



# NEWS

## AMERICANS FOR TAX REFORM

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FOR IMMEDIATE RELEASE  
18 NOVEMBER 2003

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## First Step on the Road to the “Miracle of Sacramento”

*Newly inaugurated California Governor Schwarzenegger signs Executive Order No. 1 repealing a 200 percent “car tax” increase.*

WASHINGTON - In a mostly glamour-free inauguration ceremony, Arnold Schwarzenegger (R) took office as California’s 38<sup>th</sup> governor yesterday. Schwarzenegger takes the place of the ousted Gov. Gray Davis, who had lost voter confidence for mishandling California’s severe fiscal crisis only months after being elected to office for a second term. The new governor had wanted a low-key inauguration in order to get his “let’s get to work-message” across.

Just hours after taking the oath of office, Schwarzenegger’s first official action was the signing of Executive Order No. 1, repealing the 200 percent increase in state vehicle registration fees implemented by his predecessor.

**“For too long have the people of California have been exploited and left in the dark about the state’s fiscal problems,”** said Grover Norquist, President of Americans for Tax Reform in Washington, DC. **“Making good on his promise of repealing the onerous and impudent “car tax”-increase, Schwarzenegger took a first step into the right direction to restore the people’s confidence, and he deserves credit for this move.”**

The 200 percent increase in vehicle fees, which took effect Oct. 1, was implemented by Schwarzenegger’s predecessor to shrink California’s massive budget gap of \$38 million. Gov. Davis raised the tax administratively, without the legislature’s approval.

**“If Schwarzenegger stays the tax payer-friendly course he has embarked on with his first official action, he can lead California out of the fiscal mess Davis left behind.”** Norquist continued. **“The fact that Schwarzenegger has already consulted Colorado’s Governor Owens – who has successfully implemented a Taxpayer Bill of Rights (TABOR) spending limitation – and is addressing the problem of California’s workers’ compensation spending, is promising.”**

*Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at [jcollegio@atr.org](mailto:jcollegio@atr.org).*