

Election 2007 Results: How Taxpayers Fared at the Ballot Box

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Introduction

With a limited number of states holding elections for public office in an off-year, ballot measures received significant attention by both the media and voters in 2007. As the fiscal policy behind many of these measures would have impacted taxpayers, in October NTU published *Election 2007: The Taxpayer's Perspective*, which described ballot measures from seven states and their likely effect on the size and cost of government.

Election results show a clear tilt toward limited government. Tax increases failed in the seven states where fiscal policy issues were considered, while proposals to limit taxes scored victories in places as diverse as Texas and Washington. Out of the 28 state ballot questions identified by NTU's 2007 ballot guide, measures that could lower taxes or control government were approved 75 percent of the time (for a total of 9 initiatives passed), while measures that could raise taxes or expand government were also approved at a rate of 75 percent (for a total of 16 initiatives passed).

Excluding bond measures, only 50 percent of the higher taxes/bigger government measures passed, while 75 percent of the lower taxes/smaller government measures passed. This is an encouraging response rate, thanks in large part to the dedicated efforts of pro-taxpayer campaigners who worked on various initiatives across the country.

Table 1. Results from State Ballot Questions Highlighted in NTU's 2007 Ballot Guide

	Total Number	Number Approved	Number Rejected
Measures that would lower taxes/limit government	12	9	3
Measures that would raise taxes/expand government	6	3	3

This Issue Brief further explores taxpayer victories and losses in the 2007 election season in the areas of taxes, bond spending, school choice, property rights, public employee benefits, and term limits and government reform.

Taxes: Limits and Increases

Table 2. Tax Measures

State	Number	Subject	NTU Guide	Approved	Rejected
LA	4	property tax exemption for consigned jewelry	+		x
NJ	1	property tax relief from existing sales tax hike	+		x
OR	50	state cigarette tax increase	—		x
WA	960	strengthen 2/3 supermajority for tax hikes	+	x	
WA	4204	only simple majority needed for school tax hikes	—		x
WA	8206	constitutional rainy day fund	+	x	
TX	3	legislature able to limit property assessment increases	+	x	
TX	5	property tax abatement in some communities for development	+	x	
TX	6	tax exemption for vehicle used for personal and business purposes	+	x	
TX	9	property tax exemption for disabled veterans	+	x	

Note: A “+” sign indicates a measure to limit government and a “-” sign indicates a measure to expand regulations and government, as reported in NTU’s 2007 Ballot Guide.

In a great victory for taxpayers, Oregon voters rejected Measure 50, which would have boosted the state cigarette tax from the current \$1.18 per pack to \$2.025 per pack. Proceeds would have been funneled toward health care for uninsured children and smoking prevention programs. This marks the third instance in two years that citizens rejected higher tobacco tax levies (in 2006 such increases failed in California and Missouri but succeeded in Arizona and South Dakota). The rejection of higher tobacco taxes to pay for government health coverage should resonate at the federal level, where Congressional leaders are trying to increase the federal tobacco excise tax to pay for a massive expansion of the State Children’s Health Insurance Program.

Interestingly, New Jersey voters rejected a constitutional amendment that would have earmarked the proceeds from the equivalent of 1 percentage-point of their 7 percent state sales tax for property tax relief. The clamor from New Jersey taxpayers for genuine property tax relief is well established; voters are sending a message that they prefer reforms that don’t rely on tax hikes elsewhere.

Washington’s EHJR 4204 could have seriously weakened the state’s constitutional requirement that a 60 percent “supermajority” of voters must agree to pass any increase in school taxes. This measure would have required only a simple majority for tax hikes, but voters rejected the referendum and stuck with the higher threshold. They also passed Initiative 960, which clarifies and strengthens the state’s recently abused taxpayer protection law that requires a two-thirds supermajority of the Legislature or voter approval for most tax increases. Finally, Washington voters approved creation of a constitutional rainy day fund.

At the local level, Seattle voters defeated the Sound Transit/RTID Proposition 1, which would have more than doubled the existing sales tax that voters approved in 1996 to fund an ambitious road and transit system whose primary expenses were driven by a light-rail project. The measure would have also raised motor vehicle excise taxes. Estimates of Proposition 1’s cost vary, but the *Seattle Times* had calculated a figure of \$47 billion over 20 years.

Bond Spending

Table 3. Bond Spending Measures

State	Number	Subject	NTU Guide	Approved	Rejected
ME	2	technology sector bonds, research loans, and grants	—	x	
ME	3	state university repair and renovation bonds	—	x	
ME	4	conservation and wildlife project bonds	—	x	
NJ	2	stem cell research bonds	—		x
NJ	3	state park bonds	—	x	
TX	2	student loan financing bonds	—	x	
TX	4	construction bonds	—	x	
TX	12	transportation bonds	—	x	
TX	15	cancer research facility bonds	—	x	
TX	16	sewer and water supply bonds	—	x	

Note: A “+” sign indicates a measure to limit government and a “-” sign indicates a measure to expand regulations and government, as reported in NTU’s 2007 Ballot Guide.

Unsurprisingly, taxpayers approved most ballot measures dealing with bond funding. During the course of their repayment, bonds can cost taxpayers double their face value, and voters are often not made aware of this fact. New Jersey, the only exception to the bond approvals, likely saw rejection of Public Question 3 because it would have provided resources for controversial research on stem cells.

School Choice

Table 4. School Choice Measures

State	Number	Subject	NTU Guide	Approved	Rejected
UT	1	private school vouchers	+		x

Note: A “+” sign indicates a measure to limit government and a “-” sign indicates a measure to expand regulations and government, as reported in NTU’s 2007 Ballot Guide.

Utah voters disappointingly rejected Proposition 1, which would have created vouchers of up to \$3,000 that parents could use to enroll their children in private schools (the amount would drop to \$500 for upper-income households). The proposition was designed to give Utah public school systems, which spend more than \$7,000 per pupil, limited-duration partial funding for each student who transfers to a private institution. This rejection stands in contrast to the loss for a measure in Washington that would have made it easier to raise taxes for schools.

Property Rights

Table 5. Property Rights Measures

State	Number	Subject	NTU Guide	Approved	Rejected
OR	49	restrictions on compensation for land-use regulations	—	x	
TX	7	localities can sell back eminent domain property to original owners	+	x	

Note: A “+” sign indicates a measure to limit government and a “-” sign indicates a measure to expand regulations and government, as reported in NTU’s 2007 Ballot Guide.

In a blow to property rights, Oregon voters approved Measure 49 and weakened a property-rights initiative approved by voters in 2004. The measure restricts the circumstances under which property owners must be compensated when a state or locality changes land-use regulations for reasons other than public safety or health.

Public Employee Benefits

Table 6. Public Employee Benefits Measures

State	Number	Subject	NTU Guide	Approved	Rejected
LA	1	prevents firefighter/police salary supplements cuts	–	x	
LA	2	expanded salary supplements for New Orleans firefighter/police	–	x	
LA	3	prevents public retirement system boosts without providing funding	+	x	

Note: A “+” sign indicates a measure to limit government and a “-” sign indicates a measure to expand regulations and government, as reported in NTU’s 2007 Ballot Guide.

Even as Louisiana voters decided to boost benefits for firefighters and police officers, they passed an amendment that would prevent any expansion of the state’s four retirement systems unless the Legislature stipulates a funding source that would cover the cost of the new benefits within 10 years of their enactment (Louisiana held its election on October 20). The likely (but not certain) effect will be to encourage more thoughtful consideration of the taxpayer liabilities involved in boosting retirement payments. This measure could influence the way other states handle unpaid liabilities for public-sector employees.

Term Limits and Government Reform

Table 7. Term Limits and Government Reform

State	Number	Subject	NTU Guide	Approved	Rejected
ME	5	weakens term limits for state legislators	–		x
TX	11	state legislature votes posted online	+	x	

Note: A “+” sign indicates a measure to limit government and a “-” sign indicates a measure to expand regulations and government, as reported in NTU’s 2007 Ballot Guide.

Government accountability issues met with success at the polls. Maine voters rejected a measure that would have weakened the state’s existing term limits on State Senators and Representatives. If this measure had been approved, lawmakers would be allowed to serve six terms in office (12 years for each chamber) instead of the current four terms (8 years for each chamber). Reflecting a greater trend toward transparency, Texans approved a measure to record the Legislature’s vote on the final passage of most bills and make the results publicly available on the Internet for a minimum of two years.

Conclusion

Although the 2006 election had a much higher quantity of ballot proposals, the pro-taxpayer preference among the results was stronger for 2007. Out of the 79 non-bond state ballot questions identified by NTU’s 2006 ballot guide, measures that could lower taxes or control government were approved 67.3 percent of the time, while measures that could raise taxes or expand government were approved at a rate of 63.6 percent. In comparison, out of the 18 non-

bond state ballot questions identified by NTU's 2007 ballot guide, measures that could lower taxes or control government were approved 75 percent of the time, while measures that could raise taxes or expand government were approved only 50 percent of the time. With a few exceptions, taxpayers fared very well in the 2007 round of ballot measures.

Currently, citizen activists in Arizona, Maine, and North Dakota, among others, are working diligently to make sure that pro-taxpayer measures end up on the 2008 ballot. Those who are focused only on 2008's Presidential and Congressional races would do well to keep an eye on tax and spending ballot measures next year too.

About the Authors

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