

## **Gone is the GREAT Plan**

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One of the big issues in the state legislature during the next few days will be whether or not voters in cities and counties should be allowed to vote on whether or not they will allow alcohol sales on Sunday in their communities.

Georgia is one of three states that does not allow the retail sale of alcohol on Sunday; the other two are Connecticut and Indiana. Polls conducted on the issue have indicated overwhelming support for Sunday sales. An internet petition has been circulated with more than 50,000 signatures of individuals from all political persuasions who simply want a choice in the matter on the local level.

The issue of Sunday alcohol sales has been something that Republicans have wanted to avoid because it puts factions of the party against each other: the free-market/less government faction, who has been neglected in recent years, and the social authoritarian faction, whose agenda has been given legislative priority but has seen its influence diminished.

The Georgia Christian Coalition and the Georgia Christian Alliance are both steadfastly against the proposal and are determined to control what Georgians can and cannot purchase on any given day of the week if it does not fit their agenda.

A third pillar of Republican support, the business community, is divided. Grocery and convenience store owners support retail Sunday sales as it would allow them to sell 100 percent of their inventory every day they are open. Liquor stores, which are usually owned by small businessmen active in local politics, are not open on Sundays and would not see an enough of an increase in sales to offset the cost of being open on Sunday.

Lt. Gov. Casey Cagle has shown little interest in pushing the issue in the State Senate; however, Republican leadership in the State House is forcing the issue by tacking on the language that would allow Sunday sales to a local measure dealing with alcohol sales on Sunday for the stadium where the Gwinnett Braves will play in 2009.

Gov. Sonny Perdue, a teetotaler, has taken a hyperbolic tone by comparing Sunday sales to prostitution. Perdue said, "Do we want to let the people choose to allow prostitution? Where are we going to draw the line?"

That comment shows how irrational Gov. Perdue has been on this issue. The State of Georgia has no legitimate reason to block sales of alcohol on Sunday. Perdue says that six days are enough to buy alcohol. What exactly does that mean in a free society? Six days a week are plenty to buy an automobile, but it would be ridiculous to mandate car dealers be closed on Saturdays. It should be noted that as a state senator, Perdue did not take such a hard-line stand against the sale of alcohol on Sundays when the legislature passed the bill allowing restaurants and bars to sell alcohol on Sunday just prior to the Olympics.

Republicans have long claimed to be purveyors of less government, individual responsibility and local control, but they are - once again - failing to live up to the rhetoric. This issue, simply put, is about economic rights. The Republican Liberty Caucus of Georgia probably put it best when they endorsed Sunday sales, noting that, "passage of this measure should be a no-brainer for a party that believes in the free market."

Newton County should be able to vote on the issue whether it stands a chance of passing locally or not.

One of the issues I wrote about on Feb. 22 was House Speaker Glenn Richardson's ever evolving tax plan. The GREAT Plan, an acronym that stood for Georgia's Repeal of Every Ad Valorem Tax, originally started out as a proposal that eliminated every property tax, from the vehicle ad valorem tax to local property taxes, and would have also eliminated some sales tax exemptions on services. Schools systems and local governments would have received subsidies from the state to fund operations and projects.

This radical proposed change in funding had local governments up in arms. An article from last September by our own Rachel Oswald highlighted some of the animosity towards the proposal from several Newton County leaders. It seems that the opposition was strong because the plan was not properly presented and left many questions unanswered.

The plan underwent many changes in the following months. The version that I wrote about just two weeks ago eliminated the school portion of the property tax and sales tax exemptions on 174 services such as haircuts, waste management and groceries. School boards still balked at the plan.

Democrats in the State House announced their intention to vote against the plan last week. It was bad news for Richardson. He was relying on some Democrats to defect and vote for the GREAT Plan because of weak support in his own caucus.

Grover Norquist, head of the pro-taxpayer organization Americans for Tax Reform, blasted the GREAT Plan. In a letter to state legislators, Norquist wrote, "Taxpayers oftentimes find themselves on the losing side of the bargain when comprehensive 'reform' is on the table." He also added, and this is absolutely correct in my view, "This plan, which has been modified numerous times, is now being fast-tracked with little room for legislators to analyze or fully digest the consequences to taxpayers. This is not the way to set tax policy."

On Tuesday, media outlets reported another change in the proposal, including a name change. Gone is the GREAT Plan. In its place came the Property Tax Reform Amendment. The new plan still would have done away with the ad valorem tax on vehicles by July 1, 2010, a tax cut of just over a billion dollars over two years. It also would have frozen property tax assessments at 2008 levels and placed limits on how much they can grow - ending back-door tax increases by local governments. It also placed restrictions on how much local governments can spend by capping outlays at 2008 levels; however, it allowed spending to increase with the rate of governmental inflation each year. A mechanism is provided in the bill that would permit local governments to spend above the rate of inflation, but this would have needed approval by voters through a ballot question.

The House Rules Committee placed the proposal on the calendar for debate the next day.

The latest incarnation of this plan seemed like meaningful reform that provided relief for homeowners and did not strip away home rule from local governments. Despite the fact that they had condemned the GREAT Plan the previous week, Americans for Tax Reform endorsed the Property Tax Reform Amendment as did the Americans for Prosperity and the Republican Liberty Caucus of Georgia.

One item of caution was that the proposal did not include spending reform at the state level. While the proposal was a massive tax cut over two years, there were absolutely no guarantees that there would be a cut in spending. Without spending cuts, this tax reform plan would have been merely a tax shift.

Debate on the Property Tax Reform Amendment began at just before 2:30 p.m. Wednesday. The Republican caucus in the House seemed to coalesce behind the proposal. Democrats, however, still played the wild card. There were no real signs as to how party leaders were urging members to vote. Even if every Republican in the House voted for Richardson's plan, support from Democrats would be needed to achieve the required 120 votes to pass, the two-thirds majority required to pass a constitutional amendment.

In the end, the Property Tax Reform Amendment fell short by ten votes - only seven Democrats crossed over to back the proposal. There was no motion to reconsider the action. Republican leaders in the House immediately started pointing fingers at Democrats, claiming that they killed a tax cut. We should expect this to be the feature of campaign ads in the fall.

While it is true that the overwhelming majority of Democrats voted against a tax cut, blame does not solely rest on their shoulders. If Republicans want to place blame somewhere, they need not look any further than Speaker Glenn Richardson.

Had the issue not been handled so poorly, questions about the plan could have been answered to settle the nerves of local governments and school boards. Perhaps some Democratic legislators could have carefully reviewed the amendment over a longer period of time, as opposed to the 24 hours they were given to make sense of a proposal that had evolved so much over the last six months and been the source of so much contention. In the end, I don't believe Democrats can be blamed for this.

Make no mistake about it, this was Speaker Glenn Richardson's attempt at saving face. Taxpayers would have only benefited from this latest proposal as a by-product of the Speaker attempting to salvage his ego. Richardson has spent so much political capital in the last year only to be met with defeat at every turn, and it is not limited to the GREAT Plan and the Property Tax Reform Amendment.

Perhaps it is time for Glenn Richardson to step aside.