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# 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. 43, Issue 2 ★ Spring 2017

## PROP. 13: THE ORIGINAL 'FAKE NEWS' VICTIM

As Proposition 13 approaches its 39th birthday, it is still under the same dishonest attacks in the media that were used against the landmark tax reform measure when it was on the ballot in 1978. Proposition 13 was one of the first victims of “fake news.”

“The bigwigs in labor and business went all out to defeat 13,” said its principal author, Howard Jarvis. “They tried to outdo one another in issuing doomsday prophecies about what passage of 13 would mean.” The media slavishly supported the exaggerated and dishonest claims, often endorsing them through editorials and by giving prominent placement to negative stories on the tax revolt.

The politicians, including Governor Brown, and government agencies, from top to bottom, weighed in. Here is a typical example: Before the election, Alameda-Contra Costa (AC) Transit told the public that passage of Proposition 13 would result in

the termination of 80 percent of its 2,000 employees. Two months later, the *Fremont-Newark Argus* reported on the aftermath of the passage of Proposition 13: “To date, no one in the district has been laid off, and officials now believe there will be no massive layoffs.” The paper added that three local fire districts that anticipated losing one-half to three-fourths of their staff had not lost a single firefighter to Proposition 13.

When the scare tactics were not believed by the public, some media attacked Proposition 13 sponsors Howard Jarvis and Paul Gann with false stories. Two weeks before the election, the *Monterey Peninsula Herald* editorialized that the public had “been so outrageously deluded by a pair of slick Southern California real estate operators.” The *Herald* was 0-for-2. Gann was from Sacramento, which *Herald* editors should know is in Northern California, and neither man owned any California real estate except

their own homes.

A month before the June 6 election, the *Los Angeles Times* repeated the claims of Proposition 13 opponents in a lengthy editorial in which the lies were treated as facts: “Los Angeles County would eliminate all of the Fire Department’s paramedic units, could close half of the 129 fire stations. It would close half of the county’s 93 libraries.... More than 30,000 county employees would be laid off. The city of Los Angeles is considering the dismissal of 2,152 police officers and the closing of six stations. More than 1,000 firefighters would be cut, and 56 stations would be shut down.... The prospect for Los Angeles schools is even darker. More than 18,000 teachers would be laid off.”

The same editorial in the *Times* included the following statement in italics: “Vote yes on Proposition 13 and send a message to tens of thousands of teachers, librarians, firefighters, police officers,



Howard Jarvis, the father of Prop. 13

sanitation workers and public-health specialists that you can safely dispense with their services.”

Howard Jarvis commented, “It was tough having 90% of the media against us.”

Nobel Prize-winning economist Milton Friedman summarized the fake news campaign against Proposition 13 in his column in *Newsweek* several weeks after the overwhelming passage of Proposition 13: “Despite the use of scare tactics, including notices to teachers of automatic dismissal on passage of Jarvis-Gann [Prop. 13], advance local budgets threatening

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### Taxing Times



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**Headquarters**  
621 S. Westmoreland Avenue, Suite 202  
Los Angeles, CA 90005-3971  
(213) 384-9656

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### California Breaking Bad

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### Taxfighter of the Year

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# PRESIDENT'S MESSAGE

## FOR TAX RAISERS, END OF DROUGHT IS BAD NEWS

By Jon Coupal

While HJTA is focusing on defeating direct attacks on Prop. 13 in Sacramento, it does not go unnoticed that governments at every level are constantly looking for new ways to increase revenues (taxes, that is) that are not so obvious to the general public.

As I write this, it is raining in Sacramento. Pouring, actually. And even though I live about 200 yards from the Sacramento River, I have confidence that the levees within the city limits are in good shape. (As well they should be, given that Sacramento's flood control agency collects millions of dollars from local property owners annually to keep them maintained.)

In a word, California is wet. Rain totals and snowpack measurements are the highest we've seen in about a decade. But despite the fact that floodgates at major dams throughout the state are now open, levies have been

breached and serious flooding is occurring in both Southern California and the Central Valley, the State Water Resources Control Board refuses to declare the drought over.

As taxpayer advocates in a high-tax state, we're accustomed to seeing a political motivation in most statements coming from government. But this time we're not alone. Local water officials gave the State Water Resources Control Board an earful in February about the failure to call the drought over. A representative of the California Water Association, an organization consisting of local water districts, noted that the Yolo Bypass (designed to prevent flooding in Sacramento by releasing vast amounts of water into uninhabited farmland where it eventually flows back into the delta) now "looks like Lake Michigan." But state water officials were not persuaded and



The Sacramento office staff: (top row) HJTA President Jon Coupal, Communications Assistant Taylor Maurits, Director of Legal Affairs Tim Bittle, (bottom row) Staff Attorney Laura Murray, Legislative Director David Wolfe, Legal Secretary Lorice Strem

decided to keep the draconian drought regulations in place "for a few more months."

So are state officials being overly prudent? Even if they have the best of intentions, they are losing credibility by claiming that a "drought emergency" still exists. But what if the intentions of some state politicians — including the

governor — are not so noble? The new mantra for tax raisers seems to be the admonishment of Rahm Emanuel, former White House chief of staff and now mayor of Chicago: "You never let a serious crisis go to waste."

Back when the drought was real, the governor stated that

*Continued on page 3*

Howard Jarvis  
XIII Taxpayers Association

## BOARD OF DIRECTORS



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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](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  
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## 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*

Stanley E. Corbin

Special thanks to Richard W. Moreland and his attorney, Edward A. Dzwonkowski, for their excellent trust administration.

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

# the MAIL Bag

At HJTA we appreciate letters and e-mail messages from Members. All are read. Many ask questions to which we try to promptly respond. Others have ideas and suggestions on how to defend Proposition 13. And some are complimentary — for these we are very grateful because they tell us we are on the right track and our work is appreciated. Still others powerfully make the case for Proposition 13. Here is one that clearly communicates the importance of Proposition 13 to all homeowners.

Dear HJTA,

I often hear friends complain about Prop. 13 because my taxes are low since my wife and I purchased our property in the 70s. Prop. 13 enabled us to remain in our home because taxes were going through the roof here in Los Gatos. Every year our property was reevaluated based on the booming real estate market at the time. Now, new purchasers buying property in our area pay upwards of \$2 million and their taxes are high. This is expected. The purchasers know what they are buying, what they are paying, and they know their property taxes. They figure this into the purchase price and how they will afford such expensive homes. What no one ever talks about is the fact that if Prop. 13 were eliminated, their tax rate would jump sky-high because the market continues to boom and real estate prices continue to rise, which would mean that property assessors would go back to the old practice of reassessing property and increasing taxes on property just like they did back in the 70s. Prop. 13 is fair. The tax rate is the same for all, based on the purchase price of the property.

Nazario A. "Tito" Gonzales

## PRESIDENT'S MESSAGE

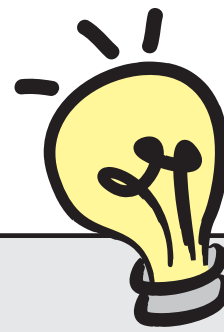
*Continued from page 2*

certain constitutional protections for taxpayers were preventing the state from dealing with the crisis. Proposition 13's voter approval requirements as well as Proposition 218's "cost of service" water-rate limitations were the targets of complaints. Indeed, after a Court of Appeal decision over the summer upheld Proposition 218's commonsense requirement that water rates had to reflect the true cost of providing the water to water users, Governor Brown lashed out, claiming that this deprived him of any tools to deal with the water shortage. (This was nonsense, as nothing in Propositions 13 or 218 took away

an array of tools available to local governments to incentivize conservation and disincentivize waste.)

The real problem for the politicians and bureaucrats is that if the drought is truly over, which common sense tells rain-soaked citizens that it is, then this removes one more justification for repealing or weakening those laws designed to prevent governmental overreach.

We at HJTA will continue to be on guard against efforts to extract greater sums from taxpayers' wallets, and we thank all of you, our HJTA Members, who make our work possible. □



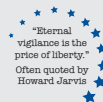
A GREAT  
IDEA

## 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.*

Taxing Times



## WHAT YOU SHOULD KNOW BEFORE AGREEING TO A PACE HOME IMPROVEMENT LOAN

Recently, more homeowners are taking advantage of various government financial programs being implemented by private contractors in order to help them make energy efficiency improvements to their homes. These are commonly referred to as PACE (Property-Assessed Clean Energy) or Ygrene programs. Please be aware that the State Controller has stated that homeowners will not be able to participate in the Property Tax Postponement program if

they decide to take on a PACE or Ygrene loan, even if they meet all the other eligibility requirements. For individuals already in the Property Tax Postponement program, their annual renewal application will be denied if they take on a PACE loan. This information is especially important for those approaching 62 years of age, the minimum eligibility requirement to participate in Property Tax Postponement. □

# THE LEGAL FRONT

## HJTA SUES TO STOP MISLEADING LOCAL TAX MEASURES

By Tim Bittle, HJTA Director of Legal Affairs

“You can’t have your cake and eat it too” is a well-known English saying. It means you cannot simultaneously have two incompatible things. You cannot both eat your cake and save it for later. There are similar expressions in other languages. In the Slavic states they say, “You can’t have the sheep and the money.” In western Europe they say, “You can’t ride two horses with one butt.”

Our latest case challenges a popular tax-raising strategy where local governments try to have their cake and eat it too. We call it an “A-B scheme.” Let me explain.

Proposition 13 requires two-thirds voter approval to pass special taxes (Cal. Const., art. 13A, § 4). Shortly after Proposition 13 was enacted, the California Supreme Court, in a case called *San Francisco v. Farrell*, defined “special taxes” to mean “taxes which are levied for a specific purpose rather than...a levy placed in the general fund to be utilized for general governmental purposes.” General purpose taxes, the Court held, require only simple majority approval. (*City and County of San Francisco v. Farrell* (1982) 32 Cal.3d 47, 57.)

About 14 years later, the Santa Clara County Board of Supervisors wanted more money for transportation improvements. Polling showed weak support for increasing taxes. Earmarking the revenue for transportation projects like highway widening

and pothole repair increased voter support to more than 50%. However, earmarking the revenue for a specific purpose would make it a special tax, and the poll showed insufficient voter support to reach two-thirds approval.

To entice voters to vote yes, but evade the constitution’s two-thirds vote requirement, the Board of Supervisors put two “companion” measures on the ballot, Measures A and B. Measure B proposed a half-cent sales tax “for general county purposes.” Measure A was an “advisory measure” recommending that the Board of Supervisors spend the new tax revenue on transportation projects. The tax passed by 51%, just barely a majority.

A taxpayer named Coleman and the Santa Clara County Taxpayers Association immediately filed suit challenging the measure as a special tax masquerading as a general tax, which therefore still needed two-thirds voter approval under Proposition 13. They lost. The Court of Appeal upheld the tax, stating, “*Farrell* still control[s] taxes that are imposed by a general-purpose entity, such as a city, and placed in that entity’s general fund for general governmental purposes” (*Coleman v. County of Santa Clara* (1998) 64 Cal.App.4th 662, 669).

To combat A-B schemes, Proposition 218 — authored by HJTA — included an expanded

definition of “special taxes.” It says, “‘Special tax’ means any tax imposed for specific purposes, including a tax imposed for specific purposes which is placed into a general fund.” The last phrase is intended to cover A-B schemes where one measure proposes a tax for the general fund, and a second measure specifies the purposes for its expenditure.

In the years since Proposition 218 was enacted, HJTA has looked for an opportunity to challenge an A-B scheme using Proposition 218’s new “special tax” definition. Cities and counties have placed many A-B schemes on the ballot, but in almost every case the tax has failed. Voters generally pass the advisory measure, but reject the tax. It’s as though they are saying, “We don’t want more taxes, but if we are outnumbered by other voters, then we want the new tax to go for this worthwhile purpose.”

That was the case until now. In the November 2016 General Election, voters up and down the state seemed happy to approve tax increases, including a few A-B schemes. We chose one in the City of Ukiah with a raw vote count of 51.5%. Ukiah had two local propositions on the November ballot, Measures Y and Z. Measure Y proposed a citywide half-cent sales tax increase; Measure Z was an “advisory” measure dedicating the revenue to street maintenance.

The ballot question for

Measure Y read, “Shall [the City] impose as a general tax an additional transaction (sales) and use tax of one-half of one percent within the city limits of the City of Ukiah to fund essential City services, including street repair and maintenance?”

The ballot question for Measure Z read, “Shall street repair and maintenance and related public infrastructure improvements be the exclusive use of the revenues from an additional .5% sales tax in the City of Ukiah?”

We filed our lawsuit at the beginning of January. In a press release reacting to the lawsuit, the Ukiah City Attorney cited the *Coleman* case discussed above and stated, “Because Measure Z was advisory only...the Ukiah City Council’s intent to use the revenues from Measure Y to repair City streets does not convert it from a general tax to a special tax.”

Hopefully the Court will not agree with the City Attorney’s argument that the *Coleman* case is still good law. Hopefully the Court will rule that the constitution’s two-thirds vote requirement cannot be evaded simply by typing “advisory only” on a measure declaring a specific purpose to be the “exclusive use” of revenue from a new tax. To rule otherwise, the Court would have to leave orphaned the new definition of “special taxes” in Proposition 218 and find that California voters engaged in an idle act. □

## ATRM Report

### GRAND OPPORTUNITY FOR FEDERAL TAX CUT

President Trump has declared his intention to cut income taxes for average citizens. We do not have the details as *Taxing Times* goes to print, but as enabling legislation begins to proceed through Congress, we urge citizens to contact their federal representatives to express support.

Congress, by its nature as a

deliberative body, tends to move slowly. It is quite likely that, to paraphrase Howard Jarvis, the people will have to force the elected officials to stop playing politics and do the right thing for the people of the United States.

To keep up to date on this issue — if you have not done so already — we urge you to go to the HJTA

website, [www.hjta.org](http://www.hjta.org), and in the upper right-hand corner, sign up for the free Taxpayer Updates.



ATRM continues Howard Jarvis’s policy of offering assistance to active tax reform groups in other states. Most recently, ATRM reached out to Reform for Nebraska’s Future,

a taxpayer organization that has been petitioning the governor and legislature for property tax relief. Polls show that 67 percent of Nebraskans support lowering property taxes. □

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

# ED THOMAS, FRIEND, COLLEAGUE AND FOREMOST TAXPAYER ADVOCATE, PASSES

For many Members, Ed Thomas was the voice of HJTA. For 28 years he served as the HJTA Director of Member Services, and when Members called, they usually talked with Ed. On January 28, Ed passed away unexpectedly, leaving everyone at HJTA deeply saddened.

“He was patient, kind and a good listener,” said HJTA President Jon Coupal. “Callers always sensed they were in good hands.” In addition to helping those who had questions about their membership, Ed was an expert on all issues related to Proposition 13. If he did not have the answer to a question, he always knew where it could be found, whether it be from another staff member or a government office.

“We all counted on Ed to greet Members and give them good service, and he never let us down,” said HJTA Board Member John Suttie. “We will miss him for his work, his friendship and his outstanding sense of humor. He kept us all smiling.”

Ed’s hobby was magic, and he was a past president of the Society of American Magicians. He never turned down an invitation to entertain both young and old and to help boost charitable events. He was committed to encouraging young magicians to advance in the arts, and assisted many people through his work in the community.

“We were all proud to work with Ed and even prouder to call him friend,” said HJTA Executive Director Kris Vosburgh. □



Ed Thomas, the taxpayers’ friend

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

## WILL TAXPAYERS BE MUGGED BY SACRAMENTO?

*California Commentary from the Howard Jarvis Taxpayers Association – January 16*

Governor Brown has just released his spending proposal for 2017–18, and taxpayers should not be blamed if they feel like they are walking down a dark alley in a high-crime neighborhood.

While the governor’s proposed budget has been described as austere, it still represents a spending boost of five percent, a rate of increase only slightly smaller than last year’s six percent. Because the state is in the process of rewarding its employees with generous pay increases and covering an expanding requirement to fund their pensions — pensions that are currently subsidized by six percent of the general fund budget — more spending does not represent an increase in the quantity or quality of services for average Californians.

The Brown budget contains no major program increases except for transportation. But the kicker

is that this would be contingent on higher taxes on gasoline and car registrations. So, while state workers will be kept snug and comfortable, if commuters want those pot holes repaired, they must pay extra.

However, the governor’s budget should not be regarded as anything more than a placeholder, as the ability to fund it is threatened from all directions. The new administration in Washington, as well as a majority of both houses of Congress, have made it clear that Obamacare is on the verge of elimination. There can be little doubt that federal funding for California’s massive expansion of Medicaid is in jeopardy. Because, to paraphrase Ronald Reagan, a government program is the nearest thing to eternal life we’ll ever see on this Earth, no one will be surprised when Sacramento looks to average taxpayers to make up the nearly 16-billion-

dollar difference.

Then there is uncertain tax revenue. The extension of the nation’s highest income tax rates renders California highly vulnerable to economic fluctuations. Although growth has been tepid, we have experienced 90 months of economic expansion, and financial experts warn us to be prepared for the next downturn.

As if these threats were not enough, Brown will have to contend with elements in his own party who believe in the axiom of former Senate leader David Roberti, “When you’ve got it, spend it,” to which they would add the corollary, “If you don’t have it, spend it anyway.”

Chairman of the Assembly Budget Committee, Phil Ting, has already made it clear that he does not want to budget assuming the worst, that the Legislature must continue “investing in California,” a budgetary approach

akin to Admiral David Farragut’s at the Battle of Mobile Bay: “Damn the torpedoes, full speed ahead!” While Farragut was successful, is it appropriate to put California taxpayers at dire risk through imprudent spending?

In May, the governor will issue a revised budget, no doubt with major changes, in advance of the June 15 deadline for final passage. If revenue is down, taxpayers may be treated to the spectacle of a cage match between those committed to spending, backed by their special-interest allies, and those who advocate a slightly more cautious approach.

In Sacramento, fiscal sanity is relative. Ironically, our eccentric governor, who thinks nothing of lavishing nearly \$100 billion on a bullet train, may be the dwindling middle class’s best hope to fend off major increases to their already staggering tax burden. □

# BREAKING BAD: CALIFORNIA

by Richard Rider, Chairman, San Diego Tax Fighters  
Version 2.51 Revised: January 12, 2017

Online version at:

[www.TinyURL.com/CA-vs-other-states](http://www.TinyURL.com/CA-vs-other-states)

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[RRider92131@gmail.com](mailto:RRider92131@gmail.com)

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**Here’s a depressing but documented comparison of California taxes and economic climate with the rest of the states. The news is *not* good (at least once a month, I update crucial data on this fact sheet):**

Prior to Prop. 30 passing in Nov. 2012, California *already* had the 3rd-worst state income tax rate in the nation. Our 9.3% tax bracket started at under \$50,000 for people filing as individuals. 10.3% started at \$1 million. Now our “millionaires’ tax” rate is 13.3%, including capital gains (CA total CG rate is now the 2nd highest in the *world!*). 10%+ taxes now start at \$250K. CA now has *by far* the nation’s highest state income tax rate. We are 34% higher than 2nd-place Oregon, and a heck of a lot higher than all the rest, including 8 states with *zero* state income tax, and one state (NH) that taxes only dividends and interest income. California is so bad we also have the nation’s 2nd-highest state income tax bracket. *And* the 3rd. *And* the 4th! <http://taxfoundation.org/sites/taxfoundation.org/files/docs/ff2013.pdf>, <http://tinyurl.com/CA-income-tax-bar-chart> and <http://tinyurl.com/CA-2nd-CG>

California has the highest state sales tax rate in the nation: 7.5% (not including local sales taxes). Two 2015 bills sought a combined \$10 billion+ CA state and local sales tax annual increase (failed to pass that year).

<http://taxfoundation.org/article/state-and-local-sales-tax-rates-2011-2013>

California has the nation’s 7th-highest “gas pump” tax at 56.6 cents/gallon (November 2016). But add in the unique 10- to 12-cent CA “cap and trade” cost per gallon, and CA is in the top 3 states (with PA and WA). National average is 48.9 cents. Yet CA has the 9th-worst highways.

Note: Gov. Brown is proposing a new *additional* 21.5 cents/gallon gasoline tax and a new \$65 car tax in 2017.

<http://tinyurl.com/guvpezy>, <http://www.api.org/oil-and-natural-gas/consumer-information/motor-fuel-taxes/gasoline-tax> (CA is roughly tied with WA for highest total diesel tax) and [http://reason.org/files/22nd\\_annual\\_highway\\_report.pdf](http://reason.org/files/22nd_annual_highway_report.pdf)

California in 2015 ranked 14th highest in per capita property taxes (including commercial) — the only major tax where we are not in the worst ten states. But the 2014 average CA single-family residence (SFR) property tax is the 8th highest in the nation. Indeed, *the median CA homeowner property tax bill is 93% higher than the average for the other 49 states.* <http://tinyurl.com/go89o6u>, <http://tinyurl.com/hf6phjz> and <http://linkis.com/blogspot.com/Yq6cx>

The average 2012 CA impact fee on a new development project for a single-family residence was \$31,100, 90% higher than the next worst state and 265% higher than jurisdictions that levy such fees (many governments east of the Sierras do not). For apartments, the fee averaged \$18,800, 290% above the average outside the state. The fee is part of the purchase price,

so buyers pay an annual property tax on the fee!

<http://www.newgeography.com/content/003882-california-homes-require-real-reach> and <http://eyeonhousing.org/2014/01/home-building-impact-fees-state-averages/>

California has now instituted the highest “cap and trade” tax in the nation — indeed, the *only* such U.S. tax. Even proponents concede that it will have zero impact on global warming. The tax especially increases the cost of electricity, gasoline and manufacturing. <http://tinyurl.com/WSJ-CA-cap-and-trade>

California has a nasty anti-small business \$800 minimum corporate income tax, even if no profit is earned, and even for many nonprofits. The next highest state is Rhode Island at \$500 (only for “C” corporations). Third is Delaware at \$175. Most states are at zero.

<http://tinyurl.com/CA-800-tax>

Based just on GDP, CA ranks as the 6th-largest economy in the world. But adjusted for population and cost of living, CA ranks lower than all but 13 U.S. states. <http://riderrants.blogspot.com/2016/07/updated-2015-figures-ca-per-capita-gdp.html>

California’s 2016 business-tax climate ranks 3rd worst in the nation — behind New York and New Jersey. In addition, CA has a lock on the worst rank in the 2016 Small Business Tax Index — *7 times worse* than the best small business state (South Dakota).

<http://taxfoundation.org/article/2015-state-business-tax-climate-index> and <http://sbecouncil.org/wp-content/uploads/2016/06/BTI2016.pdf>

The American Tort Reform Foundation in 2015 again ranks CA the “worst state judicial hellhole” in the U.S. — the most anti-business. The U.S. Chamber of Commerce ranks CA a bit better — “only” the 4th-worst state in 2015 (unfortunately, sliding from 7th worst in 2008). <http://www.judicialhellholes.org/2015-2016/california/> and <http://www.instituteforlegalreform.com/states/california>

California driving tickets are incredibly high. The red-light camera ticket is \$490. Next highest state is \$250. Most are around \$100.

<http://reason.org/blog/show/red-light-cameras-and-the-enigmatic>

California needlessly licenses more occupations than any state — 177. The second-worst state is Connecticut at 155. The average state is 92. But CA is “only” the 2nd-worst licensing state for low income occupations.

<http://goo.gl/Wf1llh> and <http://bit.ly/1ff00Gu>

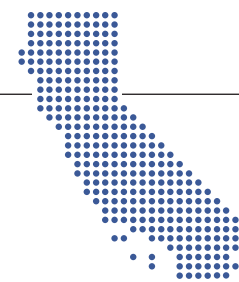
California had the highest and worst state workers’ compensation rates in 2014, up from 3rd in 2012. CA rates 21.3% higher than the 2nd-highest state, 88% higher than the median for all states. Yet we pay low benefits — much of it goes to lawyers.

<http://riderrants.blogspot.com/2014/10/california-has-worst-workers.html>

A Tax Foundation study ranks CA as tied for the 7th-worst taxed state in 2016. But the CA taxes are the most progressive of all states, hammering the upper third of the populace. The top 1% pay 50% of all CA state income taxes. <http://taxfoundation.org/article/tax-freedom-day-2016-april-24>

The California unemployment rate (Nov. 2016) has been improving. We are tied for 9th worst — 5.3%. The national unemployment rate is 4.6%, and the national unemployment rate *not* including CA is 4.5%, making the CA unemployment rate 17.7% higher than the average of the other 49 states. <http://www.bls.gov/web/laus/laumstrk.htm>

Note: We were at 4.8% unemployed in Nov. 2006 vs. the national rate of 4.6%. But using the *lagging* yet arguably more accurate U-6 measure of unemployment (including involuntary part-time workers), CA is the 4th worst — 11.6% vs. 9.8% nationally. The national U-6 *not* including CA



# VS. THE OTHER STATES

is 9.6%, making CA's U-6 21.4% higher than the average of the other 49 states. <http://www.bls.gov/lau/stalt.htm>

California public school teachers have the 3rd-highest pay in the nation, yet CA students rank 48th in math achievement, 49th in reading. [www.lao.ca.gov/reports/2011/calfacts/calfacts\\_010511.aspx](http://www.lao.ca.gov/reports/2011/calfacts/calfacts_010511.aspx) and [https://www.nea.org/assets/docs/2016\\_NEA\\_Rankings\\_And\\_Estimates.pdf](https://www.nea.org/assets/docs/2016_NEA_Rankings_And_Estimates.pdf)

California, a destitute state, still gives away community college education at fire-sale prices. Our CC tuition and fees are the lowest in the nation. How low? Nationwide, the average community college tuition and fees are more than double our California CCs. <http://trends.collegeboard.org/college-pricing/figures-tables/tuition-and-fees-sector-and-state-over-time>

This ridiculously low tuition devalues education to students, often resulting in a 25%+ drop rate for class completion. In addition, because of grants and tax credits, up to two-thirds of California CC students pay no net tuition at all! <http://tinyurl.com/ygqz9ls>

Complaints about increased UC student fees too often ignore a key point: all poor and many middle class CA students don't pay the UC "fees" (our state's euphemism for tuition). There are no fees for most California families with under \$80K income. Fifty-five percent of all undergraduate CA UC students pay zero tuition, and another 14% pay only partial tuition. Moreover, CA's new "Middle Class Scholarship" program provides partial tuition aid for CA public college students of families with income from \$80K to \$150K. <http://www.universityofcalifornia.edu/blueandgold/>, <http://tinyurl.com/UC-zero> and <http://www.latimes.com/local/education/la-me-middle-class-aid-20140624-story.html>

California's real ("supplemental") 2015 poverty rate (the new census bureau standard adjusted for cost of living) is easily the worst in the nation at 20.6%. We are 43.6% higher than the average for the other 49 states. <https://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-258.pdf>

California has 12% of the nation's population, but 33% of the country's TANF ("Temporary" Assistance for Needy Families) welfare recipients — more than the next 7 states *combined*. Unlike other states, this "temporary" assistance becomes much more permanent in CA. <http://www.utsandiego.com/news/2012/jul/28/welfare-capital-of-the-us/?print&page=all>

California ranks 48th for credit card debt and 49th for percentage of home ownership. <http://riderrants.blogspot.com/2013/02/more-dismal-california-economic-rankings.html>

California has the 2nd-lowest bond rating of any state. Basket-case Illinois beat us out for the lowest spot. We didn't improve our rating — Illinois just got worse. <http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2014/06/09/sp-ratings-2014>

The average California firefighter is paid 60% more than the average pay of firefighters in the other 49 states. CA cops are paid 56% more. CA 2011 median household income (including government workers) is 13.4% above the national average. [www.tinyurl.com/CA-ff-and-cop-pay](http://www.tinyurl.com/CA-ff-and-cop-pay) and [https://en.wikipedia.org/wiki/List\\_of\\_U.S.\\_states\\_by\\_income](https://en.wikipedia.org/wiki/List_of_U.S._states_by_income)

Of 100 U.S. real estate markets, in 2013 CA contained *by far* the least affordable middle class housing market (San Francisco). *Plus* the 2nd, 3rd, 5th, 6th and 7th. San Diego is 5th (with "middle class" affordable homes averaging 1,056 sq. ft.). <http://riderrants.blogspot.com/2013/10/the-us-least-affordable-housing-market>

The median home in TX is one-third the price of a median CA home. And 17 states have lower home prices than Texas! <http://www.zillow.com/sc/home-values/>

California has the 2nd-highest annual cost for owning a car — \$4,112, \$370 higher than the other 49 states' average. <http://tinyurl.com/zcame8j>

California residential electricity costs an average of 42.3% more per kWh than the national average. CA commercial rates are 51.8% higher. For industrial use, CA electricity is an astonishing 93.6% higher than the national average (July 2016). The difference is growing between CA and the national average. Note: SDG&E is considerably higher. [https://www.eia.gov/electricity/monthly/epm\\_table\\_grapher.cfm?t=epmt\\_5\\_6\\_a](https://www.eia.gov/electricity/monthly/epm_table_grapher.cfm?t=epmt_5_6_a)

A 2015 *San Diego Union-Tribune* survey of home water bills for the 30 largest U.S. cities found that for 200-gallons-a-day usage, San Diego has the 3rd-highest cost — 73.7% higher than the median of cities surveyed. At 600 gallons per day, San Diego was again 3rd highest — 81.7% higher than the median. <http://www.sandiegouniontribune.com/news/2015/jul/27/drought-water-prices-rise/>

The top U.S. CEOs surveyed rank California "the worst state in which to do business" for the *12th straight year* (May 2016). <http://chiefexecutive.net/california/>

From 2007 through 2010, 10,763 manufacturing facilities were built or expanded across the country — but only 176 of those were in CA. So with roughly 12% of the nation's population, CA got 1.6% of the built or expanded manufacturing facilities. Stated differently, adjusted for population, the other 49 states averaged 8.4 times more manufacturing growth than did California. <http://www.cmta.net/20110303mfgFacilities07to10.pdf> (prepared by California Manufacturers and Technology Association)

California is now ranked as *the* worst state to retire in — easily the lowest percentage of people over age 65. We "beat" 'em all — NY, NJ, etc. <https://www.fidelity.com/insights/retirement/10-worst-states-to-retire-2014> and <http://riderrants.blogspot.com/2015/12/kiplinger-ranks-california-as-worst.html>

The median Texas household income is 13.5% less than CA. But *adjusted for cost of living*, TX 2015 median household income was 29.3% *more* than CA. <https://www.census.gov/content/dam/Census/library/publications/2016/demo/acsbr15-02.pdf> and [https://www.missourieconomy.org/indicators/cost\\_of\\_living/index.st](https://www.missourieconomy.org/indicators/cost_of_living/index.st)

Consider California's net *domestic* migration (migration between states). *From 1992 through 2016, California lost a net 4.0 million people to other states.* Net departures slowed in 2008 only because people couldn't sell their homes. But more people still leave each year; in 2016 we lost 109,000. Again, note that these are *net* losses. Sadly, our policies have split up many California families. <https://twitter.com/SenTedCruz/status/464827967747526656/photo/1> and <http://riderrants.blogspot.com/2015/04/were-california-real-estate-prices.html>

It's likely not the welfare kings and queens departing. Those leaving are primarily the young, the educated, the productive, the entrepreneurial, the ambitious, the wealthy (such as Tiger Woods) — and retirees seeking to make their nesteggs provide more bang for the buck.

*Note: To see more and similar fact-based disclosures, go to my blog at [www.RiderRants.blogspot.com](http://www.RiderRants.blogspot.com), or my more active Facebook page, [www.Facebook.com/Richard.Rider](http://www.Facebook.com/Richard.Rider) ("friend" me). The very latest two-page fact sheet Word file (this wonky handout) is available free upon request.*

# REPORT FROM THE CAPITOL

## AMIDST RHETORIC, LEGISLATIVE BILLS TAKE SHAPE

By David Wolfe, HJTA Legislative Director

For anyone who has read newspaper articles on California politics since the November election, there's not much to be encouraged by. A legislator was recently removed from the Senate Floor simply for expressing her first amendment right to speak about a controversial former legislator. Regardless of your opinion of President Trump, the pushback on his agenda by California politicians and even the nonsensical idea of Calexit and departing from the Union have been precedent setting. And a two-thirds supermajority of legislators exists in both houses of the Capitol, making it far more likely taxes will be approved.

And yet, despite the turmoil surrounding Sacramento, there are reasons for taxpayers to be optimistic. At least at present, a new 12-cent-per-gallon gas tax doesn't have the votes needed to move through the Legislature. And a number of moderate legislators were elected who strongly oppose a major attack on Proposition 13: a "split roll" property tax increase on commercial property.

Also, HJTA has introduced seven new legislative bills in 2017, all of which seek to provide taxpayers with more information on ballot measures, lower their taxes, or protect their right to engage in the initiative process. We are very proud of the ten bills we've had signed by various governors since 2008, and look forward to adding to this number. For example, Assembly Bill 1625 (Blanca Rubio,

D-Baldwin Park) makes it illegal for local governments to ticket you if you park at a broken parking meter or kiosk. Assembly Bill 1194 (Matt Dababneh and Ken Cooley, D-San Fernando Valley and Sacramento) adds information to the ballot label, the last thing voters see before going to the polls, for all local bond measures. Specifically, the measure provides an estimate of how much your property taxes could increase based on the assessed valuation of residential property in the district impacted by the bond. Assembly Bill 195 (Jay Obernolte, R-Big Bear) ensures that tax measures proposed by local governments also need to include the rate and duration of a tax, and an estimate of the amount of revenue to be raised. And Senate Bill 609 (Andy Vidak, R-Kings and Tulare counties) ensures that any local initiative petition certified by a county Registrar of Voters goes immediately to the ballot.

Despite these constructive proposals, threats against Propositions 13 and 218 continue to be introduced. Assembly Constitutional Amendment 4 (Cecilia Aguiar-Curry, D-Napa/Winters) lowers the threshold from two-thirds to 55 percent for both local bonds and special taxes in order to fund affordable housing and infrastructure projects. Senate Constitutional Amendment 6 (Scott Wiener, D-San Francisco) lowers the threshold to approve special taxes to fund transportation

infrastructure projects from two-thirds to 55 percent. And Senate Bill 231 (Robert Hertzberg, D-Los Angeles) combines stormwater treatment with sewer service in violation of Proposition 218 — the Right to Vote on Taxes Act authored by HJTA — because a vote of taxpayers is not required.

Transportation funding and affordable housing are two of the primary issues that will dominate the California Legislature in 2017. The problems are legitimate and serious. California has a \$58 billion road maintenance backlog, and one-third of renters spend at least half their income on rent. An estimated 1.8 million housing units need to be built by 2025 just to keep pace with demand. Assembly Bill 1 (Jim Frazier, D-Vacaville) and Senate Bill 1 (Jim Beall, D-San Jose) would increase gas taxes by 12 cents per gallon and car taxes by \$38, making California the highest in the nation on both counts. HJTA is offering up its own narrative, proposing reforms to ensure that billions of dollars of annual existing transportation revenue is spent on our roads instead of being diverted to the General Fund. Naturally, we are also continuing to target high-speed rail and the \$9 billion of existing bonds that are being wasted on that project.

On the affordable housing front, more bonds and taxes are being proposed. Senate Bill 2 places a new \$220 tax on the recording of various documents, including those needed to refinance a home.

Senate Bill 3 is a new \$3 billion bond to fund affordable housing programs. Again, HJTA is countering with free market no-tax solutions. AB 1100 (Phillip Chen/Matthew Harper, R-Orange County) increases the homeowners' exemption from \$7,000 to \$25,000, making it easier for people to stay in their homes. Assembly Constitutional Amendment 7 (Raul Bocanegra, D-Pacoima) will allow anyone over the age of 55 to transfer the base value of their property to another home of equal or lesser value in any county. Currently, with a handful of exceptions, transfers of base value can only be made within one's current county of residence. ACA 7, by encouraging people to move, will churn up the housing stock and allow families to purchase homes previously owned by downsizing seniors.

If all this action weren't enough, over 2,600 bills have been introduced in this legislative session, more than in recent memory. However, at least 700 of these were introduced without any content, and are known as spot or placeholder bills. The expected deadline for these bills to be amended was in March, so there could be even more threats to taxpayers coming up very quickly. Remember to monitor [www.hjta.org](http://www.hjta.org) to stay up to date on all the legislation we are involved in. As always, it remains a pleasure to fight for taxpayers in the halls of the State Capitol. □

### 'FAKE NEWS' *Continued from page 1*

drastic cuts in police and fire protection, and whatever other portents of catastrophe desperate feeders at the public trough could devise, the public refused to be bamboozled this time, as they had so often before while watching taxes mount and government services deteriorate. This time, the scare tactics simply produced a backlash."

But the beatdown of Proposition 13 goes on. Some years ago, a newspaper editorial asked

if Proposition 13 was responsible for a measles epidemic, saying it may have limited the availability of vaccine. A national publication suggested that O.J. Simpson's acquittal of murder charges was due to the tax-limiting measure because prosecuting attorneys may not have been paid enough.

More recently, a column by a West Coast writer published in *The New York Times* claimed that one of the reasons that Los Angeles is becoming a "third world" city

is reduced funding for education caused by the tax revolt that passed Proposition 13. As is typical, the writer ignores the fact that California now spends 30 percent more per pupil, in inflation-adjusted dollars, than the amount spent just prior to the passage of Proposition 13 — a time when both liberals and conservatives agree that California schools were among the best in the nation.

Today, those who want to bring down Proposition 13 are a little

more clever with their fake news. We are seeing claims, which the media delights in repeating, that Proposition 13 has caused the housing shortage, that Proposition 13 only helps the wealthy, and, of course, that Proposition 13 is responsible for our poor-performing schools, even when our teachers are the third-highest paid in all 50 states.

HJTA continues to counter fake news with the truth, but the issue of fake news is all too real. □



This column appeared in a number of California newspapers.

# SEN. HERTZBERG TARGETS HOMEOWNERS WITH HIGHER WATER AND SEWER RATES

California Commentary from the Howard Jarvis Taxpayers Association – February 12

It's no secret that tax-and-spend interests have hated Proposition 13 since its adoption by the voters in 1978. Immediately after passage, Prop. 13 was the target of numerous lawsuits and legislative proposals seeking to create loopholes that would allow government to grab more tax dollars from California citizens.

These constant attacks compelled taxpayer advocates to go back to the voters with multiple initiatives to preserve the letter and spirit of Prop. 13. These included Prop. 62 in 1986 (voter approval for local taxes); Prop. 218 (closing loopholes for local fees and so-called "benefit assessments"); and Prop. 26 (requiring "fees" to have some nexus to the benefits conferred on the fee payers).

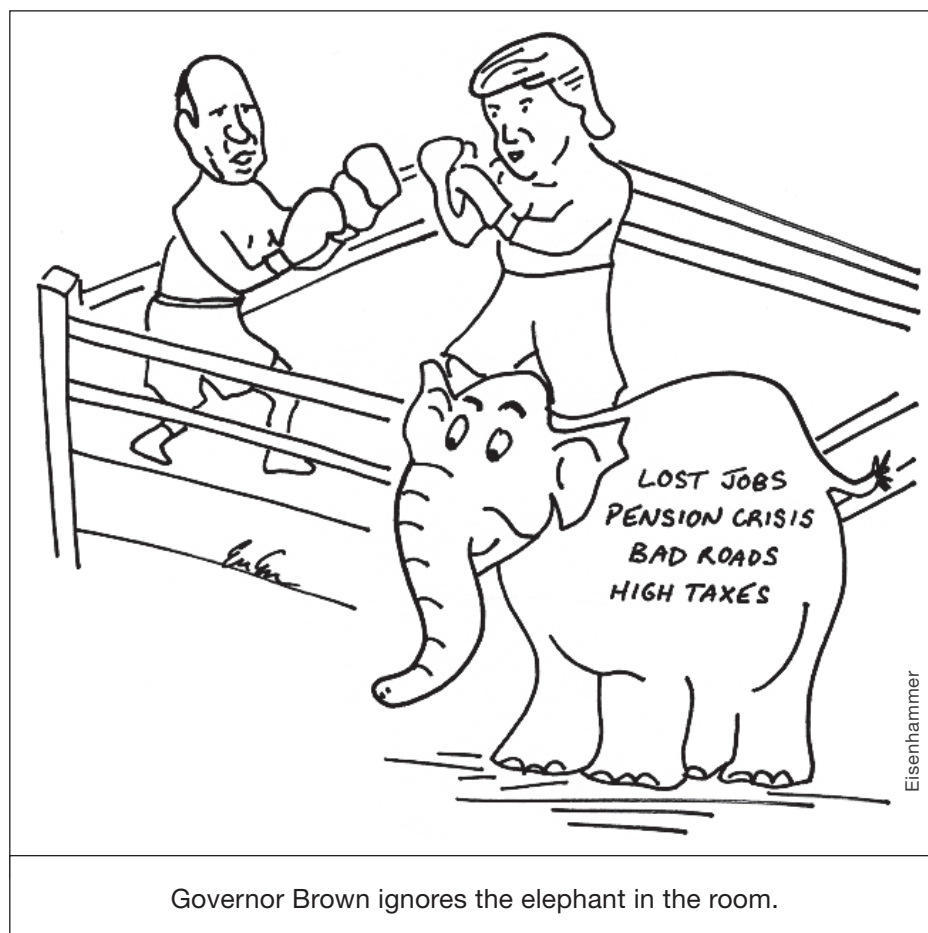
However, the latest tax-grabber to treat homeowners as ATMs is state Senator Bob Hertzberg, D–Van Nuys. If he gets his way, Californians will be spending a lot more on water and sewer service. He seeks to do away with the critical "cost of service" requirements for water rates as well as treat "stormwater runoff" (the rain that runs down street gutters) the same as "sewer service," opening the door to virtually unlimited — and unvoted — sewer rates.

As to the latter proposal, Hertzberg has introduced Senate Bill 231. This proposal would attempt to rewrite Prop. 218 with a

statute to allow for stormwater to be included under the definition of "sewer," meaning that it would no longer be subject to a Prop. 218 election. This is not a minor issue. When the city of Salinas attempted to charge residents for "stormwater runoff" as part of their sewer bill, the Howard Jarvis Taxpayers Association sued and won. The published decision in *HJTA v. City of Salinas* was a significant victory for homeowners as the city was attempting to load up its "sewer" service with all kinds of costs unrelated to sewer service, including street sweeping.

Of course, the real problem with SB 231 is that it attempts to rewrite part of the California Constitution with a mere statute. This is a big no-no. The *Salinas* decision was an interpretation of Prop. 218, which added Articles XIIC and XIID to the California Constitution. Courts are likely to take a dim view of a legislative override of their interpretation of the state constitution.

To add insult to injury, Hertzberg has also introduced Senate Constitutional Amendment 4. While this bill is basically intent language and needs to be refined, the point of this bill will be to undermine Prop. 218's proportionality and cost of service requirements. Under the state constitution, rates for property-related fees (water/sewer/refuse) need to be equivalent to the



cost of providing the service. Taxpayers fear that SCA 4 will ultimately overrule another taxpayer court victory in the city of San Juan Capistrano, which upheld the concept of "cost of service." This decision has been misinterpreted by Gov. Brown and the media as prohibiting the ability of water districts to create tiered water rates. In truth, tiered water rates — charging more for higher levels of water use — can be legal if the municipality can demonstrate that the extra water costs more.

What Hertzberg and big-

government bureaucrats want to do, however, is to use water rates as another opportunity to engage in social engineering. They wish to charge those water users they perceive as "bad" more per gallon than those users they perceive as "good." The beauty of "cost of service" rates, however, is that they are fair for everyone: You pay for what you use.

More important, when government deviates from "cost of service" requirements, it expands the opportunity for them to do what they do best — extract more money from citizens. □

## 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)



# ANDREA SEASTRAND IS THE HJTA TAXFIGHTER OF THE YEAR



Andrea Seastrand addresses a taxpayer rally before the San Luis Obispo County Courthouse.

The Howard Jarvis Taxpayers Association is proud to name Andrea Seastrand as the 2016 Taxfighter of the Year. Seastrand serves as president of the Central Coast Taxpayers Association (CCTA), which works to inform and educate voters on important tax issues at all levels of

government. CCTA is constantly advocating for the protection of Proposition 13 and fights for the forgotten taxpayer.

The Taxfighter of the Year Award is presented annually to a citizen taxpayer who shows an exceptional dedication to protecting taxpayers, often

including the contribution of a great deal of time and energy. Howard Jarvis used to say the reason for the success of the campaign to pass Proposition 13 could be encapsulated in three words: “and then some.” Those working to pass tax reform did what was required, “and then some.” “If anyone personifies the Jarvis ideal, it is Andrea Seastrand,” said HJTA President Jon Coupal.

To some, Seastrand may seem an unusual choice because she is a former member of the Assembly and the House of Representatives, and most of those elected to office end up more concerned about political donors than about taxpayers. Seastrand is an exception. She has been a vehement taxpayer advocate both in and out of office.

At the end of her time in Congress, the *Los Angeles Times* called her the “Promise Keeper,” saying she always stuck to her guns about big government. Seastrand never voted for a tax increase, and twenty years later she is still working hard for those who pay government’s bills. She speaks to city councils and county supervisors, and holds press conferences and rallies in

defense of taxpayers. Along with the Howard Jarvis Taxpayers Association, Seastrand, as president of the Central Coast Taxpayers Association, recently filed a complaint with the FPPC over illegal electioneering by San Luis Obispo-area governments on behalf of Measure J, a sales tax increase for transportation.

Commenting on the proposed tax hike, Seastrand showed her knowledge of how the “system” works and her fearless willingness to speak the truth in opposition: “Those cheerleading for the sales tax are the very ones who will benefit through lucrative contracts, while the forgotten taxpayers will pay \$225 million over nine years, and those cheerleaders will be back asking for more in nine years,” she said. Thanks to the hard work of Seastrand and other local taxpayer advocates, Measure J was rejected.

HJTA President Jon Coupal praised Seastrand for her contributions to our country, state and community: “We want to recognize Andrea and all those unsung taxpayer heroes who improve our lives by volunteering their time and energy to act as watchdogs over government.” □

## YOU’LL BE OUTRAGED WHEN YOU READ HOW SACRAMENTO SPENDS YOUR MONEY!

By Eric Eisenhammer

Tax raisers won billions in new taxes on income, tobacco and grocery bags last November, further worsening California’s crushing tax burden. However, even with all these tax increases, our state’s political leadership will have spent us into a projected \$1.6 billion budget deficit by next summer, according to projections released by Governor Jerry Brown.

Meanwhile, our state’s vital infrastructure continues to crumble, as witnessed by the recent collapse of the Oroville

dam spillway, which caused mass flooding, the evacuation of hundreds of thousands of people and millions in damages.

We, as taxpayers, observe this combination of high taxes and Sacramento’s total failure to provide for our state’s basic needs, and ask the question: What does the political elite actually do with our money? One almost wonders if they light it on fire or throw it overboard from their yachts.

In fact, many instances of waste, fraud and abuse have been

exposed through audits by official oversight authorities and reports by investigative journalists.

We release the annual *Follow the Money* report to provide the public with examples of Sacramento’s mismanagement of our tax dollars. This report is a useful resource for sharing with friends and neighbors and on social media. Such instances as the following are documented in the report:

- The cost of a new electronic prison record-keeping system has doubled to nearly \$400

million from initial estimates of \$186 million. The project, which is behind schedule, has not yet been completed, but in prisons where the system has been installed, staff report they don’t like it.

- An independent audit exposed a \$340 million rebate program — designed to persuade Los Angeles residents to give up their green lawns — for being plagued by “inadequate planning, execution, and

*Continued on page 11*

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

## A KING'S RANSOM FOR 'PUBLIC SERVANTS'?

*California Commentary from the Howard Jarvis Taxpayers Association – December 18*

Once upon a time we called them “public servants.” Today, most taxpayers struggle to keep a straight face when this term is used to describe the well-paid elite who govern us.

In a state where the median per capita income is just over \$30,000, Gov. Brown, legislators and other state elected officials will celebrate the holidays with a four percent pay raise. The California Citizens Compensation Commission, whose members are appointed by the governor, decided the improved economy and healthy state budget justified the raise. California lawmakers, who were already the most generously paid in all 50 states, will now receive \$104,115, earning them \$14,774 more per year than the next highest. Of course, this does not count the additional \$176 per day in “walking around money,” living expenses lawmakers receive for every day the Legislature is in session, amounting to an average of \$34,000.

The governor, too, is now the highest paid at \$190,100. Pennsylvania's governor is actually slated to make \$723 more, but Gov. Tom Wolf has not accepted the salary increase.

Governor Brown is the top executive of a state government responsible to nearly 40 million constituents. Do Californians pay their governor enough? The fact that there is never a shortage of candidates for this job is an indication that the pay is sufficient.

So, the question arises, why do many government employees receive more than the governor?

At the local level, most cities have, as their chief executive, a city manager. Of 479 cities — out of a total of 482 — reporting to the state controller, 279 have city managers who are paid more than the governor. Of these, 24 receive over \$300,000 annually.

For some cities, paying their top administrator a high salary seems to be a matter of vanity. Councilmembers, who approve generous compensation, will take the position that their city

*Of 479 cities...279*

*have city managers*

*who are paid more*

*than the governor.*

deserves a highly paid manager the same way some car buyers justify the purchase of a luxury vehicle. Just as the neighbors may be impressed by the new Mercedes, neighboring cities will be impressed with their city's ability to overpay the help. This, of course, puts pressure on surrounding cities to keep up with the Joneses.

While some city hall insiders will argue that higher pay is justified by a larger population, there seems to be no actual correlation.

Escondido, California's most

generous city, has been compensating its manager \$413,000 annually to serve a population of 151,000. In slightly larger Palmdale, the manager receives \$138,000 to look after 160,000 residents. And then there is Garden Grove with a population of 177,000, where the city manager gets \$89,000.

A few years ago, the city manager in Bell went to prison for illegally compensating himself \$800,000 per year. However, although it may not be illegal, the city of Vernon stands out as a candidate for the most profligate in the state. Its top executive is paid more than \$328,000. The city's population is only 210, which means that each resident is responsible for over \$1,560 to compensate the manager. (The rumor that Vernon's top executive insists on being called “Your Majesty” could not be verified.) Another small city, Gustine in Merced County, with a population of 5,482 gets the award for most frugal. It pays its city manager \$909 annually.

While there are other areas of government-employee compensation that beg examination, the range of pay for city managers seems to be the most irrational.

Still, none of these local administrators is close to the state's top salary of \$3.35 million. But since the program generates the revenue to pay UCLA football coach Jim Mora, he is more likely to be criticized for his record than his salary. □

## TAX BYTES

### FAT CITY

Santa Monica, a coastal city of 90,000, pays 105 of its employees more than \$300,000 annually, reports CBS News.

### ACCOUNTING FOR STATE ACCOUNTING

The state auditor reports that an overhaul of the state's accounting system begun in 2005 will take another two years and an extra \$237 million to finish. The projected total cost is estimated at \$910 million.

### IS THIS WHY STATE PROJECTS GO OVER BUDGET?

The Legislative Analyst's Office is critical of the lack of oversight on the first phase of a \$1.3 billion program to build and modernize 11 state buildings. The project, according to the LAO, “lacks basic information necessary to determine its merits, including its costs, benefits, and potential alternative approaches.”

### AND WE TRUST THEM WITH OUR MONEY?

Another report of mismanagement comes from the Associated Press. A massive project to modernize medical record-keeping for California prison inmates has more than doubled in cost from original estimates to nearly \$400 million in just three years.

### NO SURPRISE HERE

An audit reveals the Metropolitan Water District's massive \$340 million turf rebate program was plagued by poor planning and oversight by the agency.

## YOU'LL BE OUTRAGED *Continued from page 10*

- follow-up.”
- Oakland and Alameda County officials received \$7.8 million in free tickets to Golden State Warriors basketball games while they were simultaneously reviewing and approving contracts related to the team.
- Former UC Davis Chancellor Linda P. B. Katehi cost

taxpayers and the university \$174,000 in travel expenses that included first-class flights, limousines and fancy hotels.

- Former Board of Equalization chairman Jerome Horton spent \$130,000 redecorating his office with luxury furniture.

Despite so many clear examples of the failure of our state's political leadership to competently manage

the billions in tax dollars they already receive, they are currently advocating for even more tax increases, including gas taxes, car taxes and mileage taxes.

We taxpayers have a right to hold our elected representatives accountable, to refuse to buy into their claims that they need more money, and to demand answers as to what they're doing

to address government waste, fraud and abuse.

Taxpayers can download a copy of the *Follow the Money* report on [www.hjta.org](http://www.hjta.org) by clicking on the “Resources” tab and then on “Studies and Reports.” □

*Eric Eisenhammer serves as Director of Grassroots Operations for HJTA.*



## 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.

## HELP US RECRUIT NEW PROP. 13 SUPPORTERS

Taxpayers' best defense is an informed public. The vast majority of those who know about Proposition 13 support it, but many are not aware that their taxpayer protections are under attack by Sacramento politicians.

You can help protect Proposition 13 by helping HJTA recruit new Members who will support the taxpayers' cause in the Capitol

and throughout the state.

Please use the form below to send us the name and address of at least one taxpayer who would benefit from learning more about Proposition 13 and the tax-fighting work of HJTA. If you know of more than one, provide their information and we will be glad to reach out to them as well.

### 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: \_\_\_\_\_