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Politics

Businesses hail Prop. 64 victory

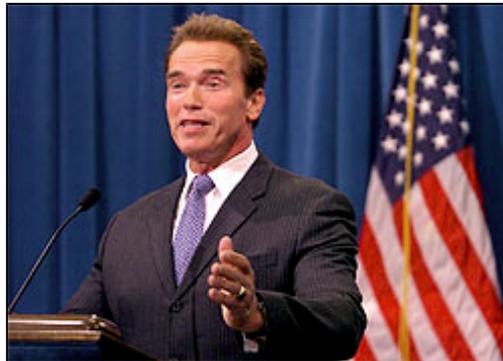
Opponents call it a victory for polluters and scofflaws.

By [Kasler](#) -- Bee Staff Writer
Pushed 2:15 am PST
Thursday, November 4, 2004

It's another win for California businesses and their benefactor, Gov. Arnold Schwarzenegger.

California voters overwhelmingly passed Proposition 64 on Tuesday, approving a ballot initiative that weakens the general public's ability to pursue lawsuits over unfair business practices and environmental problems.

Consumer advocates and environmentalists bemoaned the outcome, saying it was a victory for polluters and corporate scofflaws. But the proposition's backers called it a common-sense initiative that will merely curb "shakedown" suits filed by greedy lawyers.



Gov. Arnold Schwarzenegger, shown at the Capitol Wednesday, said in May that Proposition 64 would "get rid of the shakedown lawsuits."

Sacramento Bee/Randy Pench



"This opportunity for abuse has been removed," said John Sullivan, co-chair of Yes on 64 and president of the Civil Justice Association of California, a Sacramento-based business lobbying group.

"It lifted a giant threat that's been hanging over the

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head of small businesses and takes us one step toward being a more business-friendly state," Sullivan said. "We had been known as the 'shakedown state.' "

The proposition was supported by Schwarzenegger, who has allied himself with business interests and devoted considerable energy to improving California's business climate. He pledged in May, at a California Chamber of Commerce breakfast, to "get rid of the shakedown lawsuits."

Opponents of Proposition 64 said the initiative really benefits big businesses that were flouting the law.

"The oil and tobacco companies bought themselves a loophole," the Sierra Club's Bill Magavern said.

Jamie Court of the Foundation for Taxpayer and Consumer Rights in Santa Monica said, "Big business spent \$16 million and misled the public into believing (the proposition) was only a small change." He said opponents spent a little over \$3 million fighting Proposition 64.

He pledged to run a campaign to overturn the initiative.

"Over the course of time, it'll become very clear to the public what was lost," Court said. "The public will hear about a lot more abuses for which there is no remedy. ... We're going to go on the offensive."

Until now private citizens had wide latitude to file lawsuits over environmental issues and unfair business practices. Proposition 64 restricts those rights to those who can show they've been hurt or suffered losses.

Magavern said that's a major distinction. Until now, citizens could sue a polluter, say, to "prevent harm," he said. That was "the best way to ... stop illegal pollution," he said.

Now citizens will have to wait until the damages occur before they can sue, he said.

Of course, government still has the ability to go after polluters and others before damage is done, but citizen lawsuits have been an important safeguard when government dropped the ball, Proposition 64 opponents said.

Sullivan, though, said businesses were getting hit with frivolous lawsuits that did nothing to advance the public interest but generated fat attorneys' fees.

Magavern said environmentalists tried to work with Schwarzenegger this summer to forge a compromise in the Legislature that would preserve the gist of existing law while "getting rid of the bad lawyers."

But the effort fell apart when business lobbyists refused to compromise and chose instead to pursue an initiative, he said.

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The initiative passed with nearly 59 percent of the vote.

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