

## Attorney General Jerry Brown Speaks to REALTORS®

Recently, I attended the California Association of REALTORS® (C.A.R.) conference in Sacramento. At our legislative briefing session, one of our guest speakers was California's Attorney General Jerry Brown. He spoke about a time when the government had a surplus of funds, the historical impact of Proposition 13, increased number of disclosures, cracking down on foreclosure specialists and Ponzi schemes, as well as his opinion that we have too many laws.

Our government had a surplus of funds when he last spoke to our group 32 years ago. He said things started going down hill when some decided to stigmatize the surplus and called it obscene. Brown said, "This shows you what politicians can do."

Brown added that when Proposition 13 came along, the people who didn't like it said, "Brown did that!" However, it cut property tax by two thirds. The government though didn't get a bail out. He said, "It is always good to know how we got here to understand how we get to a better place."

According to Brown, Proposition 13 happened because assessments started going up rapidly. In some cases, people were being assessed 40 to 100 percent more. "This freaked people out," he said. The 1978 primary, with Proposition 13 on the ballot, had the highest turnout of voters; people were galvanized.

"Some assessors were crooked and could be bought off," said Brown. "Thus, reformers came along and said all properties should be assessed uniformly at 25%. When inflation happened, assessors could manage. When in rigid formula, homeowners felt the pain and revolted, and we got what we've had over the last 30 years."

The reform had unintended consequences, but Brown insists experience has value. He said, with a laugh, that he used to say, "Get rid of all those old folks!" Not anymore. Now, at age 67, he says, "There is no substitute for experience."

Currently, he is going after foreclosure specialists and Ponzi schemes (illegal pyramid schemes/fraudulent investment operations). He reported that there is now a new registry for those wanting to be a foreclosure consultant. "Watch out for them!" he warned. Brown said he is going after those that told people they could get people reassessed for \$250.

When Brown married, they decided to buy a home. He joked and said they went out for 15 years before they married, and that he believes in due diligence. He said he had money to purchase because he's been saving.

He acknowledged that real estate forms are getting more complicated. "It's incredible," he said. Also, he was amazed at the disclosure forms. He shared with us that they bought a home way up in the hills in a fire zone, slide zone, a mile from the Hayward fault, and more. Brown added, "If I want to live with that level of risk, God help me." However, he explained, his wife wanted to live there, and he wanted to live with her.

The governor signs about 1,000 bills every year; therefore, we have that many more laws. He said we have too many laws. "I didn't know that in 1997 because we had so many *less* laws," he added.

He explained his role in the case of Brown versus the FPPC (Fair Political Practices Commission). Brown derived pleasure from drafting the law, passing it, and even more in invalidating it. Brown said, “As laws more minutely invade our lives, we lose less and less elbow room, whether in real estate, education, or public safety—more and more laws are affecting us.”

“We have to balance,” he said. “If prescribe minutely everything we do, it gives attorneys the ability to find something as there is no way to follow them. Thus, they like to reduce your scope of judgment and create all these pitfalls.”

Brown would rather there be general norms with some flexibility. “You can’t prescribe everything, whether legislator, DRE (Department of Real Estate), or congress. Life is messy and complicated and prone to some error. We need elbow room where we can be effective and competitive. If they keep this up, we will be tied down with too many strings and rules. We’ll still have more laws, but I think we can cut the Gordian knot.”

One story he used to illustrate the fact we have too many laws was a student attending the Oakland Military School who was being ordered to do something by a staff member. “One kid said, ‘You cannot do that to me. I have a disability. I have Authority Defiance Syndrome’. So, if he is given an order and he defies you, you have to accommodate him. You have to order him without triggering this syndrome.”

Another issue Brown touched on was the need to get off oil and get more efficient with water and building. He asked, “How do we do this as a society and do it practically?” Brown said we can’t turn it around overnight, and we need to watch out for unintended consequences, much like we saw with the FPPC law he helped draft, pass, and invalidate.

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