

# the corner

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**Prop 1A Aftermath** [Michael New]

Yesterday, California voters resoundingly rejected Proposition 1A by a 66-34 margin. It is pretty clear that after enduring at \$12.8 billion tax increase earlier this year, California taxpayers did not want to see their taxes raised by another \$16 billion, especially when all they were receiving in return was a spending limit of dubious value. However, it should be noted that California still faces substantial fiscal problems, both short term and long term.

However, worthwhile solutions probably will not be coming from the California state legislature. Gerrymandered districts all but guarantee that Democrats will control both chambers of the state legislature for years to come. However, Proposition 13's supermajority requirement for tax increases gives Assembly Republicans an effective veto over any proposals to hike taxes.

As such, the best chance to implement an effective spending limit will probably come through the citizen-initiative process. This will not be easy. Running an effective statewide campaign will cost millions of dollars, and powerful, well-financed groups exist that will strongly oppose the enactment of any spending limit.

However, taxpayer groups should try to convince business groups in California to support a low spending limit. Furthermore, obtaining the support of Republicans running for statewide office in 2010 would give such a proposal some favorable publicity. Another worthwhile idea might be to propose lowering the California's Gann Limit to its pre-1990 level. Since this is a spending limit that California lived with in the past, it would be more difficult for opposition groups to demonize.

Fiscal reform in California will certainly not be an easy task. However, fiscal conservatives should take heart. Tuesday's defeat of Proposition 1A definitely improves the prospects for an effective spending limit in the future.

— *Michael New is an assistant professor at the University of Alabama, a visiting fellow at the Witherspoon Institute, and an adjunct scholar at the Cato Institute.*

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