

# Excessive taxation and regulation will prohibit growth

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By [Randy W. Bright](#)

An article that appeared recently on the newgeography.com website entitled, California Companies Head for Greatness - Outside of California, gives us the laboratory evidence of what not to do when it comes to bringing more business to your state.

California has been hemorrhaging business for years, much of it due to the state's love for regulations and taxes, but also because of the inflow of illegals that have been burdening taxpayers with education, medical and welfare costs. Just this week, I heard a commentator on a radio show state that twenty-five percent of new drivers licenses were issued to illegal aliens.

During the last presidential election, Obama held California up as a shining example to the nation, praising its green energy policies at a time when green jobs comprised only 2 percent of jobs in the state and the state had seen no benefits from it. Governor Jerry Brown at the time predicted that it would bring the state a half-million jobs, but in fact the jobs have been leaving the state in mass.

In 2010, Time magazine ran an article to demonstrate how the California model would bring prosperity through environmentalism regulation.

A newgeography.com article in 2010 put it succinctly: "No fundamentalist evangelical speaks with more conviction or faith than a California cheerleader expounding on the economic benefits of environmental purity brought about by command and control regulation... How bad are things in California? California's domestic migration has been negative every year since at least 1990. In fact, since 1990, according to the U.S. Census, 3,642,490 people, net, have left California." A 2010 USA Today article stated that many of those making the exodus from California were coming to Oklahoma, attracted by a lower cost of living and more stable economy.

The same article quoted someone who returned to Oklahoma City after living in Los Angeles for ten years because "after a while you kind of burn out on the traffic, you burn out on all the people, you burn out on the cost of everything."

I asked one of my clients why he had moved to Oklahoma from California. He pointed to a light switch and said, "because in California, if I want to move that light switch over six inches, I have to hire a structural engineer to sign off on it." Not just an electrical engineer, a structural engineer. Seriously?

The author of the recent newgeography.com article, Joseph Vranich, a consultant who helps companies to identify optimum locations for businesses, puts it this way: "Why would companies located in one of the most beautiful states in the country - California - undertake the costly proposition of relocating to places with less scenic appeal and less-than-ideal weather? There are three answers and they relate to California's business environment: Regulation, taxes and anxiety."

In regard to anxiety, he wrote, "Corporate leaders and business owners fear what will happen in the future regarding proposals to raise taxes on business property, extend the Proposition 30 taxes that were supposed to be "temporary," raise cap-and-trade fees to curb emissions and impose new workplace regulations regarding family leave and health care. We're talking about billions of dollars in new operating and ownership costs."

About taxes, he states that California ranks number 48th in the country, and says that the regulatory environment there "can be brutal... In short, California is so difficult that companies relocate entirely or, if they keep their headquarters here, find other places to expand." He also cites a study that indicates that about 9,000 businesses have left the state in the last seven years.

We have this living example of what not to do, and not only that, and the results of an example that has been doing it for decades, but what are we doing in Oklahoma? Obviously we are not doing as badly as California, but we are slowly making our way there.

One example of that is the Water for 2060 Act that the state legislature passed in 2012 that stated that we would not consume any more fresh water in 2060 than in the year 2012. Another example is the one unfolding in Tulsa with the April 5 Vision Tax / River Tax ballot resolutions, full of unnecessary spending.

One of the greatest secrets about Oklahoma is that it is one of the best states in the country for businesses to come to and for people to live in. But if we implement more taxation and regulations, we will suffer the same fate as California. U.S. businesses would love to come home from overseas and businesses who are in the United States would love to come to a state like Oklahoma. Low taxes and fewer regulations can make Oklahoma a place for them to thrive, if we have the will to say no.



Randy W. Bright, AIA, NCARB, is an architect who specializes in church and church-related projects. You may contact him at 918-582-3972, [rwbrightchurcharch@sbcglobal.net](mailto:rwbrightchurcharch@sbcglobal.net) or [www.churcharchitect.net](http://www.churcharchitect.net).

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