

YOU Can End Rent Control!

The below article was written by Trevor Grimm, Attorney for the Howard Jarvis Taxpayers Association.

The Committee for Property Rights Protection (CPRP) with its anti-KELO/anti-rent control Initiative* is out to kill rent control (over time). The Initiative is not designed to send the old and the infirm into the streets waiving thirty day notices of rent increases (to whatever the fair rental value should be) or thirty day notices to quit. It calls for a phase-out of rent controls. Rent controls end permanently when there is a voluntary vacancy or a "just cause" eviction.

With the help** of property owners like you (please see the end of this article for details why your monetary/signature-gathering help is so important), CPRP is within striking distance of qualifying its Initiative for the June 1 2008, ballot.

Why is this attack on rent control joined with an attack on government's power to take property from one private owner and give it to another private owner? Isn't it the same thing by a different name -eminent domain vs. rent control? Either way, the rightful owner of real property is denied its "VALUE" whether that be economic value in the form of lost rent and/or lost expectation of appreciation in the future or subjective value as with Mrs. Kelo: "Voluntarily, I wouldn't sell my property for any amount, period." In law school we learn that ownership of real property actually is ownership of a bundle of rights, like a bundle of twigs. Among other things, unless prevented by some use or zoning ordinance, an owner can: occupy property, permit others to occupy property, defend property against trespassers, sell property for what the market dictates, rent property on the same basis, improve property to the extent desired, encumber property in the amount obtainable, reconfigure property, market property, mine property, farm property with any legal crop, convey property, transfer an interest in property, will property to his or her beneficiaries and/or just sit on the property, protected by Prop. 13. until civilization catches up with it and it appreciates out-of-sight. Now, to the extent that any of these rights exist on Day One and do not exist on Day Two, ABSENT SOME GIFT OR SALE BY THE OWNER, someone has taken that right as sure as Mrs. Kelo's home was taken when the eminent-domain-private developer-bulldozers came to drive her away.

A "taking" is a "taking," pure and simple, and a prohibition on the taking of a private property right to benefit another private person is the one subject of the CPRP Initiative. One day you have something and without any action on your part, the next day you don't. If that case does not involve a "taking," how did the first owner involuntarily lose the right? Now it is true that the type of taking involved in Mrs. Kelo's eminent domain case is slightly different. Such a taking must be accompanied by the payment to the property owner of "just compensation" for the property right taken, meaning some amount fixed by negotiation, jury verdict or judicial decision. Now I compare an eminent domain/just compensation taking with a rent control taking (a taking of the right to rent or lease property for fair rental value). Rent control is not dependent on the payment to the property owner of just compensation by the beneficiary of the taking. In fact, it is not dependent on the payment of any compensation to the owner at all, just or otherwise!

What is the effect of rent control? According to Walter Block, writing in The Concise Encyclopedia of Economics, “[E]conomists are virtually unanimous in the conclusion that rent controls are destructive.” He continues, “in a ...poll of 211 economists ... slightly more than 98 percent ... agree that a ' ceiling on rents reduces that quantity and quality of the housing available.” To the extent that rent control dissuades builders from building apartments for fear of being subjected to rent controls at some point in the future, it produces exactly the opposite result from what is billed as doing, i.e. providing affordable housing for renters. We know from experience with gas prices that when there is less of something and more demand, the price goes up. Well, for every un-built unit and every rent controlled unit there is a cost increase for tenants in the uncontrolled rental market. Along with rental property owners, they are losers too.

Probably the best line in the Block article, an article which squashes any semblance of sanity in the rent control corner is the following: “Swedish economist (and socialist) Assar Lindbeck, asserted, ‘In many cases rent control appears to be the most efficient technique presently known to destroy a city - except bombing.’” Well, CPRP is here to stop the bombing and the rent control bomb-throwers. Please do what you can to support its efforts ... there will be a long and heated campaign by the controllers to defeat the CPRP Initiative and to keep their power of control.

* In New London, Connecticut, Mrs. Kelo's property was taken by the City through the exercise of its eminent domain power for use by a private developer in connection with construction of a private yacht harbor. The U. S. Supreme Court held, in effect: Government may seize property through its exercise of its eminent domain power when it is likely that such seizure will produce more revenue (taxes) for government.

** The "help" you have given is both from dollar-donating and signature-gathering, and CPRP thanks you for it! To get an initiative on the statewide ballot some 700,000 valid signatures must be gathered on petitions bearing the full initiative and filed with the Secretary of State. In order to ensure that enough valid signatures have been gathered, election consultants urge collection of about one third more signatures to make up for any invalid ones collected. (We have examples of celebrities like Mickey Mouse signing petitions.)

So, we are faced with filing about 1,000,000 signatures to guarantee that this Initiative gets on the ballot. Now, the only way to achieve the signature-goal is to form a partnership between volunteer signature-gatherers and paid professionals (at a cost of between \$1.50 and \$2.00 per signature). On two occasions in the 1960's, Howard Jarvis tried to qualify Prop. 13 by using volunteers only and failed. As we all know, by forming a partnership with professional signature gatherers in 1978, Howard's third effort was a charm

[Editor's Note: If you would like to donate to help win back your property rights through this Initiative, please make your check payable to the AOA PAC or call (800) 827-4262 and you can use your credit card to make your contribution. The AOA Political Action Committee has already pledged \$100,000.00 and much more is needed for the advertising necessary to get the Initiative passed. Please call your nearest AOA office to request more free petitions so you can help get this initiative on the ballot.