

Opinion: Don't trust government with new tax money

By Joel Fox

Reassurances to taxpayers about proper management of new revenue on the state and local level is too often ignored by politicians once the money is secured. Recent examples of attempts to spend money differently than promised are common—but it's an old story, as well.

The Legislature passed the gas tax and vehicle license fee increase amid promises that the money would go to the much-needed repair of transportation infrastructure. Before the governor had a chance to sign the bill, Democratic politicians were proposing ways to spend the money that were far afield from the transportation goals such as repairing restrooms in state parks.

Part of the promises made on the use of the new gas tax money is that voters will have a chance to pass a constitutional amendment in an election next year to assure that the money will be spent for transportation purposes. However, the new taxes will start coming in this year and many dollars will be spent before any guarantee is put in place. How much revenue will the constitutional guarantee protect and what might be spent of the new revenue before that guarantee is in place?

State Sen. Ted Gaines asked in a release: "Why would anyone believe that this new tax isn't a bait and switch sham where the funds won't be diverted to pay for pet projects like the High Speed Rail boondoggle?"

In Los Angeles, voters recently backed two measures to assist in helping the homeless. A city bond is dedicated to building housing for the homeless while a county tax will be used for services for the homeless.

But in both instances, voters were promised that current budgets for the homeless would not be shifted for other purposes to be replaced by the new revenues. Yet, as Los Angeles Chamber of Commerce President Gary Toebben recently communicated to his membership, a shell game of moving dollars around may be in the works. As Toebben wrote, "Voters were promised a "maintenance of effort" to effectively deploy new resources for new housing and new services. The Chamber is very concerned by initial signs that this commitment is not being met."

Toebben points out the city budget currently under discussion shows a drop of funding for homeless services of over \$28 million, a reduction of about 43 percent of last year's homeless funding. Likewise, the draft budget for the County of Los Angeles indicates some new money would be used to backfill commitments to homeless services instead of expanding efforts on behalf of the homeless.

Yes, it's an old story. One I'm quite familiar with.

Twenty years ago, as head of the state's largest taxpayer's association, I took the extraordinary step to support a Los Angeles Unified school bond on the condition that our organization had a seat on the newly organized Bond Oversight Committee to make sure the money was spent properly. No sooner had the bond passed, that the school district ignored the oversight committee and went its merry way in spending the bond money—that is until we sued and a superior court judge put a stop to the school district ignoring the oversight committee with an admonition that the committee was to fulfill it's oversight obligation, it was not there simply to count nails once they were pounded in.

A few years later the school district again attempted to ignore the oversight committee. This time, holding the seat once occupied by the taxpayer group, civil rights lawyer, Connie Rice, blasted the district for bait and switch

practices (there's that phrase again) on the use of the money.

Will politicians and bureaucrats ever learn to live up to their promises or will taxpayers ever learn not to believe what they are told during campaigns for more money?

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