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• Apr. 28, 2008

## **The View - Yes on Prop. 98/No on Prop. 99 - The Battle to Restore Private Property Rights**

By JOEL AYALA, JOHN KABATECK AND DOUG MOSEBAR

Since California has failed to join more than 40 states in reforming its eminent domain statutes, a diverse group of business, farm and taxpayer organizations have taken a leading role in restoring private property protections for California business property by qualifying Proposition 98, the California Property Owners and Farmland Protection Act, for the June 2008 ballot.

It is well documented that business owners are the most common victims of eminent domain abuse because of local governments' appetite for sales tax revenue to finance unsustainable levels of spending. In the never-ending chase to generate greater sales tax revenue, it is increasingly common for public agencies to use the power of eminent domain to replace existing businesses with projects that hold the promise of generating more tax revenue.

As a result, it is not just homes and businesses in blighted neighborhoods that are seized from property owners who don't want to sell; it is also modest homes and productive businesses that have the responsibility of supporting their employees and families.

The good people of Baldwin Park know this first hand. The elected leaders are forcing more than 500 home and business owners off their property - bulldozing an area of about 125 football fields in size. So far, pleas to keep their property have fallen on deaf ears.

According to the Institute for Justice, the organization that litigated the U.S. Supreme Court's *Kelo v. New London* case, California is among the biggest abusers of eminent domain in the nation and absent any reforms, the problem is only getting worse.

Fortunately, California's business community has the opportunity to restore private property protections in California by supporting Proposition 98, a ballot measure that offers substantive yet reasonable reforms that specifically prohibit government from taking private property from unwilling sellers for a private purpose while allowing government to continue to use eminent domain for such legitimate public projects as roads, schools and water projects.

Moreover, Proposition 98 institutes procedural and compensation reforms so that businesses are properly compensated when property is taken for legitimate public projects. Under current law, compensation covers no more than \$10,000 in business relocation expenses or lost revenue, perhaps the cost of a moving truck, but little more.

Unlike the story of Baldwin Park, successful efforts to revitalize communities in California take place all the time and without using eminent domain to forcibly take property from property owners who don't want to sell. In fact, the city of Anaheim is using such progressive redevelopment practices to develop more than 9,500 housing units, 2.2 million square feet of new commercial space and 5 million square feet of new office space - and all this without infringing on the property rights of its existing residents and business owners.

As did the city of Anaheim, government should use market-based incentives, regulatory relief and permit streamlining to encourage urban renewal and growth, instead of the heavy hand of eminent domain.

Unfortunately, too many public agencies have embraced the dated and highly destructive practice of forcibly seizing and demolishing peoples' homes and livelihoods. This should come as no surprise when powerful government interests such as the League of California Cities and the California State Association of Counties have spent more than \$4 million to qualify Proposition 99, a competing ballot measure that denies the business and farming community property rights protections.

In addition to providing no benefit to business property, Proposition 99 puts the business community at risk by creating a defacto split-roll for property rights by expressly discriminating against business properties. Differentiating between classes of real property here could very well give a green light to anti-

business interests in California to pursue other types of split rolls, the most dangerous, of course, being a split-roll property tax. Already, the spending lobby has proposed higher property taxes on businesses as a way to address California's \$16 billion budget gap.

While California is the leading agricultural state in the nation and its small businesses support over two-thirds of all jobs, it is of concern that these government interests would write a ballot measure that denies private property protections for those responsible for keeping our economy strong and creating jobs.

California's business community stands against big government interests when they try to raise taxes and increase regulations. Today, we must stand together against these government forces when they wield the great power of eminent domain to determine who stays in business and who does not - this is the role of the market, not government.

Vote yes on Proposition 98, no on Proposition 99.

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