sacramento City Council voted to spend \$8 million for a piece of art, Mayor Kevin Johnson called it a "good investment."

**PAID FOR LITTLE WORK**

Analysis by the Associated Press reveals that the Assembly Select Committee on Community Colleges met just once in its two-year existence, but it provided its Democratic chairman 14 personal aides at a cost of \$644,000. The AP review of legislative records of the 68 Assembly select committees shows that in the 2013–2014 legislative session more than half of staff expenses, or \$3.8 million, went to panels that held no hearings or convened only once.

**PAID FOR NO WORK**

University of California paid former president Mark Yudof \$546,000 in the year after he resigned, reports the *Sacramento Bee*.

**LATE BILL PAYMENTS COST TAXPAYERS**

Over the last decade, late-payment penalties paid by California state government have averaged \$3.71 million a year, according to Department of Finance records.

**TAXPAYER CONTRIBUTIONS GO UNSPENT**

A review of records by the Associated Press shows that millions of dollars donated by California taxpayers through the state's voluntary tax contribution program do not go to the designated causes and remain unspent. Of the \$35 million collected since 2005, almost \$10 million remained in state coffers at the end of 2014.



## WHAT'S GOOD ABOUT THE HJTA WEBSITE? **EVERYTHING!**

**HJTA.ORG** is your source for everything Proposition 13 and for information valuable to California taxpayers.

At **HJTA.ORG** you will find clear information about taxpayer initiatives, including Proposition 13, Proposition 218, the Right to Vote on Taxes Act, and Propositions 60 and 90 that can save seniors on their taxes when they move.

**HJTA.ORG** reports on legislation important to taxpayers, including threats to Proposition 13, as well as updates on HJTA's legal actions to protect taxpayers.

**HJTA.ORG** features the latest news on issues that matter to homeowners and taxpayers.

**HJTA.ORG** is a wealth of information, not just on Proposition 13, but also on property taxes. Answers to frequently asked questions can be found by clicking on FAQ on the right-hand side of the home page menu.

**HJTA.ORG** provides tools for taxpayers who want to do everything from estimating their Proposition 13 savings, to contacting their elected representatives, to helping to protect Proposition 13 by writing letters to the editor or helping to pass a resolution of support in local communities and organizations.

Check out **HJTA.ORG** and find out about HJTA's latest actions and activities on behalf of all California taxpayers.

Go to **HJTA.ORG** and familiarize yourself with features that can help you be an informed taxpayer and potentially save you tax dollars.

While you are at **HJTA.ORG**, be sure to sign up for the free taxpayer updates and the weekly commentary from Jon Coupal. This way, HJTA can keep you informed of breaking news that could impact you as a taxpayer.

## PRESIDENT'S MESSAGE

*Continued from page 2*

Over and above our Prop. 13 victories, taxpayers also stopped a myriad of other taxes, including one proposal that would have slammed every California family that relies on their car for work, errands or pleasure. That proposal would have imposed big increases in the gas tax, the cost of getting a license and the annual vehicle registration fee. Stopping that awful tax hike was a very high priority for the more than 200,000 Members of HJTA.

An equally dreadful proposal to extend the sales tax to services — a bill that would slam taxpayers with over \$100 billion in higher consumer costs every year — was also derailed, at least for now.

Wars are not fought alone, and taxpayers should be very grateful to those legislators who stood on the right side. Because taxes imposed by the Legislature require a two-thirds vote, our allies had the votes to stop the attacks even though a large majority in both the Assembly and Senate never met a tax they didn't like.

A huge vote of thanks is due to the Republicans and their leaders who stood united against the assault. But we should also note that several moderate Democrats withstood the withering criticism of their colleagues and the left-leaning media to actually represent the interests of their tax-paying constituents. That sort of courage is a rare thing in politics.

Finally, those who deserve the greatest thanks are you, the Members of the Howard Jarvis Taxpayers Association who make our work possible.

Thank you again! □

## COMMUTERS, TRAVELERS AND JUNKETEERS

*Continued from page 8*

committed supporter of high-speed rail. "A successful high-speed rail system will bring good-paying jobs to the community, while making Fresno more accessible for economic investments," he has stated.

However, it should be noted that the current high-speed rail program, which is intended to speed travel between Los Angeles and San Francisco, and Los Angeles and Sacramento, will do little or nothing for average Californians who spend, according to the U.S. Census Bureau, 27 minutes traveling to work — nearly an hour for the round trip. So while the program may be a boon to those

who can afford to travel, it will do nothing to provide relief to those sitting in traffic while commuting to and from work.

Leftist social engineers who want to repopulate the inner city using urban lofts, tony restaurants and cultural attractions as a lure don't want people commuting to work. They want to promote a "Starbucks" lifestyle, where everyone lives near where they are employed and, if necessary, use a bicycle or public transportation. The Los Angeles City Council recently approved a plan to reduce hundreds of miles of vehicle traffic lanes to provide more room for

bicyclists.

While the social engineers may not like the traditional suburbs, it is there that most Californians continue to live, and for them bicycling to work is not a practical option. They want to see improved roads and local transportation options, not a train intended to whisk the leisure class off to faraway cities. They want their transportation dollars spent to make their lives easier. They show no desire to pay an outrageous sum — hundreds of billions — to subsidize a project that, assuming it even gets built, will serve very few. □

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

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