

TABOR pitfalls

Colorado's decision to roll back the provisions of its Taxpayer's Bill of Rights may cause other states to think twice about similar proposals.

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It seems that Colorado residents are having second thoughts about their Taxpayer's Bill of Rights.

TABOR, as such measures are known, may have seemed like a good idea when it was passed in 1992. Both the economy and tax receipts were strong back then. In Kansas, state legislators responded to that situation by cutting a number of taxes, a move that has created some budget challenges for the state in recent years.

But in Colorado, they went a step further. Voters there approved strict state spending limits tied to the rate of inflation and growth in the state's population. Faced with crumbling schools, infrastructure problems and additional service cuts next year, Colorado voters agreed Tuesday to give up \$3.7 billion in tax rebates over the next five years to help the state get back on its feet.

Giving up tax rebates has got to be a hard sell and perhaps explains the relatively narrow 52 percent margin by which the TABOR rollback was approved. A sister proposal, which would have allowed the state to borrow up to \$2.1 billion for roads, school maintenance, pensions and other projects failed by a similarly tight margin of 51 percent to 49 percent.

Colorado has dug itself a significant financial hole. Only a day after the TABOR rollback was approved, state officials were disagreeing over how they would parcel out the additional tax revenue. The Republican governor said that even though voters nixed the plan to borrow money to boost school and transportation funding and hold down college tuition, some of the retained tax dollars should go to those areas. Democrats, however, want to restore Medicaid programs and add money to other social services.

Kansas is facing similar difficult funding choices, but think where the state would be now if legislators had been unable to make any significant investment in those areas for the last 13 years. The \$500 million in extra money Colorado expects to retain next year will barely cover the estimated \$460 million in cuts.

One of the great ironies of the Colorado election battle was that, while the state was broke and begging for financial relief, \$8 million was spent by TABOR proponents and opponents in the campaign leading up to Tuesday's election. Talk about waste.

Other states, including Kansas, where TABOR proposals are being pushed, of course were watching the Colorado vote closely. Kansas TABOR proponents said they weren't discouraged by the Colorado vote and contend they can fashion a constitutional amendment that would avoid the Colorado pitfalls. However, by its very nature, any TABOR measure is going to take away the flexibility government needs to deal with changes in the economy and other variables. That's why we have elected representatives who can react to difficult circumstances and do what's best for the state.

A TABOR proposal is almost certain to come before the Kansas Legislature in the 2006 session. While annual tax rebates provide a tantalizing possibility, Kansas legislators and their constituents should look carefully at the experiences of Colorado and make sure Kansas doesn't repeat that state's mistakes.