

SACRAMENTO COUNTY TAXPAYERS LEAGUE PERSPECTIVE

PROMOTING ACCOUNTABILITY, EFFICIENCY AND ECONOMY IN GOVERNMENT—SINCE 1961



IN THIS ISSUE:

PAGE 1

Why Californians go to Texas

by Katy Grimes

PAGE 2

President's Message

by Ken Payne

PAGE 3

Executive Director's Message

by Bob Blymyer

PAGE 5

Forbidden Speech

by Jon Coupal

Why Californians go to Texas

By Katy Grimes

When will enough be enough for California? How much longer is California going to roll over for Texas? Or North Carolina, Nevada, Arizona, Oregon, Tennessee or Utah? While these wonderful states are cherry-picking our surviving businesses, state legislators are still talking about expanding entitlement programs and ways to increase taxes to cover the growing state deficit.

A recent report by the Texas Public Policy Foundation found that the "most significant competitive advantage Texas has over California is that Texas has no income tax where California has a steeply progressive income tax."

"state legislators are still talking about ...ways to increase taxes to cover the growing state deficit."

The biggest problem for Californians is that we are taxed through our earlobes (and other parts), and it's only getting worse.

The study, authored by economists Arthur Laffer, Steve Moore, Donna Arduin and Wayne Winegarden, lists the nine states with the lowest and highest marginal personal income tax rates – California is one of the highest at 10.55 percent. New Jersey, Hawaii and Oregon are higher but only by 10.75, up to 11 percent.

continued on page 4



PRESIDENT'S MESSAGE

What is the Taxpayers League?

As you may know, the League is a “sister” agency to the Auburn Dam Council (ADC) and its respective project. As you may also know, taxpayers have already spent something like \$200,000+ on improvements to the American River Canyon in preparation for a dam at the Auburn site. Well, with a “new” Congress coming in next January, the ADC members are very encouraged by Congressman McClintock’s renewed interest in this project. Eventually, there may be a more favorable environment for getting this project back onto the drawing board.

In addition to the new Congress, there are some new issues (besides the obvious ones, like flood protection, green energy, and lots of water) that make up-stream storage more attractive. One such issue is the new requirement to increase flows through the Delta by about 20%. This requirement alone could reduce the water available to the current users of Delta water. This situation, in turn, would increase the number and composition of potential stakeholders in an upstream storage project that would create a new supply of water.

Another attractive environmental aspect for this project is its proximity to the Delta. Fisheries, often depend upon “pulse flows” [of water] to maintain water quality for the fish. Water stored at Auburn, and thus Folsom Lake, by extension, is only hours away from the Delta, as opposed to Oroville or Shasta Dams, whose water is days away. Pulse flows released from Folsom could be rapidly replaced if up-stream storage were available.

All this adds up to a much more exciting environment than we’ve had in a long time. I hope you all are as interested as I am about the potential of the new congress for making needed changes, like the extension of the “Bush tax cuts”.

Wishing you all a Merry Christmas and Financially “Stable” New Year!!

Ken Payne

EXECUTIVE DIRECTOR'S MESSAGE

The Taxpayers League had a pretty good year overall considering the very stagnant local economic situation. Although we lost 15 members during the 2010 year, we offset that by gaining 19 new ones. We did a complete revamp of the website; making it much easier to navigate for current issues, as well setting up an archives section showing past League activities. There is still a little more to do on the web, but it will be totally finished by the end of the year. And as you saw with the last issue, we have a completely new format for the Leagues newsletter the "PERSPECTIVE", which will be getting back out on a more punctual schedule for 2011.

One of the major goals from last year was to get the League committees up and running. Although we did not accomplish as much in this area as anticipated, there will be a strong effort from the 7-8 committees in place after the first of the year. Each of the Leagues Board members will be expected to participate in one or more of the Leagues committees. An updated list of the committees functions will be provided soon.

The League is pleased to announce that next year it will be celebrating its 50th anniversary. For 2011, the event will be held on April 21, 2011, and the keynote speaker will be well known Bee Political columnist Dan Walters. In addition, the League is also going to honor all of its past presidents. Several of them will be in attendance for this special event. More information will be provided beginning next month.

And last but not least, a very Merry Christmas and happy, stress-free New Year to all of you from myself and the Board members.

Cheers:

To Michelle Rhee (fiancé of Mayor Kevin Johnson) for pointing out recently that one of the big problems with education is that so much effort has gone into 'making them feel good about themselves', rather than focusing on core skills that will ensure that they have reason to feel good about themselves. Ms. Rhee is bringing a lot of common-sense thinking to the heavily over-regulated education industry.

To Roger Niello – for his many years of service in the California State Assembly, which ended this year. We wish him well in whatever direction he takes.

Jeers:

To transit and intercity bus drivers for having the highest ratio of injuries and illnesses of all workers, public and private. Time off from the job was not a major factor 40 years ago, before the government subsidies began rolling in. And not surprisingly, the rate of time off from jobs was much, much higher for government workers than those in the private sector. [Bureau of Labor Statistics](#)

To the California Air Resources Board (CARB) – My blood pressure goes up just thinking about what their next 'save the planet program' is going to be – and how much it will cost the states' residents and small businesses. I still get angry when I think back about 20-25 years ago, when California gas stations were required to add a second hose to the gas pumps for some type of vapor recovery. The units became so big and heavy that some senior citizens could no longer fill their own gas tanks. Then, after a cost of tens of \$millions, the second hoses were removed. Way to go gang!



Bob Blymyer
Executive Director

This N' That

U.S. Postal Service Lost Record \$8.5 Billion in 2010, By Edwin Mora, [CNSNews.com](#), 12/07/10

Have you noticed this story in the formerly mainstream media? The government Post Office is losing lots of money. UPS, DHL and FedEx are making lots of money. The Post Office is run by unions, the private firms run by management that can make profits.

"The U.S. Postal Service (USPS) accrued a record loss of \$8.5 billion in fiscal year 2010, up \$4.7 billion from 2009, highlighting financial pressures that are not expected to improve in 2011 or in the "foreseeable future," according to the Government Accountability Office (GAO).

The loss was mainly driven by employee benefits and compensation costs, including a \$5-billion-plus congressionally mandated retiree health benefits payment and a drop in mail volume."

It is time to sell the Post Office. Maybe Gates, Google or Steve Jobs would buy it. On the other hand, they are too smart to buy this organization that is going the way of the buggy whip.

Why Californians go to Texas

continued from page 1

It is evident that the states with low tax environments and pro-growth policies are benefiting greatly, and are better equipped to survive the economic volatility in the country.

A few weeks ago, on a rant and fed up with the cost of living in California, I searched for the most fiscally conservative counties and states in the U.S.

The Daily Caller made my research fairly easy as it had recently ranked the most “conservative-friendly counties” in America 1-100. Williamson County, Tenn., won the top billing.

The criteria included: How counties have voted in the past two presidential elections; median household income, factoring in cost of living; home-ownership percentage; married family percentage; civilian veteran percentage; state unionization laws; whether a right-to-work state or mandatory union state; state tax burden— state income taxes, factoring in available deductions; state concealed weapons laws; ease of carrying weapon legally; state weekly religious attendance, as measured by Pew; state abortion laws, as measured by Americans United for Life; and even “intangible” things such as a long conservative history, an ingrained military culture and prominent right-wing politicians.

While I might not have included all of these categories in my search, the overall results were interesting.

Aside from having the most guitar-shaped swimming pools per square mile, the Williamson County local economy consists of a high rate of entrepreneurs at 21 percent, and enjoys great fiscal responsibility with a AAA rating from Moody’s. The county reports balanced books, and has nearly two-thirds of the operational budget going to public education with winning results – a 92 percent to 95 percent graduation rate in high schools.

Denton County, Texas, made the *Daily Caller* top 20 list as well, known as “a hotbed for affluent conservatism,” crediting Congressman Dick Arme, a free-market enthusiast and economics professor, with tripling the population of the county during his 18 years in office.

The TPPF study reported “Texas’ economic strength can particularly be seen in job creation. According to employment data released last month by the Bureau of Labor Statistics, Texas created 129,000 new jobs in the last year—over one-half of all the new jobs in the U.S. In contrast, California lost 112,000 jobs during the same period.” California’s total tax revenue growth may have been up, but was extremely “volatile and erratic, due to the state’s steeply progressive tax code.”

Even though California can expect revenue “riches” when economic times are healthy, California’s legislators always spend the money on pet projects and special programs. And then the shortfalls hit when the economy turns downward, leaving the entire state in a deficit.

None of this is news to California’s residents as we are living in one of the most difficult economic times in the state’s history. The study did however bring to light the dangerous policy tangle of environmental and land use regulations.

California was once known not only as an agricultural leader, but an economic leader. Somewhere along the way, the environmental lobby began dictating terms to the vast agriculture business in the state, and did so through the Legislature. Those regulatory interferences expanded to all business in the state and California became a state of “us and them” businesses – either an “enviro” or “big business.”

The study acknowledges that the rise in California’s regulatory climate has dramatically affected all trade and business in the state. Despite the fantastic natural resources indigenous to California, “It can cost \$75,000 to get state approval of a timber harvest plan even before a tree is cut.” Whether building homes, highways or any other structure, the high costs of labor and materials in California act as a “powerful disincentive to business expansion and job creation.”

By contrast, there are businesses and jobs in Texas that don’t even require licensing. In Texas, one can have a dream, and just create a business, like the good old days.

“Even though California can expect revenue “riches” when economic times are healthy, California’s legislators always spend the money on pet projects and special programs. And then the shortfalls hit when the economy turns downward, leaving the entire state in a deficit.”

The per capita personal income in Williamson County was \$55,717 in 2008. Denton County reported \$58,216, with Sacramento County coming in at just \$35,857.

But the overwhelming evidence that Tennessee just may be one of the most fiscally conservative places in the country to live is that a legislator, on average, is paid \$15,603 annually. A Tennessee hotel manager makes

significantly more at \$35,128, as does a food service manager at \$41,294. A California legislator is paid \$95,291 annually.

Trying to compare Sacramento County’s economic jobs and business development was a real chore since locating the economic development category on the county Web site was not easy. It was listed under “Related Offices,” whereas the Tennessee county websites prominently display its economic development pages.

Tennessee used to say “follow me to Tennessee,” and now calls itself “America at its best.” It appears to be true, at least economically – and if you like guitar-shaped swimming pools.

Deep in the heart of Texas, economic performance is king, taxes remain lower and the budget is balanced without raising taxes, according to the TPPF study.

California, once *the Golden State*, claims you can “find yourself here.” Unfortunately what most people in California find are empty wallets, empty bank accounts and a growing, and well-paid entitlement government.

Forbidden Speech

by Jon Coupal

Philosophers have pondered and debated the question of “what is true?” for eons. Now, thanks to the bureaucrats at the California Air Resources Board (CARB), we have our answer: The truth is whatever CARB says it is, and those who utter forbidden opinions to the contrary will be punished.

Sounding like something from George Orwell, CARB is poised to adopt a regulation that literally “forbids” and “penalizes” opposing views. The resolution, which CARB dubs, “prohibition on false statements,” is frightening in that it would actually sanction communications to the agency during hearings or in the presentation of studies that CARB disagrees with. Apparently, CARB’s legal staff missed that whole bit on the First Amendment. In America, we don’t jail people for making “counter-revolutionary statements.”

Not surprisingly, it is usually the crackpot dictator forbidding dissent who plays fast and loose with the truth. CARB’s regulations which have so devastated the trucking industry were based on a discredited report by a “Dr.” Hien Tran, a CARB researcher who mail ordered his PhD from a phony university. However, even when it was discovered that Hien Tran had falsified his qualifications, CARB refused to fire him and stood by his study – a study that now even CARB itself admits overestimated pollution by more than 300%. If you are waiting for CARB to apply its new proposed rule to itself, don’t hold your breath.

“Despite its lack of economic expertise, CARB and its allies are committed to a vision of California unhinged from reality.”

That CARB seeks to squelch dissent before it even begins is not surprising. In the wake of Prop 23’s defeat, CARB is chafing at the bit to fully implement California’s one-of-a-kind “global warming solution” law known as AB 32. The last thing the agency wants is to have to contend with contrary views about complex issues – notwithstanding the fact that the so-called “consensus” on climate change has become much less of a consensus since the days of Al Gore.

Moreover, it is not just the science of climate change to which CARB has an allergic reaction to competing views. In attempting to measure the true cost of AB 32 on California’s economy, any suggestion that “green jobs” won’t be the miracle cure claimed by CARB and the investors behind Green Tech will be met with a reaction similar to that of a vampire to a crucifix.

Despite its lack of economic expertise, CARB and its allies are committed to a vision of California unhinged from reality. They believe that imposing price hikes during a recession will lead to this new “green jobs” economy.

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Forbidden Speech

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“Yet despite hundreds of millions in subsidies and the support of the Governor and President Obama, the Solyndra closure illustrates how even green manufacturers have difficulty competing under our state’s crushing burden of high taxes and endless red tape.”

But that myth has already started to unravel with the closure of model green business, Solyndra’s first factory. Solyndra, a solar panel manufacturer, had once been hailed by the CARB cheering section as an example of many more green manufacturers to come. Yet despite hundreds of millions in subsidies and the support of the Governor and President Obama, the Solyndra closure illustrates how even green manufacturers have difficulty competing under our state’s crushing burden of high taxes and endless red tape.

The important question here is whether an effort by credible economists, taxpayers, consumers or business interests to inform CARB that price increases during a recession are bad for the economy will be met with “penalties” for failing to line up with the “truth” as decreed by CARB.

CARB’s Chairwoman, Mary Nichols, is now proceeding “full speed ahead” with AB 32 implementation, effectively flooring the accelerator as she and her agency drive our economy over the cliff. “Forbidding” people from saying this may not be a good idea right now is the equivalent of Mary Nichols putting her hands on her ears and saying “la la la I can’t hear you la la la,” as taxpayers and business owners scream that she stop.

[Final note: The first hearing on CARB’s proposed regulation was scheduled for December 1st. According to CARB’s website, the hearing has now been postponed until next year. Moreover, the proposed regulation providing for “penalties” for false information has been removed from CARB’s website.]

Jon Coupal is president of the Howard Jarvis Taxpayers Association — California's largest grass-roots taxpayer organization dedicated to the protection of Proposition 13 and the advancement of taxpayers' rights.

MONTHLY BOARD MEETING

The Sacramento County Taxpayers League meets for lunch on the third Thursday of each month (except August and December) at :

Denny's Restaurant
7900 College Town Drive
(Howe Ave. and Hwy 50)
Sacramento CA 95826

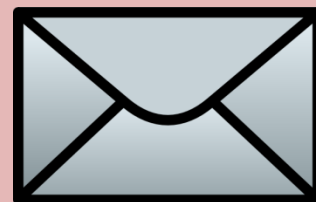
Although this is an official Board meeting of the League, guests are encouraged and welcomed to attend. Each month the Board discusses topics of community interest that affect all taxpayers.

Come join us at anytime!

MEMBERSHIP

YES! I am concerned about Sacramento. Please enroll me as a member of the Sacramento County Taxpayers League. I have checked my membership level below, and my check is enclosed.

Name: _____
Firm name: _____
Address: _____
City: _____ **Zip:** _____
Phone: _____
Email: _____



<input type="checkbox"/> Gift (1 st year only)	\$20
<input type="checkbox"/> Student	\$20
<input type="checkbox"/> Individual	\$45
<input type="checkbox"/> Family	\$60
<input type="checkbox"/> Professional	\$75
<input type="checkbox"/> Small Business	\$140
<input type="checkbox"/> Medium Business	\$295
<input type="checkbox"/> Large Business	\$600
<input type="checkbox"/> Large Corporation	\$850

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What is the Taxpayers League?

In 1961, the Sacramento County Taxpayers League was formed by you, the local citizens and your businesses and professional organizations. The goal: to monitor tax issues, utility rates, bond measures and City and County budgets. When concerns arise, the League is there writing to your elected officials, testifying at public meetings and making certain that Taxpayers concerns are represented.

2010 OFFICERS & DIRECTORS OF THE TAXPAYERS LEAGUE

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Vice Presidents:

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