

**National Taxpayers Union  
Presents:**



## General Election Ballot Guide

# 2009

## THE TAXPAYER'S PERSPECTIVE

**W**hen it comes to fiscal policy, candidates are only a part of the electoral calculus. Thanks to the initiative and referendum (I&R) process, many important issues can go directly before the voters. While 2009 is an “off-year” for most places, several state ballots will feature measures of significant interest to taxpayers.

Taxpayers will likely take the biggest interest in two proposals to set limits on the future size of government. In Maine, citizens will vote on Question 4, which would institute a “Taxpayer Bill of Rights” to restrict state and local government spending and require voter approval for any tax hikes or spending over the established caps. This proposal represents the state of the art in taxpayer protection by stipulating that government expenditures cannot increase faster than the combined annual rate of inflation plus population. In addition, it requires that 80 percent of dollars beyond that limit be devoted to tax relief, either through rebates or broad-based rate cuts, and 20 percent be devoted to a “rainy day fund” to help bridge the gap in difficult times such as we face today.

In Washington State, taxpayers will have their own vote on a key taxpayer protection plan: Initiative 1033. This proposal would hold the amount of tax dollars state and local governments can raise to the same inflation plus population growth formula as Maine. Any revenues gathered beyond that limit would be used to reduce property tax levies in the state, but the voters could choose to provide all or part of those excesses to governments through referendums.

These statewide measures are enormously important, but there are helpful efforts in some localities

as well. In 2008, the city aldermen of Manchester, New Hampshire rejected a proposal to place a cap on taxes and to tie the city’s spending level to the rate of inflation. This year, taxpayers will get to vote on the measure when they go to the polls.

On the other hand, a large number of tax hike questions have qualified or have been referred to the ballot, mostly on the local level. For example, Palm Springs, California voters will choose whether or not to expand their city’s telephone tax to cover cell phones and other new technologies, such as online communications services like “Skype.” The city of Springfield, Missouri will vote on whether or not to raise its sales tax in order to fill a hole in the budget created by years of high spending.

Given the unpopularity of broad-based tax hikes, some states are looking to alternative revenue sources. An Ohio measure would authorize casinos in several major cities while imposing on them a special tax rate of 33 percent.

While many are moving to increase taxes, that hasn’t stopped the lure of borrowing, and bond issuance questions appear on election slates in Connecticut, New Jersey, and Virginia, just to name a few. These efforts seek to borrow money in order to pay for everything from sewer infrastructure to the purchase of land to prevent development.

There are also several statewide measures dealing with property issues that will have lasting impacts

on taxpayers. Texas may join the long list of states that have enacted constitutional reforms to prevent eminent domain abuse with Proposition 11. The proposal would prevent the taking of property for economic development or tax enhancement purposes. Another measure, Proposition 2, would protect citizens from the tactic of assessing a residence as though it were commercial property in order to extract higher taxes.

Numerous ballot measures reflecting social and political issues were not included here, owing to the fact that their primary purpose was not fiscal in nature. Also not reported here are measures where the fiscal impact on taxpayers is mixed or unclear.

The following information comprises a guide to some of the most significant ballot measures affecting taxpayers that will be decided this fall. We hope this guide will serve as a useful informational resource.

### GUIDE KEY:

The various measures, propositions, initiatives, referenda, proposals, and amendments are listed by state.

Measures that could lower taxes or control government are listed in **GREEN** with a positive sign (+), and measures that could raise taxes or expand government are listed in **RED** with a negative sign (-).

This guide is for informational purposes only; it is not intended to provide endorsements or recommendations to voters.



## ALABAMA

( - ) Henry County residents will vote on a one-mill ad valorem tax increase in order to pay for several school expansion projects.



## CALIFORNIA

( - ) Palm Springs voters will choose whether or not to expand the city's telephone tax to include cellular phones and other technologies such as "Skype" online communications.



## CONNECTICUT

( - ) In Bridgeport, voters will be asked to levy a one-mill increase in the property tax in order to establish and maintain a public library.

Cheshire residents will vote on a long list of borrowing requests.

- ( - ) \$600,000 to replace a bridge over Honeypot Brook.
- ( - ) \$1,325,000 worth in order to repave certain roads.
- ( - ) \$1,150,000 to construct the Mixville Pump Station.
- ( - ) \$1,500,000 to complete an upgrade of the Water Pollution control Plant.
- ( - ) \$450,000 for improvements at the Wastewater Treatment Plant.
- ( - ) \$500,000 to complete improvements at Cheshire High School.
- ( - ) \$750,000 in order to replace windows and make other "energy improvements."

( + ) East Lyme residents will choose whether or not to provide an automatic voter referendum of the annual town budget. Allowing citizens to vote on the budget outline could lead to more responsible spending decisions.

( + ) East Windsor residents will also choose whether or not to provide for an automatic voter referendum on the annual town budget. In the event of three failed referenda, the town would revert to the previous year's budget, increased by two percent.

( - ) Ellington residents will vote on a borrowing request worth \$1,725,000 in order to purchase two properties on which the city would prevent development.

( - ) Glastonbury residents will choose whether or not to authorize \$2,000,000 in new borrowing for the purchase of land development rights.

( - ) Groton residents will vote on a borrowing request worth \$10,725,000 for the Thames Street Rehabilitation project.

In the city of Manchester, residents will vote on two new requests to add to the city's debt obligations.

- ( - ) \$8,000,000 for road and sidewalk construction.
- ( - ) \$8,000,000 borrowing request for development of the Broad Street commercial area.

In the city of Mansfield, residents will see three measures to increase borrowing.

- ( - ) \$1,052,450 for the purchase of land for use by the city.
- ( - ) \$3,093,840 to replace bridges on Stone Mill Road and Laurel Lane. The city will borrow the portion of the appropriation that is not funded by other grants.
- ( - ) Residents will also choose whether or not to approve a borrowing request worth \$105,250 to build a "bikeway/walkway" on Huntington Lodge Road.

( - ) Middletown residents will vote on a \$263,130 borrowing request for the construction of a salt storage shed for the Public Works Department.

( - ) South Windsor residents will decide if they should incur debt worth \$2,000,000 in order to purchase land to prevent development.

( - ) Windsor residents will choose whether or not to borrow \$2,800,000 to fund the Hayden Station firehouse project.



## MAINE

( + ) Question 2 on the statewide ballot would cut the municipal excise tax on vehicles by an average of 55 percent for newer vehicles and would exempt hybrids and other high-efficiency vehicles from sales tax for three years. This would reduce vehicle taxes on the vast majority of Mainers, saving millions of dollars.

( + ) Question 4 on the statewide ballot would institute a "Taxpayer Bill of Rights" that would limit expenditures by state and local governments and require voter approval for tax increases. Expenditures would be allowed to rise every year by the increase in inflation and population growth. Dollars in excess of that limit would be returned to taxpayers and used to build up a "rainy day fund" to guard against deficits. This measure would ensure that government grows at a manageable rate and protect taxpayers from the endless cycles of budget deficits and higher taxes.



## MISSOURI

( - ) Jackson County residents will choose whether or not to extend the "COMBAT Tax." While the tax isn't set to expire until 2010, this measure would extend it in order to pay for anti-drug efforts in the county.

( - ) Residents of the Central Jackson County Fire Protection District will choose whether to approve a \$2 million tax increase in the form of a half-cent sales tax hike.

Residents of Peculiar, in Cass County, will see two tax hike proposals.

- ( - ) A property tax increase 20 cents per \$100 valuation intended to fund city sewer maintenance.
- ( - ) A gas tax increase of one cent per gallon, intended to pay for certain road improvements.

( - ) Clay County residents will vote on Proposition A, which would impose a new sales tax (of 1/8 percent) on items purchased in the county for the next 12 years.

( - ) Springfield residents will face a five-year 3/4-percent sales tax hike in order to close a \$200 million gap in the city's budget.



## NEW HAMPSHIRE

(+) Manchester residents will be given the opportunity to place a cap on taxes and spending in future city budgets. The cap would tie the city's spending to the rate of inflation, while allowing the cap to be exceeded by a two-thirds vote of the city aldermen.



## NEW JERSEY

(-) Statewide, voters will choose whether or not to approve a \$400 million borrowing request to facilitate certain land purchases to prevent development, as well as fund other "historic preservation" projects.



## OHIO

(-) Issue 1 on the statewide ballot would authorize the state to borrow and spend \$200 million to provide compensation for certain Persian Gulf, Afghanistan, and Iraq war veterans programs.

(-) Issue 3 on the statewide ballot would authorize one casino facility each in Cincinnati, Columbus, and Toledo and would levy a 33 percent gross revenue tax on each, in addition to other taxes they'd pay. Many taxpayer advocates in the state believe that, while states/localities should make decisions on whether to allow gambling, they should be taxed at rates consistent with other businesses.



## PENNSYLVANIA

(-) Pike County residents will vote on a \$1.1 million tax hike, an increase of one mill on the assessed value of a homeowner's property. This revenue would fund new spending and close a \$19,000 gap in the county library's budget.



## TEXAS

(-) Proposition 1 on the statewide ballot would amend the constitution to allow for so-called "tax increment financing" of land purchases adjacent to military installations. Limited government advocates in the state have criticized this funding mechanism as burdensome to taxpayers, paving the way for higher taxes.

(+) Proposition 2 on the statewide ballot would amend the constitution to ensure that a residence would be assessed property taxes as a residence, and not as commercial property or other methods which might extract more revenue. This would prevent assessors from abusing homeowners by taxing their property as something other than a homestead.

(+) Proposition 3 on the statewide ballot would amend the constitution to streamline procedures for appraising property for tax purposes. By making appraisal standards more uniform across the state, this measure would protect taxpayers from variable tax laws in neighboring jurisdictions.

(+) Proposition 5 on the statewide ballot would authorize a single board of equalization for two or more adjoining appraisal entities. This would streamline the process for property taxpayers that reside on the border of two jurisdictions.

(-) Proposition 8 on the statewide ballot would authorize the state to spend taxpayer dollars on veterans hospitals. Some Texas taxpayer groups argue that facilities in the state today are generally funded by the federal government, so this could potentially increase tax burdens on Texans.

(+) Proposition 11 on the statewide ballot would amend the constitution to prohibit the taking of private property for public use for economic development or tax enhancement purposes. It would also tighten standards for determining "blight," which is occasionally abused by politicians looking to seize land. This measure would protect taxpayers from arbitrary or corrupt deals where governments take private property for business development or other purposes.



## VIRGINIA

(-) Fairfax County residents will vote on whether or not to approve \$232,580,000 in new borrowing for school construction and renovation projects.



## WASHINGTON

(+) Initiative 1033 on the statewide ballot would establish a limit on revenues raised by government, to be adjusted based on annual growth in inflation and population. Any revenues above that limit would be devoted to providing relief for property taxes. Voters would be allowed to approve revenues beyond the annual limit, if they saw fit. This measure would ensure that government grows at a manageable rate and protect taxpayers from the endless cycles of budget deficits and higher taxes.

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