

THE TROUBLE WITH TABOR

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Think back to early August of 2003. Republican Mark Honadel is sworn into the state Assembly, capping a victory that stunned many Democrats who thought the South Milwaukee seat was safe territory. The issue: the so-called “property tax freeze,” an undeniably (even for some Democrats) popular slogan. Republicans and conservative strategists are on a high, predicting they had found the soft underbelly of Democratic Governor Jim Doyle’s no-tax-increase campaign pledge. Doyle has a property tax problem because he vetoed the thing that supposedly would have contained ever-increasing property taxes — or so it seemed.

Conservative strategists hatch a plan. Majority Republicans in the Legislature would end-run the governor by passing a spending limitation amendment to the Constitution and put it on the ballot the year Doyle runs for reelection. It wasn’t that conservative really, allowing spending to grow gradually instead of the steep climbs of the revenue-rich 1990s. But it had real conservative appeal as a way to bring government spending in line with taxpayers’ ability to pay. Hello conservative Holy



Grail, good-bye liberal thorn-in-the-side governor.

Whoops.

Flash to early August of this year — only a year later. Now it’s Doyle and his supporters who are on a high following a Republican debacle that left the proposed Taxpayers Bill of Rights constitutional amendment dead for the session. TABOR, as it’s nicknamed, is kept off

the ballot in 2006, the year Doyle is up. TABOR’s short-term failure is traced to many things, including a lackluster job of selling the concept to establishment Republicans. In the end, it’s wounded by a failed “Hail Mary” pass thrown in desperation by GOP Senate Majority Leader Mary Panzer (spurred by a primary challenge from the right) and the messy intra-party finger-pointing that followed.

But TABOR, like a wounded lion, may roar even louder come 2005. Or will it slowly bleed to death from a thousand cuts?

Here are some political scenarios that bounced around as the Wisconsin summer waned:

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— **SCENARIO 1.** Panzer goes down in defeat to Glenn Grothman, the darling of conservative Milwaukee talk show hosts touting TABOR as the silver bullet for the state's "tax hell" status. Then in the general election, TABOR becomes **THE** campaign issue for legislative Republicans. TABOR advocates knock off Democratic state Senator Bob Wirsch of the Kenosha area. Two big incumbent losses on the spending issue in the state's biggest media market scares politicians of all stripes to line up to support TABOR in January. Would Doyle run to the front of the parade with his own TABOR-like proposal? Conservatives can dream, can't they?

— **SCENARIO 2.** Panzer squeaks past Grothman and Wirsch survives, letting the air fully out of the TABOR balloon. Republicans start thinking Doyle's a shoo-in for reelection.

— **SCENARIO 3.** Some combination of the above, but Republicans gain seats in the Legislature, expanding their majority to veto-proof or near-veto-proof margins. TABOR's pulse quickens.

— **SCENARIO 4.** Some combination of the above, but Democrats hold their own in the state Senate and gain a few seats in the Assembly. Republicans maintain control of the Legislature, but TABOR is on life support.

That's the trouble with TABOR. So easy to talk about as a slogan. So easy to poll. So easy to campaign on. But so hard to put into Constitution-worthy words. And so hard to predict where it will go.

Just remember the summer's comedy of errors. Even former Republican Governor Lee Sherman Dreyfus (LSD) got into the act, doing a radio ad and auto-phone calls for a new Democratic support group called the Greater Wisconsin Committee. Conservatives angrily labeled LSD "the king of the RINOS," as in "Republicans In Name Only" and said he was a taxer-and-spender who didn't speak for real Republicans. Oh my, what happened to Ronald Reagan's 11th commandment?

Blame TABOR.

When legislative Republicans in late July contemplated an 11th-hour passage of something — anything, it seemed — divisions not unanimity became apparent in the Grand Old Party. After Assembly Speaker John Gard, surprised by Panzer's extraordinary session call, rushed to show that he indeed had the votes for TABOR, one Frank Lasee, an initial sponsor of the constitutional amendment approach, rejected the latest version as loophole-ridden.

Lasee said in testimony before a Senate committee in the last week of July:

I only wish we were debating a real Taxpayer Bill of Rights, that will protect the taxpayer. The proposal before you has many loopholes — large ones — which will allow business as usual (at least at the state level) for years to come.

It has often been said that we have to do this the right way. I fully agree, and that's why I've spent the past six years working on this issue. My research has produced a full and comprehensive draft, which answers the problems experienced by other states, and compromises with many of the spending interests in our own state, who oppose constitutional spending limits.

I'm not here, however, to insist on my own version. Compromise is an essential part of the legislative process, and I am ready to compromise. I am not ready to support a constitutional amendment that will not be effective. This proposal will not be effective, unless several changes are adopted.

Fifty-one other Assembly Republicans (including Gard), however, signed on to a pledge letter to please Gard, to show up Panzer, or because they really thought it was the right thing to do.

Who knows? No real vote was ever taken. Panzer, miffed that Gard wouldn't call back his members from a conservative legislative conference, the campaign trail, or family vacation time and take a momentum-building vote first, eventually fell on her own sword rather than put her caucus through a tough election-year vote.

Panzer, in her statement, bluntly blamed the Assembly.

The Senate was in the Capitol. We were working. We were trying to get to the place where we are able to pass a taxpayer protection plan — but we cannot do it alone. It takes two houses to be in an extraordinary session. But the other house was not here.

Gard's statement that day of reckoning was kind, but by then he had already cut Panzer loose on her own, stating bluntly in the letter of the previous day:

As I noted in June, and as you can see from the signatures below, a majority of the state Assembly is prepared to pass this legislation now that you have finally taken up our request for an extraordinary session. In the light of the continuing uncertainty of the amendment's prospects in the state Senate, however, I do not intend to bring members of the Assembly back into session unless you are actually able to successfully pass this measure in the state Senate.

I urge you to act quickly and wish you the best of luck in helping us seize the moment for taxpayers.

Panzer's Hail Mary pass had been batted down by frustrated teammates who thought she had not been committed to the cause, who thought she had been running out the clock for the spending interests. This push for a vote should have occurred in May, they said. But it was July. What had seemed like a certainty at the beginning of the year had bogged down like President Bush's Iraq war plan. Democrats danced in delight. And Republicans wryly noted it takes two (houses) to TABOR.

But strategists aren't done noodling about TABOR II (or is it TABOR 10?) and Doyle's property tax problem.

The governor, despite summer-time approval ratings above 60%, had yet to come up with a grand property tax reduction plan as of mid-August. The centrist governor did, however, reject a tax-shifting idea from one of his many commissions that would have raised the state sales tax with the promise of lowering local property taxes. Republicans had been calling it "Doyle's sales tax boost," but Doyle stuck with the promise that helped get him into the East Wing two years ago.

"I'm not going to raise taxes," he told the *Green Bay Press-Gazette*.

I've come this far. I took care of \$3.2 billion without doing it. I'm not going to raise taxes. I think we've sent a very strong signal that we're going to deal with these issues within the revenue that we have.

I simply haven't seen the mechanism where you would get a dollar for a dollar reduction of property tax.

While it got largely lost in TABOR time, Doyle's pronouncement was significant, taking away another GOP talking point.

If Doyle had a grand plan, he didn't reveal it. He didn't have to, with Republicans killing TABOR all by themselves.

Republicans tried to turn the tables. "Doyle already stood in the way of tax relief by vetoing the immensely popular property tax freeze," said state GOP Chairman Rick Graber. "With a constitutional amendment, only the voices of the citizens will matter."

Graber called Doyle's doom-and-gloom rhetoric about TABOR's "devastating" effects completely divorced from reality.

"There will be no need for cuts under TABOR, which would simply limit the rate of government spending growth," Graber said.

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“Only in Doyle’s wacky world of taxing and spending could a cap on spending growth be called a cut.”

Doyle’s lack of a grand plan dismayed some of his allies, who contended Doyle was failing to recognize the hurt high property taxes put on traditional Democratic constituencies like the middle-class and poor elderly trying to stay in their homes. Find \$400 million, and you can relieve property tax pressure in the high-stress pockets of discontent via various state tax formulas, said some. But if the governor was taking heed, he was hiding it well. The budget unveiling of January seems like a long way off in August, when there are summer campaign-like excursions to make throughout the state.

Republicans joked that Doyle instead was a political Dr. Kevorkian, killing off tax and spending limitations without recognizing the value of being **FOR** something. It’s another signal that Republicans will again try to label Doyle a liberal in 2006. But without TABOR, will the label stick?

That’s the trouble with TABOR. Without a single, clearly understood proposal, opponents have been able to define it and sow the seeds of doubt in the minds of moderate Republicans who listen to their local officials. Remember the firestorm that occurred when Republican Governor Scott McCallum referred to the mostly Republican local officials as “big spenders”? Lawmakers remember.

So it could be that this fall’s elections will define TABOR. Strategists behind the effort are coolly confident, saying a constitutional amendment will eventually go to voters starting with initial consideration in early 2005. Nothing like the heat of battle to hone the message, they seem to be saying, waving off questions about the details.

But will Republicans unite without some of its own falling prey in a political version of *Fear Factor*? The case for TABOR may be one of those things that only can happen because of supportive election results.

Otherwise, signs are that the talking and public contemplation of Republicans will continue. More legislative scrutiny occurred in early August. State Senator Ron Brown, R-Eau Claire, regarded as a TABOR no vote, began in early August to mold his rule as chairman of the newly formed Senate Select Committee on State and Local Government Relations.

The committee was formed on July 30 by Panzer after the demise of TABOR for this session. The committee’s mission is to find ways to encourage local and regional economic development, and provide local governments with ways of reducing costs.

That spurred TABOR opponents, including the Wisconsin Alliance of Cities (WAC), to once again talk about the dangers of a constitutional fix.

“I hope the T-word doesn’t even come up,” said WAC Communications Director Rich Eggleston, contending TABOR opponents have been “unfairly characterized as big spenders and advocates of the status quo.”

Eggleston said tax relief is achievable through prudent fiscal planning, not by constitutional gerrymandering. “In order to keep the economic engine, we’re going to need to deliver services to taxpayers at the lowest possible cost and avoid rigid formulas,” Eggleston said.

That’s the Dreyfus argument. Here’s what the LSD told radio listeners, courtesy of the left-leaning Greater Wisconsin Committee.

Governor Lee Sherman Dreyfus here.

They’re pulling a fast one in Madison this week, and I mean fast.

They’ve called an extraordinary session to vote on a constitutional amendment that hadn’t even been written yet — the so-called Taxpayer Bill of Rights, or TABOR for short.

They’re passing it this week, right now — with no public input — no public hearings and no public discussion.

Don’t you stand for it. This is a smoke-screen.

Our constitution gives the Legislature all the power it needs to curb spending.

Amending the constitution is a terrible way to make public policy.

We just don't need the TABOR amendment.

We need legislators with the backbone to say no to wasteful spending.

In a nutshell, the ex-governor says legislators and local officials have the power to control spending, so do it.

But TABOR is rooted in this reality: Lawmakers at the local and state level have a lot of trouble saying "No."

Saying no to TABOR will be tougher if it becomes the defining issue of the fall's elections.