

OPINION

Yorba Linda measure a rebuke to cronyism



The Land of Gracious Living, which was incorporated Nov. 2, 1967, has a series of events planned to celebrate its golden anniversary. (Courtesy of Yorba Linda Public Library).

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In their race to generate revenue, California cities often lavish subsidies on corporations that promise to build projects favored in City Hall.

It's a shameful process that has subsided a bit after the state shuttered its 400-plus redevelopment agencies in 2011, but the process continues — and it's often done with little public discussion.

So, we're heartened to see Yorba Linda take a stand against these policies.

The city recently gave initial approval to a "Fairness in Business" ordinance.

It still needs a final vote, but the measure "shall prohibit any subsidy or business incentive from being provided to one business for their gain without the same subsidy or business incentive being given to all businesses."

If a city decides to reduce its tax burden or provide an incentive, the deal should apply equally to everyone, whether a mom-and-pop business or national headquarters. Incentives that are targeted to specific companies allow city officials to pick economic winners and losers. Companies with the best lobbyists get special deals.

Cities can best lure businesses by sticking to the time-tested basics. They should keep their taxes low, spend their tax revenues wisely and efficiently and maintain quality infrastructure.

Their planning and business-licensing departments should operate in a business-friendly manner. Yorba Linda is a well-run city, but passing this measure sends the right message to future councils and to nearby cities with less-stellar records.

"Any dope with access to public funds can give away money to political insiders and then claim it's for the public good," said Will Swaim, president of the California Policy Center, the free-market think tank behind the ordinance.

The group is hoping other cities follow Yorba Linda's lead and take a forthright stand against corporate welfare.

At the state level, Gov. Gavin Newsom recently vetoed Senate Bill 5, which would have recreated a form of those subsidy-dispensing redevelopment agencies. That's good news, but localities still have many ways to play the subsidy game.

We hope more cities in Orange County and elsewhere spell out their opposition to crony capitalism by passing similar ordinances.

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