

The “Theft Tax” Costing Your Family Nearly \$500 per year

By Lydia Kou

Unless you have hundreds of dollars a year to waste, and it doesn't bother you to see lives wasted through treatable addiction, it is time to demand action from Sacramento politicians whose failed policies have accelerated California's costly plague of retail thefts and functionally abandoned those suffering from drug addictions.

The Department of Homeland Security [estimates](#) that organized retail theft costs the average family more than \$500 a year to make up for the cost of massive theft – which in California [totals](#) \$7.83 billion per year in direct losses and another \$568 million in lost tax revenue in 2022 alone – and 2023 is looking to be worse.

For some small businesses, the cost is far higher – with many businesses now being forced to close, citing the cost of retail thefts. National grocery and pharmacy stores are closing in high-crime areas, meaning many neighborhoods face the loss of vital services and local communities must make up for the lost tax base with higher taxes or reduced services.

One of the key reasons for this rising burden is poorly drafted California laws, like Proposition 47 – also known by the cynical name “The Safe Neighborhoods and Schools Act” – which allows individuals to steal up to \$950 per theft and essentially never face any consequences.

The reality is right now the penalty for speeding is dramatically higher than the penalty for stealing. If you speed, you will face a steep fine, frequently hundreds of dollars. If you do it again, you can lose your license.

But in California you can steal and steal, and essentially pay nothing. We, the taxpayers and consumers are picking up the tab. That's right – any theft up to \$950 is a misdemeanor – even if you do it every day of the year. There are rarely any consequences for getting caught. It's no wonder police are reporting large retail theft gangs preying on California businesses – forcing taxpayers to foot the bill for a \$241 million [special investigation](#) by law enforcement to investigate and prevent organized retail theft.

And that's not the only problem with Proposition 47. It essentially decriminalized most drug possession, including dangerous opioids. And while being addicted to drugs is not something that can be fixed with prison sentences – the reality is that before Proposition 47 the threat of prison sent addicts into treatment. Our laws once allowed most addicts a “get out of jail free card” if, and only if, they sought meaningful treatment for their addictions. Now there is no such incentive – they can steal and steal to feed their addictions with no consequences. So what was sold by Sacramento politicians as a kind “reform” has been revealed to be a cruel abandonment of people who need to be incentivized into treatment – even if the incentive was the threat of jail time.

Proposition 47 might have been well meaning, and we certainly don't want to go back to the era of costly and failing mass incarceration or the war on drugs. But we need to hold everyone accountable for their actions. There should be consequences for theft and we need to bring back the "tough love" incentives that sent people into treatment.

No law is ever going to be perfect but Sacramento politicians need to face the facts that we see with our own eyes – we need to reform Proposition 47 in a thoughtful way.

Proposition 47 isn't working for small businesses, consumers, or even the addicts it purported to help. It is time to fix the flaws – and reform Proposition 47 by bringing back real consequences for theft and dangerous drug possession.

Lydia Kou is the Mayor of Palo Alto and a candidate for California State Assembly. Learn more about her fight for change at www.LydiaKou.com