



Los Angeles Area
Chamber of Commerce



MONDAY | Mar. 28, 2005

THE BUSINESS PERSPECTIVE:

Si, Se Puede... Reform Immigration



Coming up at the Chamber

[View all upcoming events on our web calendar.](#)

TUE | Mar. 29
Principal for a Day
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TUE | Apr. 5
Small Advisory Business
Council
[more info](#)

WED | Apr. 6
Health Care Committee
Meeting
[more info](#)

THU | Apr. 7
Connection Point:
Networking in Color
[more info](#)

THU | Apr. 7
Business After Hours Mixer
[more info](#)

WED | Apr. 8
Education & Workforce
Committee Meeting
with Assemblymember Jackie Goldberg
and UTLA President-Elect A.J. Duffy
[more info](#)

TUE | Apr. 12
Referral Network
A Growing Companies Program
sponsored by Wells Fargo
[more info](#)

WED | Apr. 13
Technology Industry Council
[more info](#)

WED | Apr. 13
Executive for a Day
[more info](#)

FRI | Apr. 15
Accenture
Pancakes & Politics:
Mayor Jim Hahn
[more info](#)

SUN-WED | Apr. 17-20
Access Washington, D.C.
[more info](#)

MON | Apr. 18
Executive Briefing:
Hedging Business & Political
Risks in Latin America
[more info](#)

THU | Apr. 21
Export Seminar Series:
Legal Do's & Don'ts for
Exporters
[more info](#)

The Los Angeles Area Chamber of Commerce, with nearly 1,400 members, is the voice of business in L.A. County. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For more information, visit www.lachamber.org

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In the weeks ahead, the chances are good that you will be confronted by someone asking you to sign one of over 75 (or more) propositions that various interests are trying to place on a special election ballot in November.

The number is truly staggering. Let's hope the number that qualifies for the ballot doesn't approach a fraction of that total. If a significant number qualify, it will be democracy at its worst. It will leave public policy up to the highest bidder. The ones with the most money--actually, make that the ones with the most clever television commercials--will win the day.

But let's set that aside for a minute and focus on some of the more significant initiatives that are being circulated.

Many of the initiatives are repeats of some issues that have already been the subject of prior initiatives or legislative proposals, from raising California's minimum wage to changing the way legislative boundaries are drawn. These issues are nothing new and most of us know where we stand on them.

However, another batch that might qualify will mislead voters to pass laws that will make things worse. As paid signature gatherers are soliciting signatures in front of shopping centers, here are just some we should be aware of before we sign on the dotted line:

1. Corporations could be prohibited from making political contributions without written consent from their shareholders--while no such provisions or restrictions would apply to organized labor.
2. Commercial property taxes could increase through a "split roll," creating discriminatory treatment between commercial and residential property.
3. Electric companies could be thrown back into the chaos of regulation, giving bureaucrats more power and increasing the cost of government.
4. Prescription drugs could be subject to price controls, resulting in fewer dollars being spent by drug companies in California on researching new drugs needed to fight disease.
5. K-12 education could find additional funding through higher commercial property taxes--once more increasing the cost of doing business in California.

There are so many initiatives, some of which conflict with one another, that I can't list them all here.

Not surprisingly, these initiatives are being backed by the same groups that tried to block workers' comp reform last year and never miss an opportunity to support tax increases on businesses.

Now how about Gov. Schwarzenegger's package of initiatives in circulation:

1. **"California Live Within Our Means Act"** would place a spending cap on the legislature to prevent budget deficits. It is a great idea to keep a restraint on spending, as long as it doesn't keep us from investing in needed infrastructure.
2. **"Put the Kids First Act"** extends the time a teacher needs in order to receive tenure. It is a good idea, as long as it doesn't unintentionally discourage new, young teachers from entering the profession.
3. **"Excellence In Teaching Act"** would base teacher salaries on performance. Everyone should be paid based on merit--in all jobs. But the details will be important.
4. **"Voter Empowerment Act"** would remove the legislature's authority to draw their own boundaries. It is an idea the LA Area Chamber has championed; let's hope we don't have to wait until 2010 to implement it.
5. **"Two-Thirds Vote Preservation Act"** would prohibit the legislature from raising fees without a two-thirds majority vote. We need to control the ability of the legislature to raise taxes, but our state's fiscal house is in such chaos that perhaps we need a total overhaul of revenue-raising options, rather than attacking them piecemeal. But until that day comes, this is probably a good safeguard against higher taxes--er, fees--

The Business Perspective is a weekly award-winning opinion column by Rusty Hammer, President & CEO, LA Area Chamber

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on business.

I am confident that Gov. Schwarzenegger put a lot of thought into these proposals. To be sure, they are very bold, and conceptually they are consistent with where business has been for many years. It is likely that once we know all of the details, we will support most, if not all, of them.

Unfortunately, the initiative process is somewhat like making a pizza. People throw enough together to make something taste good, and when it's done, you can't undo it, no matter how bad it tastes. Once something is written and is on the ballot, unlike legislation, it cannot be amended. And don't forget that the legislature can place its own propositions on the ballot without the signatures of the governor or the public.

That is why you need to be very careful in the weeks ahead. If someone asks you to sign a petition, make sure you know what it says. Don't just read the title, because that can be misleading. Read it before you sign it. Find out who is promoting it--that is a good yardstick. If you don't agree with them, you probably won't like what they are promoting.

So unless you want the chaos of a lengthy ballot, with conflicting and confusing initiatives, make sure you know what you are signing. As for me, I think the governor's package is a good place to start.

And that's the *Business Perspective*.



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