Wisconsin State Rep. Prepares Direct Primary Care Measure

By Madeline Fry

Wisconsin state Rep. Joe Sanfelippo (R-New Berlin) is seeking cosponsors for a bill that would allow health care providers and patients enrolled in Medicaid to enter into agreements for direct primary care (DPC).

Instead of billing insurance companies or the government for patients’ health care, doctors providing DPC directly enter into agreements with patients, charging a regularly scheduled fee and listing procedure prices up front.

Sanfelippo’s bill would define DPC services as being health care, instead of

DIRECT PRIMARY CARE, p.8

Both Houses of Congress Approve Tax Cuts and Jobs Act

By Leo Pusateri

With both chambers of Congress having approved H.R. 1, also known as the Tax Cuts and Jobs Act, a congressional conference committee will reconcile differences between the bill’s two versions.

H.R. 1, approved by the House on November 16, 2017 would reduce the number of personal income tax brackets from seven to four, cut taxes by about $1.51 trillion over the next ten years, lower the corporate tax rate, and make other changes to the federal tax code.

The Senate approved its version of the bill on December 2. The conference committee will merge the two versions, and if both houses of Congress affirm the resulting bill, it will be sent to President Donald Trump for his signature.

TAX CUTS AND JOBS, p. 4
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The Heartland Institute is pleased to announce the release of the fourth edition of *The Patriot's Toolbox*, coauthored and edited by Dr. Herbert Walberg and Joseph Bast, with contributions from 18 other distinguished policy experts.

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House Committee Approves Bill to Prohibit ‘Choke Point’ Operations

By Andrea Dillon

The U.S. House of Representatives Financial Services Committee approved a bill to prevent government agencies from using regulatory actions to force out business owners working in disfavored industries such as adult entertainment and firearm sales.

The committee approved H.R. 2706, sponsored by U.S. Rep. Blaine Luetkemeyer (R-MO), on November 16, 2017. A vote by the full House has not been scheduled.

The bill would establish “that a federal banking agency may not request or order a depository institution to terminate a customer account, unless the agency has a material reason for doing so and that reason is not based solely on reputation risk.”

Operation Choke Point (OCP) was a U.S. Department of Justice (DOJ) program, first disclosed in 2013, in which Federal Deposit Insurance Corporation (FDIC) auditors and DOJ officials pressured banks to drop some businesses as clients.

DOJ officially terminated OCP in 2017, according to an August 16 letter from DOJ Assistant Attorney General Stephen Boyd to U.S. House Judiciary Committee Chairman Bob Goodlatte (R-VA).

“All of the Department’s bank investigations conducted as part of Operation Choke Point are now over, the initiative is no longer in effect, and it will not be undertaken again,” Boyd wrote.

Preventing Return

Even if DOJ says OCP is over, Luetkemeyer wants to make sure it can’t return, he says.

“We are going to continue to force this issue and press the FDIC, the regulators, and the Department of Justice to continue to do their job,” Luetkemeyer told Budget & Tax News. “Hopefully this nonsense will stop.”

Whistles Blown

Luetkemeyer says business owners alerted him to the existence of OCP.

“We were made aware of this by some of the businesses that were being affected by Operation Choke Point,” Luetkemeyer said. ‘They brought the issue to our attention and said, ‘Hey, we’re being forced out of business, because we can no longer access financial services.’

“We started looking into this, digging into it,” Luetkemeyer said. “The Department of Justice, in cooperation with the FDIC, was targeting banks doing business with a list of industries they felt didn’t have the moral right to exist.”

‘An Excellent Step Forward’

Iain Murray, vice president of strategy for the Competitive Enterprise Institute, says the bill goes to the root cause of such government overreach.

“I think Luetkemeyer’s bill is an excellent step forward,” Murray said. “The trouble with Operation Choke Point is that it is preceded by what we call ‘regulatory dark matter’: off-the-books rulemaking through guidance documents, memos, and things like that.”

Government agencies use such maneuvers to enact unofficial regulatory policies not specified in legislation, Murray says.

“FDIC and the Department of Justice could basically order banks to cut off banking relationships with payday lenders,” Murray said. “Luetkemeyer’s bill would stop that. It says that you need a valid reason to stop banks having banking relationships with payday lenders.”

Other Oxen Vulnerable

Concern over government agencies’ regulatory power should not be a partisan issue, Murray says.

“Every American needs to pay attention, because banking relationships are incredibly important for businesses,” Murray said. “In this case, it was a Democrat administration, so their targets were things like payday lenders, but a Republican administration could use the same tools. They could decide, for instance, that they couldn’t defund Planned Parenthood through the appropriations process, and just make it clear to banks that they don’t want them providing banking services to Planned Parenthood.”

Stopping regulatory overreach should be a universal aspiration, Murray says.

“Whether or not you are in favor of gun sales, on the one hand, or abortion services on the other, you should be really concerned that financial regulators have the power to turn off banking relationships so easily,” Murray said.

Andrea Dillon (thell1885@gmail.com) writes from Holly Springs, North Carolina.

Official Connections:

https://luetkemeyer.house.gov
Both Houses of Congress Approve Tax Cuts and Jobs Act

Reforming Corporate Taxes
Dan Pilla, one of the country’s premier tax experts and a policy advisor for The Heartland Institute, which publishes Budget & Tax News, says the corporate tax rate reduction is the bill’s most important feature.

“Right now, at 35 percent, the United States has the highest corporate tax rate in the industrialized world,” Pilla said. “The average [corporate tax rate] of industrialized nations is between 22 and 23 percent. America is the highest-taxed jurisdiction in the world.

“If we want to make America a business tax haven, obviously we want to reduce the corporate tax rate,” Pilla said. “That’s a big thing.”

Equity Considerations
Higher-income households pay higher income tax rates, Pilla says, and that is why they receive more tax relief from the bill.

“People scream ‘tax cuts for the rich, tax cuts for the rich,’ but that’s just complete nonsense,” Pilla said. “The bottom 50 percent of income earners in the United States only pay 3 percent of all the taxes. The top 1 percent are paying about 40 percent of income taxes, and the top 10 percent are paying about 70 percent.

“If we’re going to give tax cuts to people, then we have to give the tax cuts to the people who are actually paying the taxes,” Pilla said.

Ripple Effects
Romina Boccia, deputy director of The Heritage Foundation’s Thomas A. Roe Institute for Economic Policy Studies, agrees the corporate tax reforms are the most important part of the bill.

“The greatest benefit from this tax plan will come from the simplification and reduction of tax rates on the business side, especially with the provision lowering the corporate tax rate.”

ROMINA BOCCIA
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The Heartland Institute - 3939 North Wilke Road, Arlington Heights, IL
Friendly Tax Climate Gives Florida Lawmakers Reason to Celebrate

By Andrew Burger

In addition to ringing in 2018 in January, Florida state lawmakers can celebrate their state’s high ranking in the 2018 edition of the Tax Foundation’s State Business Tax Climate Index report.

The Tax Foundation uses more than 100 variables to rank all 50 states’ tax structures every year, comparing how tax policies affect businesses, families, and individuals.

The report, published in October 2017, ranked Florida as having the nation’s fourth-best state tax structure, accounting for levies on corporations, individual income, sales, unemployment insurance, and property.

Consistent Praise

Amber Hughes, a senior legislative advocate for the Florida League of Cities, says the state’s tax system is well-designed.

“Florida always ranks in the top ten,” Hughes said. “We are usually within the top five. Other studies have ranked us at number three. It is quite common for us to rank well.”

The absence of a personal income tax makes Florida attractive to business owners looking to escape unfriendly states, Hughes says.

“This with the report, the personal income tax is a factor, and we don’t have that,” Hughes said. “It is going to be beneficial for a ranking, and also very beneficial when businesses are looking to locate here.”

Attracting Businesses

Taxpayer-friendly climates are a magnet for business owners seeking to relocate, in addition to encouraging entrepreneurs to expand their operations, Hughes says.

“This not only creates jobs, but it also creates nice communities and a healthy economy, which at the end of the day I think most residents want,” Hughes said.

Florida’s taxes are linked to personal income growth, Hughes says, keeping the burden from rising too rapidly.

“The thought is that taxes shouldn’t grow faster than the ability of a resident or business to pay for it,” Hughes said.

Andrew Burger (aburger@watchdog.org) is a writer for Watchdog.org. An earlier version of this article was published at https://www.watchdog.org/florida/florida-ranks-near-top-of-business-tax-climate-rankings/article_76535ddc-d48e-11e7-86ba-6f7f11bcaef.html

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U.S. Senators Hit Brakes on Driverless Car Legislation

By Jesse Hathaway

Two U.S. Senators are blocking a bill that would reform national safety regulations on driverless vehicles.

S. 1885, sponsored by Sen. John Thune (R-SD), would authorize the U.S. Department of Transportation to work with state governments and the automobile industry to encourage development and deployment of driverless vehicles.

On December 1, 2017, U.S. Sens. Richard Blumenthal (D-CT) and Ed Markey (D-MA) blocked the bill’s progress, according to The Hill.

Blumenthal and Markey are using a parliamentary procedure known as a hold on the bill because they think the legislation does not adequately address consumer safety issues, The Hill reported.

Jesse Hathaway (jhathaway@heartland.org) is managing editor of Budget & Tax News.

Budget Reconciliation Sets Stage for Tax Reform

By Joshua Paladino

The U.S. House of Representatives approved a resolution affirming the U.S. Senate’s budget resolution setting spending recommendations for Fiscal Year 2018, allowing Congress to use a legislative procedure known as reconciliation to pass tax reform.

The House approved Rep. Diane Black’s (R-TN) amendment to House Concurrent Resolution 71 on October 26, 2017, revising the House budget resolution to mirror the Senate’s version. The resolution included instructions for the Senate Finance Committee, triggering the reconciliation process.

A process created by the Congressional Budget Act of 1974, reconciliation reduces the difficulty of passing tax and spending bills by allowing a bill to bypass the 60-vote requirement for ending Senate debate and going to a vote, instead requiring only a simple majority for Senate passage.

On November 16, the House approved H.R. 1, the Tax Cuts and Jobs Act, the bill for which reconciliation was used. The Senate approved the bill on December 2 and sent it to a conference committee to merge the two versions.

Possible Spending Cuts?

Bogie says future budget resolutions may include spending reductions.

“The House version of the budget originally had $203 billion in mandatory cuts,” Bogie said. “The Senate version stripped those out. The mandatory cuts should’ve remained in the bill, but there are reports coming out that Republicans are looking to make $400 [billion] to $500 billion in mandatory cuts through reconciliation in 2019.”

Expectations and Expenditures

Jonathan Bydlak, president of the Coalition to Reduce Spending, says spending cuts and tax reform are two sides of the same equation.

“The budget sets expectations, so what they have done is set expectations for higher spending in the future,” Bydlak said. “To get at long-lasting tax reform, it’s really critical that you address expenditures in a way that’s responsible, so that you don’t create the pressure to raise taxes in the future.”

Joshua Paladino (jpaladino@hillsdale.edu) writes from Hillsdale, Michigan.
Supreme Court Hears Cell Phone E-Tracking Case

By Andrea Dillon

 Whether the Fourth Amendment to the U.S. Constitution permits law enforcement agencies to obtain cell-site location information (CSLI) from mobile phone companies without a judge’s permission will be determined by the U.S. Supreme Court.

Oral arguments in *Carpenter v. United States* began on November 29, 2017. CSLI is a log of a mobile phone’s connections to mobile phone towers. It can be used to track an individual’s current or past movements.

Lawyers representing federal law enforcement agencies claim the government is not required to obtain a search warrant before requesting CSLI logs from mobile phone providers.

Constitution and Cyberspace

John Malcolm, vice president of the Institute for Constitutional Government at The Heritage Foundation, says the case is about applying the Constitution to modern technologies.

“The Supreme Court is clearly struggling with how the Fourth Amendment might adjust in the digital age,” Malcolm said. “The Court is dealing with laws that were passed in the time of older technologies, and is deciding whether or not those doctrines still suit today’s digital age.”

In similar cases in the past, the Court has chosen to protect individuals’ rights instead of increasing the government’s power, Malcolm says.

The Court clearly has been changing its views on new technologies, and the government doesn’t have a good recent track record in cases before the Supreme Court involving Fourth Amendment challenges about those new technologies,” Malcolm said.

‘Get a Warrant’

Malcolm says there’s a trend in the Court’s rulings on digital privacy issues.

“It used to be that you could seize anything on somebody’s person and search it as a ‘search incident to arrest,’” Malcolm said. “The Supreme Court rejected that and said, ‘Nope, today’s cell phones are sufficiently personal.’”

In 2014, the Court ruled on two cases, *Riley v. California* and *United States v. Wurie*, involving mobile phones seized from individuals during arrests. Addressing both cases in a single, unanimous opinion, Chief Justice John Roberts wrote, “Our answer to the question of what police must do before searching a cell phone seized incident to an arrest is accordingly simple—get a warrant.”

The Court must now decide whether to apply that reasoning to cell phone location data, Malcolm says.

“The question is whether or not the Supreme Court is going to continue down that path, with respect to geolocation information, and say that ‘a subpoena is not good enough; this contains so much personal information in order to track your movements that you need a warrant in order to get it,’” Malcolm said.

A Question of Balance

Marc Blitz, a professor at the Oklahoma City University School of Law, says the case hinges on defining a reasonable search.

“It’s the protection against unreasonable searches that’s at issue, and how to understand that protection, given really significant technological advancements with implications for privacy,” Blitz said.

Limiting the government’s power to snoop strengthens individual freedom, Blitz says.

“A free society requires a certain level of privacy,” Blitz said. “We rely on the law to provide that protection. What’s at stake here is that somebody has to be up to the difficult task of drawing a line that lets the police get the information they need, without letting government overstep privacy safeguards.”

Andrea Dillon (thell1885@gmail.com) writes from Holly Springs, North Carolina.

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IN OTHER WORDS . . .

“On November 29, the [U.S. Supreme] Court will consider a case involving the Fourth Amendment’s prohibition on unreasonable searches and seizures as they relate to emerging technology.

“*Carpenter v. United States* concerns whether it is constitutional for the government to seize cellphone location records from service providers without a warrant.

“The Stored Communications Act allows law enforcement officers to acquire these records directly from service providers, such as Verizon, AT&T, and others, after obtaining a warrant or a court order—the latter under a lower standard of proof. . .

“The lower court held that information shared with third parties receives no Fourth Amendment protection under the so-called third-party doctrine. But other courts have concluded that this doctrine does not apply, given the sensitivity of these records and the fact that, at least in a meaningful way, people do not give up this information voluntarily.

“The outcome of this case could have significant consequences for the law enforcement community, as well as anyone with a cellphone.”

— *What the Supreme Court Is Up to This Term,* Elisabeth Slattery, *The Heritage Foundation,* November 26, 2017
FDA Streamlines Review Process for Direct-to-Consumer Genetic Testing

By Leo Pusateri

The U.S. Food & Drug Administration (FDA) is developing a more efficient process for obtaining government approval for direct-to-consumer genetic testing for health risks.

In 2015, FDA demanded 23andMe stop selling the Personal Genome Service Genetic Health Risk test, a procedure for testing consumers’ genetic samples for predispositions to genetic health risks (GHRs), because the company had not received government permission, known as pre-market review, to do so.

On November 6, 2017, FDA Commissioner Scott Gottlieb, M.D., issued a statement reversing the agency’s policy. GHR test manufacturers will be exempted from the normal FDA pre-market review procedure for each individual new product or test. Instead, GHR manufacturers will undergo a one-time review, similar to how FDA certifies the accuracy and reliability of digital health technologies.

Regulations Stifling Innovation

Devon Herrick, a policy advisor to The Heartland Institute, which publishes Budget & Tax News, says FDA has a history of inhibiting consumer product innovation.

“The FDA under the Obama administration never wanted to allow access to direct genetic testing,” Herrick said. “Like other medical regulators, FDA has a natural bias to control access to medicine.”

FDA bureaucrats assumed consumers were incapable of properly judging information, Herrick said.

“In the past, the FDA assumed individuals were not in a position to understand the results of genetic testing,” Herrick said. “There are numerous pathways that affect genetic expression. No one genetic test can positively predict breast cancer, Alzheimer’s, or other conditions, and the FDA wanted a doctor to explain those facts to everyone who had a genetic test.”

Biodata Bottleneck

Many direct-to-consumer medical tests were once prohibited by government regulators, Herrick says.

“Years ago, the FDA refused to allow over-the-counter tests for AIDS, because the agency wanted all those with a positive test result to have counseling along with the test results,” Herrick said. “For that matter, even home pregnancy tests were somewhat controversial when they first arrived.”

The new policy is a win for consumers interested in taking more responsibility for their own health, Herrick says.

“This is a great development,” Herrick said. “Gottlieb wants to empower consumers to make more of their own medical decisions.”

Power to the People

The new FDA policy will enable better medical decision-making, Stier says.

“It’s a freedom-oriented move, without sacrificing needed regulations,” Stier said. “It will still be regulated, but they can choose to get genetic counseling, which may be a good idea, but you won’t have to go to a doctor to get consent.

“Say the patient is predisposed to Alzheimer’s,” Stier said. “We think we know that staying active reduces the risk, and knowing that you’re predisposed could make an impact on your decision of how to change your behavior.”

Leo Pusateri (psychmeistr@fastmail.fm) writes from Saint Cloud, Minnesota.

Nashville Council Approves Soccer Stadium Subsidy

By Lindsey Curnutte

Nashville, Tennessee residents may soon be paying for a new, privately owned soccer stadium after the city’s Metropolitan Council approved a big subsidy for a facility expected to cost $275 million.

On November 7, 2017, the Metropolitan Council approved $225 million in taxpayer-backed money to build a new soccer stadium, using a combination of new government bonds and tax revenue. The stadium ownership group, led by local businessman John Ingram, will be responsible for the remaining $50 million in construction costs.

Major League Soccer (MLS) leadership met in December 2017 to select two cities, out of four remaining applicants, to host new teams in the league. The Nashville financing agreement is contingent on the city’s selection.

‘Worst Type of Deal’

Mark Cunningham, director of communications for the Beacon Center of Tennessee, says taxpayer financing for sports stadiums is a bad choice.

“This is the worst type of deal for taxpayers,” Cunningham said. “We’re going to be paying millions of dollars for a team that many of us don’t care about. People that do care might not be able to afford [to attend games], even though their taxes are paying for it.”

People should ask some basic questions about stadium subsidies, Cunningham says.

“Do we believe in competition?” Cunningham said. “Do we believe in capitalism? Is capitalism giving a minimum of $225 million to a soccer stadium that the billionaires own, or should they have to pay for it themselves?”

Reality Check

The facts contradict stadium subsidy supporters’ rhetoric, says West Virginia University economics professor Brad Humphreys.

“The justification that team owners, or the people who want these subsidies, always give is that there’s going to be tangible economic benefits that are generated in the local community,” Humphreys said. “If it did, then that would be a justification for subsidies. There’s a huge body of peer-reviewed economic research that has found no evidence of the tangible economic benefits associated with sports teams and facilities.”

Unrigging the Game

Current state and federal laws encourage sports team owners to hold taxpayers hostage, Humphreys says.

“If your team is going to threaten to leave unless you build a new stadium and you want to keep them, you’ve got to build it at public expense,” Humphreys said. “The way that policy is set up, they don’t have any choice. A different public-policy environment wouldn’t allow the league to have that kind of power.”

Lindsey Curnutte (lindseycurnutte@gmail.com) writes from Athens, Ohio.
Wisconsin State Rep. Prepares Direct Primary Care Bill

Continued from page 1

health insurance, freeing participating primary-care providers from the state’s insurance regulations.

A Free-Market Alternative
Sanfelippo says big-government approaches to health care have failed to help people and it’s time to try something different.

“Co-pays and deductibles have been creeping higher and higher as a result of all the turmoil caused by Obamacare,” Sanfelippo said. “With direct primary care, of course, you pay a monthly fee to a doctor that gives you 24-seven access, and you have no co-pay or deductible. You go in and you don’t have those out-of-pocket costs.”

Patients, Not Paperwork
Sanfelippo says his bill would allow doctors to focus on patients instead of paperwork and billing.

“I like to refer to it as kind of that old-fashioned doctor-patient relationship, where the doctor really has the time to be able to get to know the patient,” Sanfelippo said. “They’re not just running in for seven minutes, doing a quick once-over, and then spending another 20 minutes filling out insurance forms, Medicaid reimbursement codes, and all that other stuff. I think you see just much, much more personalized service.”

Chris Rochester, director of communications at the John K. MacIver Institute for Public Policy, says Sanfelippo’s bill would improve health care by cutting out middlemen.

“This is an innovative way of getting basic medical care by dealing directly with your doctor, bypassing the red tape of an insurance company. Often patients will pay a flat monthly fee, like a cable TV subscription, and will be able to see their primary care doctor at little or no charge whenever they want.”

CHRIS ROCHESTER, MACIVER INSTITUTE FOR PUBLIC POLICY

“Importantly, this bill is likely to help bend the cost curve down, which is something the big-government approach, like Obamacare, has failed to accomplish,” Rochester said. “The savings to taxpayers could be in the hundreds of millions of dollars.”

Other Ideas for Reform
Rochester says Wisconsin should also consider other free-market ideas to improve the state’s health care system.

“One area we could improve considerably is in the area of telemedicine,” Rochester said. “As a largely rural state with shortages in many professions, including doctors, telemedicine would help rural patients who live far from medical facilities. Wisconsin could also improve pharmaceutical access by enacting a right-to-try bill, which is working its way through the legislature.”

Madeline Fry (mfry@hillsdale.edu) writes from Hillsdale, Michigan.

Official Connections:
http://legis.wisconsin.gov/assembly/15/sanfelippo

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Oklahoma Legislator Plans Reboot for Bill to End Film Tax Credit

By Lindsey Curnutte

A after a bill to cancel the Oklahoma Film Enhancement Rebate Program stalled during the state legislature’s 2017 special session, state Rep. Kevin Calvey (R-Oklahoma City) says he will try again in 2018.

In September 2017, Calvey proposed House Bill 1004 (H.B. 1004), which would have ended the program, which distributes cash to film and television production companies filming in the state.

The program is scheduled to end in 2024. H.B. 1004 would have canceled the program on January 1, 2018.

The state legislature’s House Rules Committee did not consider H.B. 1004 in 2017, Calvey told Budget & Tax News, so the bill will be rebooted in January 2018.

“On the film tax credit repeal bill, it won’t be heard in special session,” Calvey wrote in an email to Budget & Tax News. “Either I, or someone else, will refile it in January for the regular session.”

Not for Everybody

Jeremy Horpedahl, an assistant professor of economics at the University of Central Arkansas, says film tax credits benefit movie producers at everyone else’s expense, except when they don’t benefit anyone.

“In general, economic research finds that tax incentives usually do benefit the targeted industry, though often at the expense of the economy as a whole,” Horpedahl said. “Somewhat surprisingly, only about 65 percent of the studies that I’m aware of find clear positive effects for the firms that receive the subsidies.”

Film tax credits don’t play a starring role in movie producers’ decisions, Horpedahl says.

“While taxes are important for most economic decisions, they are not the deciding factor, and many films would still be made in the state without the credit,” Horpedahl said.

Picking Winners and Losers

Trent England, executive vice president of the Oklahoma Council of Public Affairs, says the logic behind film tax incentives is dubious.

“I think that the fundamental question is why politicians should pick one kind of economic activity over any other kind of economic activity,” England said. “Wouldn’t we all rather have a level playing field within Oklahoma, and across the country, when it comes to filming or anything else?”

Oklahomans support getting rid of special tax treatment and subsidies, England says.

“There’s just no question that most Oklahomans support getting rid of these special handouts in the tax code that benefit popular special interests at the expense of every other taxpayer in Oklahoma,” England said.

Lindsey Curnutte (lindseycurnutte@gmail.com) writes from Athens, Ohio.

INTERNET INFO

Wis. Legislature Approves Amendment Convention Resolution

By Hayley Sledge

The Wisconsin State Legislature approved a joint resolution calling on Congress to convene a convention to draft a constitutional amendment requiring a balanced federal budget.


Article V of the U.S. Constitution establishes processes for enacting amendments, including a method for states to propose them. After 34 state legislatures approve a resolution calling for an amendment convention, commissioners selected by the states would meet to draft an amendment or amendments limited to the resolution’s listed topic.

Wisconsin is the 28th state to approve the resolution proposed by the Balanced Budget Amendment Task Force (BBATF).

Starting the Discussion

Kapenga says the resolution signals a desire to get people talking about solving the federal spending problem.

“This is simply the state legislature saying we want to get together to have the discussion on what an amendment for a balanced budget would actually say,” Kapenga said. “That’s what this resolution does: It adds us to the number of states who want to have that discussion.”

Kapenga says the amendment convention process was included in the Constitution to enable the states to rein in an out-of-control national government.

“This goes back to why the Founders put that clause into Article V,” Kapenga said. “It’s for situations where our country is at risk and the federal government is either unwilling or unable to act on their own. The states have to recognize that the Founders were looking for us to step up in this specific situation.”

A Growing Problem

The national government is taking on more debt every year, Kapenga says, and it has to stop.

“We have zero plan to pay it back,” Kapenga said. “Congress is trying to just balance their yearly budget, and that doesn’t even get into the debt load that we have.”

Restraining Federal Power

Loren Enns, BBATF’s director of state campaigns, says the national government won’t willingly live within its means.

“The federal government has not truly balanced the budget since 1957,” Enns said. “They claim they did in the late 1990s, but that was only after raiding the Social Security and Medicare trust funds.

“The endgame is to put some sort of fiscal restraint on the federal government,” Enns said. “Right now, there is none. Thomas Jefferson acknowledged that back in the 1790s, and he was really the first one historically to point out that the federal government really had no limit on its borrowing.”

State Lawmakers Empowered

State lawmakers have more power over the national government than they may realize, Enns says.

“State legislators need to remember that, ultimately, true power under our form of government rests with the states,” Enns said. “The states do retain technical absolute power over the federal government. It’s sad if they ever forget that or are ever afraid to use it.”

Hayley Sledge (hayley@sledges.us) writes from Dayton, Ohio.

Killeen, Texas City Council Approves Taxicab Regulation Reforms

By Emma Restuccia

The Killeen, Texas City Council is reducing taxicab regulations in the city to match those imposed on Uber and Lyft drivers across the state.

Since the law went into effect on November 28, taxicab drivers no longer have to undergo government vehicle inspections, and taxicab owners’ licenses will come up for renewal every five years instead of biannually.

Taxicab and ridesharing companies’ drivers operating in Killeen will continue to be subject to criminal background checks by the state government.

Levelling the Playing Field

Robert Krol, a senior affiliated scholar at the Mercatus Center, economics professor at California State University at Northridge, and a policy advisor for The Heartland Institute, which publishes Budget & Tax News, says reducing regulatory burdens on taxicabs benefits cab companies and their customers.

“Rather than trying to slap restrictions on these new ridesharing companies, which is a fairly typical response by incumbent firms, it makes more sense to reduce the rules on the taxicabs to allow them to compete,” Krol said. “There’s no reason they can’t compete. That’s the way you want to go.”

Promoting Flexibility

Fewer regulations and greater flexibility allow businesses to compete for customers through innovation, Krol says.

“The real thing is the taxicab companies in this town have to adapt to new technologies and have some flexibility in pricing,” Krol said.

J. D. Rimann, a policy analyst for the Texas Public Policy Foundation, says deregulation reduces barriers to entry in the taxicab market, increasing competition and improving service.

“The primary thrust of the proposed legislation is to make it easier to become and stay a taxi operator in the city,” Rimann said. “The loosening of regulations in overregulated industries like the taxi industry is always welcome.”

Price Cuts Coming?

Rimann says he expects the lowering of regulatory barriers to result in lower prices.

“Consumers will, theoretically, see the price of taxis in Killeen drop somewhat, due to an easing up of regulation,” Rimann said.

Emma Restuccia (evint7@gmail.com) writes from Alexandria, Virginia.

INTERNET INFO

Preparing for a Balanced Budget Amendment Convention

By Jesse Hathaway

Hathaway: When did constitutional reform become important to you?

Schuerer: When I left the Iowa Senate in 2004, I felt ineffective representing the citizens of my district. When we passed legislation at the state level, the established bureaucracy determined whether it was to be implemented or not, or by rulemaking authority circumvented the intent of the laws passed.

As early as 2004, I felt constitutional restoration was needed on the state level as well as the national level. When I was introduced to [Campaign Constitution Chairman, President, and Secretary] John M. Cogswell, I saw a light that could effectuate a return to the consent of the governed.

Hathaway: What does the balanced budget amendment (BBA) effort need most to be effective?

Schuerer: My experience within the national Article V movement revealed a lack of coordinated leadership. Working with The Heartland Institute’s Center for Constitutional Reform showed me a way to bring all the competing interests together.

During the past two years, I have built collaboration among groups and individuals advancing an Article V convention of states.

Moving into 2018, the focus needs to be on state legislative leadership and individual state legislators. Coming alongside them and encouraging the power granted in the Constitution for states working in union can influence the nation’s policy and direction.

As a person who loves this country, I will do whatever it takes to share this message, with any and all who will listen.

Hathaway: In September 2017, the Arizona Legislature hosted a national planning session to authorize rules and procedures for a future amendment convention. Planning for a national convention must have felt like a big responsibility for the 72 lawmakers who attended. How would you describe the mood and atmosphere of the assembly?

Schuerer: My experience at this planning convention confirmed the virtue of the delegates sent by the states and their wisdom to uphold the principles of the Constitution.

The New Hampshire delegation would put their lives on the line to guard against a runaway convention, and the delegates from Oklahoma, Tennessee, and Arizona would stand with them.

The decorum and atmosphere of the planning convention were like a legislative session: ordered, professional, and congenial, and not like the rancorous setting of a political convention.

This should encourage all states to attend even if the state has not passed an Article V application.

Hathaway: What were the most important reasons for the Arizona session?

Schuerer: There have been numerous planning meetings, simulations, conferences, and workshops to prepare Americans, state legislators, and groups advancing an Article V convention of states.

Arizona’s call for a planning convention dealt with the objections, soothed concerns, and allowed legislators to meet face-to-face with state leaders regarding the operation of an Article V Convention of States.

Hathaway: What is the current state of the movement, and what is the outlook for 2018, with resolutions from 34 states needed to call a convention?

Schuerer: The Balanced Budget Amendment Task Force entered the 2017 state legislative year with great expectations, following the Trump election and the number of Republican governors and legislature majorities growing.

Twenty-eight states had active applications, with the goal of adding four to the number—Arizona, Idaho, Wisconsin, and Wyoming—bringing the number of active applications to 32. Arizona and Wyoming approved the BBA application resolution. Maryland, New Mexico, and Nevada rescinded applications, making a net loss of one and bringing the number of active applications to 27. Recently, Wisconsin approved the BBA application, returning the total to 28.

Moving into 2018, there is very little margin. Idaho, Kentucky, and South Carolina are a must, bringing us to 31 active applications.

Montana will likely join in when it gets that close, to 32. Minnesota and Virginia are tough calls because of internal political disagreements on the issue of an Article V amendment convention. Washington state and Maine are anyone’s guess.

That brings the Balanced Budget Amendment Task Force and the national Article V movement to 32 states by the end of 2018.

Hathaway: What events led to the increase in popularity of the balanced budget amendment?

Schuerer: The renaissance of the national Article V movement began with the 2008 election of President Obama with an unrestrained Democratic Party-held Congress and the 2010 birth of the modern Tea Party movement. These events set a spark under the existing BBA state applications, and it was “game on” across the county.

By Jesse Hathaway

Editor’s Note: Neal Schuerer is executive director of Campaign Constitution, a nonprofit organization working with state elected officials and policy leaders to advance state-initiated constitutional reform. Schuerer previously served two terms in the Iowa state Senate.

Neal Schuerer

EXECUTIVE DIRECTOR, CAMPAIGN CONSTITUTION

“The renaissance of the national Article V movement began with the 2008 election of President Obama with an unrestrained Democratic Party-held Congress and the 2010 birth of the modern Tea Party movement. These events set a spark under the existing BBA state applications, and it was ‘game on’ across the county.”
Manufacturing Jobs Dry Up in Southern Illinois

By Benjamin Yount

Honeywell International, Inc., a U.S. producer of consumer and commercial goods, announced it will indefinitely close its Honeywell Uranium Hexafluoride Processing Facility in Metropolis, Illinois in the first quarter of 2018, laying off at least 170 employees and 100 contractors.

The plant, also known as the Honeywell Metropolis Works, is the only facility in the United States capable of producing uranium hexafluoride, a chemical used to produce enriched nuclear fuel.

‘Devastating’ Job Losses

Metropolis, Illinois Mayor Billy McDaniel says the plant shutdown will be disastrous for the city’s residents.

“It's devastating for any small community,” McDaniel said. “If you live in a place that has 250,000 people and you lose 200 jobs, it’s probably not noticeable. When you live in a community of 6,500 and lose this many jobs that you actually raise a family on, those jobs are not replaceable.”

Moving Away from Metropolis

The plant’s closure may mean population losses as people move from Metropolis to more economically prosperous locales, McDaniel said.

“More than likely if they are able to get a full-time, good-paying job, they won’t be eager to come back,” McDaniel said.

Economic Disaster Clean-up

Illinois state Sen. Dale Fowler (R-Harrisburg) says the layoffs will affect many people.

“You know, 170 jobs is a lot of jobs in southern Illinois,” Fowler said. “There’s not that many companies or manufacturers that have that many employees. It’s a huge hit for southern Illinois.”

The Metropolis Works closure demonstrates why making Illinois more attractive to business owners and taxpayers is important, Fowler says.

“It’s something we have to continue to strive to do,” Fowler said. “We have to make southern Illinois, and the state of Illinois, more business-competitive. We have to compete with our neighboring states. We have to get back on solid ground with job creation.”

Benjamin Yount (info@ilnews.org) is a writer for the Illinois News Network, a project of the Illinois Policy Institute. An earlier version of this article was published at https://www.ilnews.org/news/economy/illinois-latest-manufacturing-loss-jobs-in-southern-illinois/article_47ac620-ced8-11e7-b3be-a68e20947f6.html. Reprinted with permission.

Business Owners Oppose Madison, Wisconsin Surveillance Ordinance

By Michael Carroll

The Madison, Wisconsin Public Safety Review Committee will meet in January 2018 to consider a proposed ordinance requiring convenience store owners to purchase and operate surveillance cameras in their stores.

The committee met on November 8 to consider an ordinance proposed by Mayor Paul Soglin to regulate the location, picture quality, and orientation of surveillance cameras in convenience stores. The city would fine noncompliant business owners between $200 and $750, depending on the number of prior citations.

After hearing from local small business owners who would be affected by the proposal, the committee decided to postpone a vote on the ordinance until its January 2018 meeting.

Reacting to Robberies

Brandon Scholz, president and CEO of the Wisconsin Grocers Association, says Soglin’s proposed ordinance is an overreaction.

“This is a reaction by the mayor because there have been incidents in convenience store parking lots,” Scholz said. “I think the better option here is for the police department to work with individual store owners, especially in areas where they think we have problems.”

‘Statewide Opposition’ Possible

Wisconsin business owners will chafe under the new regulations if they spread to other cities, Scholz says.

“If the city does this and, pretty soon, we see other municipalities mandate this equipment, then I think you will see statewide opposition,” Scholz said.

Jeff Lenard, vice president for strategic industry initiatives for the National Association for Convenience and Fuel Retailing, says a poorly designed storefront can encourage crime in parking lots, but government regulations are not the answer.

“When your store is like a submarine and you can’t see in or out, that is a welcome sign for criminals,” Lenard said. “Well-meaning regulations can backfire.”

Michael Carroll (info@FranklinCenterHQ.org) is a writer for Watchdog.org. An earlier version of this article was published at https://www.watchdog.org/wisconsin/business-groups-critical-of-madison-proposal-to-mandate-security-cameras/article_0ddb531c-d2d7-11e7-86db-2bd3e8d4de53.html. Reprinted with permission.
Hillary Clinton Warns Against State-Led Constitutional Amendment Push

By Jeff Reynolds

A s state legislators across the country prepared for their 2018 legislative sessions, including 72 lawmakers who attended the Balanced Budget Amendment Planning Convention, former Democratic Party presidential candidate Hillary Clinton reviled the movement as a radical, partisan conspiracy.

In a September 13, 2017 interview with Pod Save America, an online podcast series hosted by former Obama administration spokesmen Jon Favreau and Tommy Vietor, Clinton said state legislatures’ calls for a balanced-budget amendment to the U.S. Constitution represent an extremist position.

“They want to have a constitutional convention to rewrite our constitution, to make it friendlier to business, to inject religious and ideological elements,” Clinton said during the podcast promoting What Happened, an autobiography about her 2016 presidential campaign. “So, talk about radical change! They are pursuing it, they are funding it, and they are electing people that are either true believers or are willing vehicles for it.”

Planning Convention Held

In September 2017, the Arizona State Legislature hosted delegations from 19 states to set ground rules for a future amendment convention.

Article V of the U.S. Constitution establishes methods for proposing and enacting amendments, including a state-led process. After 34 states call for an amendment convention, commissioners meet to produce one or more amendments executing the proposal specified by the call. An amendment so proposed would then have to be ratified by three-quarters of the states before taking effect.

Currently, 28 states have approved a balanced-budget amendment based on legislation proposed by the Balanced Budget Amendment Task Force.

‘She’s Potentially Losing It’

Rob Natelson, a constitutional scholar and policy advisor for The Heartland Institute, which publishes Budget & Tax News, says Clinton’s comments surprised him.

“I’ve never been an admirer of Hillary Clinton or her political views, but I’ve always thought of her as an intelligent, politically grounded woman,” Natelson said. “I read this and I’m concerned that she’s potentially losing it. You can quote this: She seems to be losing it. There is no connection with reality in almost anything she’s saying here.”

Clinton’s podcast comments don’t reflect the truth, Natelson says.

“I don’t think that she would necessarily be consciously lying about this, but if she believes this, she has a serious reality problem,” Natelson said. “It raises serious questions about what kind of president she would have been. The president, of all people, has to be grounded in reality. I can’t psychoanalyze her, but it is just a total disconnect from reality.”

Natelson says Clinton should know more about the Constitution and the process for updating it, given her educational background.

“She’s a Yale-trained lawyer,” Natelson said. “She should know the process. She doesn’t have a clue. She doesn’t know what is occurring.”

A ‘Bizarre’ Interview

Mark Meckler, founder and president of Citizens for Self-Governance, says Clinton’s statement was weird and unjustified.

“I think it’s bizarre, to be honest with you, and it’s bizarre on a number of levels,” Meckler said. “First of all, it’s because she made these comments when nobody asked her about it. Nobody asked her anything about Article V, if you watch the interview.”

Citizens for Self-Governance manages the Convention of States Project, one of several balanced-budget amendment proposals state legislatures are considering. In addition to writing for Budget & Tax News, this story’s author is a Convention of States volunteer.

Liberal Groups Lining Up?

Some 230 leftist organizations signed a coalition letter in March 2016 opposing the Article V movement, Meckler says, suggesting unprecedented organized resistance.

“I can’t find a single person in Washington, DC, or anywhere in the country, who can think of a time when that many leftist groups got together and signed a petition on anything,” Meckler said. “You couldn’t even get 230 groups behind a single presidential candidate. They can’t get 230 groups to sign a letter against tax reform or against repeal of Obamacare.”

Meckler says he believes Clinton’s comments are part of that shadow campaign.

“What is inspiring her to talk about this, all of a sudden?” Meckler said. “I’m certain that I know the answer to that question: She’s working with these 230 leftist organizations and the leadership thereof, and somebody is feeding her these talking points.”

Jeff Reynolds (jefferyreynolds@comcast.net) writes from Portland, Oregon.
Support Grows for Sugar Policy Reform

By Lindsey Schulenburg

A bill in Congress to reform federal sugar price supports is gaining bipartisan backing.

U.S. Reps. Danny Davis (D-IL) and Virginia Foxx (R-VA) introduced H.R. 4265, the Sugar Policy Modernization Act, on November 7, 2017. U.S. Sens. Jeanne Shaheen (D-NH) and Pat Toomey (R-PA) introduced a companion bill, S. 2086, in the Senate.

The bill would remove government-mandated price floors, ceilings on domestic farmers’ production, and caps on the amount of sugar that food manufacturers are allowed to purchase and import from foreign farmers.


Sweet Tooth for Protectionism

Colin Grabow, a policy analyst in the Cato Institute’s Herbert A. Stiefel Center for Trade Policy Studies, says there are several ways the U.S. government artificially increases sugar prices.

“In a nutshell, the federal sugar program uses four key tools to set a price floor for sugar, ensuring a degree of predictability and a minimum income for sugar processors and growers,” Grabow said. “These tools are price support loans, marketing allotments, a feedstock flexibility program, and tariff rate quotas on imports of sugar.”

The federal government’s sugar policies make things sour for consumers, Grabow says.

“Quite simply, customers are forced to pay more for sugar and products containing sugar than what they otherwise would, with U.S. sugar prices significantly higher than those outside the country,” Grabow said.

‘Insulting to Farmers’

Daren Bakst, a research fellow in agricultural policy at The Heritage Foundation, says U.S. sugar farmers don’t need government subsidies.

“The general concept that farmers need these subsidies to manage the risks is insulting to farmers,” Bakst said. “Farmers don’t need subsidies to succeed.”

Helping a Few, Hurting Many

U.S.-based sugar farmers have been getting a sweet subsidy while everybody else gets stuck with the bill, Bakst says.

“The program comes at the expense of consumers, the confectioners, and anyone who uses sugar in their products,” Bakst said. “For every sugar-growing job you save, you lose three jobs in the confectionary industry. In other words, you are helping a very small, narrow interest at the expense of others.”

Sugar subsidies’ worst effects are felt by low-income people, Bakst says.

“It is a hidden tax on a consumer,” Bakst said. “It’s regressive in nature, and it hurts the poor the most. When you artificially drive up food prices, you are going to have a disproportionate impact on lower-income households.”

Market Choices

The bill would help remove government bureaucrats from the business of growing and making food, Bakst says.

“This legislation gets rid of market allotments, which effectively limit how much sugar can be sold,” Bakst said. “You’d be getting rid of a major distortion in the market. As a result, the market will ultimately decide the amount of sugar, not the government bureaucrats. That should increase supply and lower sugar prices.”

If the bill passes, further reforms should follow, Bakst says.

“It’s a good step forward,” Bakst said.

“The sugar program should be repealed. It’s good to see that there seems to be a good amount of support for some sort of reform.”

Lindsey Schulenburg (lindseys.heartland@gmail.com) writes from Chicago, Illinois.

INTERNET INFO


Philadelphia Sweetened-Beverage Tax Sours City’s Business Leaders

By Michael Carroll

As the first anniversary of Philadelphia’s excise tax on sweetened beverages draws near, business leaders are criticizing the surcharge.

In January 2017, the city of Philadelphia began charging a tax of 1.5 cents per ounce of soda and other sweetened beverages purchased at restaurants or grocery stores in the city. The levy, paid by business owners, is also applied to low-calorie soft drinks, bottled coffee and tea, and other non-alcoholic drinks containing artificial sugar substitutes.

The tax revenue is being used to fund arts and cultural programs, expanded preschool education, and government employee benefits.

Driving Out Consumers, Businesses

John Longstreet, president and CEO of the Pennsylvania Restaurant and Lodging Association, says residents are shopping outside of the city to avoid the beverage tax.

“People are leaving Philadelphia to shop now because they don’t want to pay the tax inside the city,” Longstreet said.

Longstreet says the tax is making it more difficult for small businesses, such as independent grocery stores, to stay in business.

“They’re in jeopardy of leaving the city, because they can’t make any money here,” Longstreet said.

Study Accused of Bias

A November 2017 Harvard University School of Public Health study concluded the beverage tax is not affecting overall grocery store sales volume in Philadelphia, even though it found a 57 percent decline in sales of soda and other sweetened beverages in the city.

Alex Baloga, president and chief executive officer of the Pennsylvania Food Merchants Association, says the Harvard study was funded by a group connected to former New York City mayor Michael Bloomberg, a vocal supporter of soda taxes.

“That’s clearly a problem and a conflict,” Baloga said.

Michael Carroll (info@FranklinCenterHQ.org) is a writer for Watchdog.org. An earlier version of this article was published at https://www.watchdog.org/pennsylvania/business-leaders-press-for-repeal-of-philadelphia-s-soda-tax/article_6a68854a-c621-11e7-98b9-035ebb9b59f7.html. Reprinted with permission.

Official Connections:

U.S. Rep. Danny Davis (R-IL):
https://davis.house.gov

https://foxx.house.gov

U.S. Sen. Jeanne Shaheen (R-NH):
https://www.shaheen.senate.gov

U.S. Sen. Pat Toomey (R-PA):
https://www.toomey.senate.gov

CONTINUE READING
Defund Asset Forfeiture Program, Senators Say

By Joshua Paladino

A group of U.S. Senators is calling on Senate Rules and Administration Committee Chairman Richard Shelby (R-AL) to deny funding for Attorney General Jeff Sessions’ expansion of the federal government’s civil asset forfeiture program.

U.S. Sens. Mike Crapo (R-ID), Angus King (I-VT), Mike Lee (R-UT), Jeff Merkley (D-OR), Rand Paul (R-TN), and Tom Udall (D-NM) sent a letter to Shelby on November 8, 2017 requesting the committee exclude from any appropriations bills funding for the U.S. Department of Justice’s (DOJ) Equitable Sharing program.

In 2015, DOJ prohibited federal agencies from “adopting” forfeited assets from local and state law enforcement agencies. The reform required a direct federal involvement in seizure actions before depositing assets in the federal redistribution fund.

The Equitable Sharing program allows local law enforcement agencies to bypass state laws restricting civil asset forfeiture, by moving forfeited assets and money through the federal fund.

In July 2017, Sessions removed the 2015 restrictions on the Equitable Sharing program, allowing local law enforcement agencies to resume cycling funds.

Government Money Laundering?
The program allows police departments to circumvent state laws protecting rights to property and due process, Lee says.

“Equitable sharing allows state law enforcement officers to go around state limitations on civil asset forfeiture by turning seized property over to federal officials, in exchange for what can be up to 80 percent of the proceeds,” Lee said.

Government has stepped in and effec-
vively nullified state law.”

Civil asset forfeiture violates people’s God-given rights, Lee says.

“This is a natural-law sort of issue.”

Lee said, “They’re flipping the presumption of innocence on its head, basically saying, ‘We’re taking your property. Now, if you want it back, sue us and prove that our theory is wrong.’”

Mike Lee
United States Senator, Utah

“There are few things more fundamental than due process,” Lee said. “There are few rights that are more basic to our constitutional system, to our culture, to what we believe about the dignity of the individual soul, than that government ought not come in and arbitrarily take the belongings of individual citizens.”

The federal government has exceeded its constitutional limits in this regard and must be restrained, Lee says.

“Our federal government was never intended to be the Swiss Army knife, the one-size-fits-all tool that it has become,” Lee said. “Most criminal law enforcement has been, and to a significant degree still is, authority that exists at the state and local level. The federal government has intruded into this area far more than it should. That’s one of the reasons why you see things like equitable sharing, where the federal government has stepped in and effectively nullified state law.”

Civil asset forfeiture violates people’s God-given rights, Lee says.

“This is a natural-law sort of issue.”

Lee said, “They’re flipping the presumption of innocence on its head, basically saying, ‘We’re taking your property. Now, if you want it back, sue us and prove that our theory is wrong.’”

‘A Complete Violation of Rights’
Steve Miller, a retired Canton Township, Michigan Police Department sergeant and a spokesman for Law Enforcement Action Partnership, an international nonprofit organization promoting criminal justice reform, says civil asset forfeiture disproportionately affects low-income households.

“We’re taking poor, working-class people’s cars that are needed to get to and from work every day,” Miller said.

“It hits struggling people, and it’s a complete violation of rights to take people’s property before the criminal case has even commenced.”

Taxes and Takings
Miller says the government should not use civil asset forfeiture to take people’s property.

“It’s absurd,” Miller said. “We’re already taking people’s money, in the form of their taxes. To prey on other people and steal their stuff, on the suspicion that they committed a crime, is wrong.”

Joshua Paladino (jpaladino@hillsdale.edu) writes from Hillsdale, Michigan.

A GUIDE TO REFORM AND CONTROL

Political Management of the Bureaucracy provides a brand new perspective on what President Jimmy Carter’s Civil Service Reform Act allowed Ronald Reagan to accomplish as president. Political Management of the Bureaucracy will long remain a dynamic management guide for future political administrators, at all levels of government, who wish to see election results translated into public policy.

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- AARON WILDAVSKY, FORMER PROFESSOR OF POLITICAL SCIENCE AND PUBLIC POLICY, UNIVERSITY OF CALIFORNIA-BERKELEY
The explosive growth of occupational licensing has continued in all 50 states, a new study reports.

Occupational licensing regulations are often little more than government permission slips, imposed by bureaucrats but unnecessary to ensure public safety. Many licensing requirements make it difficult for lower-income individuals to move up the ladder of economic success by getting a job.

In November 2017, the Institute for Justice (IJ) documented the continuing explosive growth of occupational licensing in all 50 states, in the second edition of its “License to Work” report.

Ohio provides a good example of the burdens of occupational licensing. Echoing concerns expressed in the first edition and by the 2015 Buckeye Institute study “Forbidden to Succeed,” the new edition of the IJ report shows Ohio imposes licensure on fewer low-to moderate-income jobs than other states. However, the occupations that are licensed by the Ohio state government are creaking under greater burdens than in most other states. Ohio places a particularly high burden on aspiring auctioneers, for example, and it is the only state licensing social- and human-service assistants.

IJ also reports Ohio barbers have to spend 420 days on government-mandated occupational education, and cosmetologists have to put in 350 days of classes, time they could have used for earning money. Emergency medical technicians lose only 35 days to mandatory education, a much lower barrier.

In Ohio, people with others’ hair in their hands must spend more time meeting government requirements than people with others’ lives in their hands.

Licensing laws especially trouble the families of military personnel, who regularly move from state to state. Service members’ families are forced to reapply for government licenses each time they move, because one state’s occupational licenses may not be recognized elsewhere.

Given the vast amount of information available on sites such as Angie’s List, Yelp, and the Better Business Bureau, the study suggests government seals of approval and permission are superfluous, and their coercive nature invites corruption.

People should not have to gain approval from the government in order to get a job, the study’s authors note. Lawmakers should adopt the least restrictive type of regulations possible to ensure public health and safety.

The Buckeye Institute and IJ aren’t the only organizations recognizing the cost of these onerous requirements. The Heritage Foundation, the Brookings Institution, the former Obama administration, and the current Trump administration have called for reducing licensing requirements.

Ohio has made progress on this issue, with state lawmakers joining The Buckeye Institute’s fight to reform Ohio law so military spouses’ out-of-state occupational licenses are recognized here.

Ohio and other states should implement further reforms so people can work in the occupations they want and build a better future for themselves and their families.

Greg Lawson (greg@buckeyeinstitute.org) is a research fellow at The Buckeye Institute. An earlier version of this article was published at https://www.watchdog.org/ohio/op-ed-past-time-to-end-the-permission-slip-polICY/article_603e74bc-cec8-11e7-9e31-7bf1f920d060.html. Reprinted with permission.
For decades, urban planners and academic experts have declared urban decay to be a force of nature, but a new manual written for elected officials says cities can be great again if their leaders apply basic marketing principles.

In Selling City Living: How Cities Can Compete With the Suburbs for Growth, author and urban planning expert John L. Gann Jr. presents actionable steps and concise case studies to explain how cities can use time-tested marketing principles to attract new residents and improve existing residents’ quality of life.

Identifying the Real Problem
Instead of complaining about suburbs, Selling City Living: How Cities Can Compete With the Suburbs for Growth acknowledges people leave cities because suburbs are promoting themselves successfully.

If urban areas promoted themselves and met people’s needs, people would be moving in, Gann writes.

“This is not another in the long line of suburb-bashing books,” Gann writes. “Nor is it yet another trash of the automobile, the major enabler of suburban growth. These pages deal with the reality that automobiles and suburbia became successful because millions of people liked them. That’s an accomplishment to be admired and emulated, rather than lamented or denounced.

“What this manual argues is that cities are products in a competitive marketplace,” Gann writes. “Since World War II, the suburbs have eclipsed cities as popular places to live because they were very well-marketed. The cities lost their primacy for non-farm living because they weren’t [well-marketed]. Cities faced new competition to which they utterly failed to respond.

To regain that primacy, cities must identify why people left, what their customer base wants from a place to live, and how the city can deliver what “consumers” want.

Milk and Marketing
Selling city living is like selling milk, Gann writes.

“You can’t order a glass of milk in today’s popular fast-food restaurants," Gann writes. “That makes milk less visible than it used to be, and invisibility is fatal to marketing. So, before you can sell Borden’s, you have to sell milk. That understanding produced the ‘Got Milk?’ campaign.

“Because of decades of suburban living, older cities as places to live, recreate, or shop are also less visible than they once were, although they remain strong as places for work and entertainment,” Gann writes. “Invisibility allows myths and misperceptions to grow. To get new perceptions about cities into people’s heads, you first have to get some old perceptions out.”

Thoughtful marketing can save any product with flagging sales, including city living, Gann writes.

“When a commercial product in the marketplace loses or fails to win sales and customers, it has failed at marketing,” Gann writes. “The product may have taken a form that made it uncompetitive in the marketplace, or the product’s competitiveness was not made known to enough customers. Cities are no different. Cities are products in the marketplace. … Marketing failure was the cause of cities’ decline, and marketing, properly understood, can be the source of their revival.”

Busting Myths About Cities
Gann recommends city officials debunk the myth of cities having uniformly poor-quality education systems, by explaining how urban neighborhoods can offer more options.

For example, living in an urban area means living in an area with more schools, both government-run and private, Gann writes.

“Families with school-age children are sold on suburban living because of good schools and both realities and perceptions that schools in the city are bad,” Gann writes. “Many city neighborhoods are still served by good public schools. They should tell their story. Charter schools, private schools, and parochial schools mean that public schools are not the only option. … Schools in older cities are often a walkable distance from neighborhood homes. That means no waiting for a school bus and no need for Mom’s taxi service. It also means more healthy daily physical activity for students, none of which is usually possible in the suburbs.”

Playing to Their Strengths
To cities’ advantage, urban design has more variety because individual decisions played a larger role in the city’s evolution, Gann writes, and elected officials should learn to use that advantage to compete for new residents.

“Older cities are the product of the individual decisions of thousands of people,” Gann writes. “Suburbs are the products of the decisions of a few developers working to meet mass-market preferences and the one-size-fits-all requirements of land-use regulations. That has made older cities less cookie-cutter uniform and more interesting. Older cities are physically and visually diverse, being the work of thousands of ‘planners.’”

Every section of Gann’s manual expertly explains how cities can promote economic prosperity and quality of life, for new and current city dwellers alike. The manual’s lesson is simple, and one that government officials would do well to learn: When cities meet residents’ needs and wants, everyone wins.”

“A Practical Guide for Marketing Urban Living
Review by Chris Talgo


Chris Talgo (ctalgo@heartland.org) is marketing coordinator at The Heartland Institute.
Cooperators, Not Competitors
Instead of seeing machines as our competitors, Kaplan writes, people should view intelligent devices as companions helping them do human tasks better. “Cars can ‘outrun’ us, ATMs can count bills faster than we can, cameras can see in the dark, but we don’t regard any of these as threatening our primacy,” Kaplan writes. “Computer programs can already play games, scan a crowd for familiar faces, and recommend movies as well or better than we can, yet few people are intimidated by these competencies. If or when robots can perform brain surgery, paint houses, cut hair, and help us find our lost keys, I expect we will see them as incredibly useful tools that can accomplish tasks that previously required native human intelligence, so the temptation to speak of them also as ‘smart’ will be difficult to resist.”

Future of Law
Kaplan applies these insights to more concrete questions. He asks, for example, who should be held responsible when an AI makes an incorrect decision requiring legal recourse: the AI or a human? Nonhuman entities such as corporations and other so-called legal fictions are already held responsible for their actions and decisions, Kaplan writes, so holding an AI legally responsible for its actions is not farfetched.

“For example, what if your robot inadvertently pushes someone into the path of an oncoming bus, breaks an expensive vase at Tiffany’s, or pulls a fire alarm handle after mistaking a tabletop cherries jubilee flambe for a flash fire?” Kaplan writes. “You may suddenly become a proponent of establishing a legal framework for assigning the blame to the autonomous agent itself.

“To consider this possibility, it’s helpful to note that we already hold some non-natural entities accountable for their actions: corporations,” Kaplan writes. “Indeed, they have considerable rights and responsibilities under the law as entities unto themselves.”

Artificial Intelligence, Real Rights
Moving further in that direction, arguments for civil rights, such as the rights to life, liberty, and property, could apply to intelligent machines, Kaplan writes.

“You might think none of this matters, because somewhere ‘up the line,’ it must be owned and controlled by someone,” Kaplan writes. “But this is merely a conceit based on an assumption of human primacy. There are many ways that such an entity, if it has rights to own property, could arrange a way to become truly independent (in addition to being autonomous), including the logical possibility of simply owning itself.

“As a historical precedent, consider that before the U.S. Civil War, many slaves—who were legally property—earned their freedom by purchasing themselves,” Kaplan writes. “Many others were simply freed through an act of their owner’s generosity upon his or her death.”

Before reading this book, I’d never contemplated how an AI-enabled future would handle legal responsibility and civil rights for machines. After reading it, I found myself pondering these questions, demonstrating the mind-opening quality of Kaplan’s work.

The Future of Work
Kaplan’s book expertly addresses the fear of a labor shock, in which machines outcompete humans for jobs and put people out on the streets.

The idea of machines putting humans out of work is a common fear surrounding AI, and technological progress in general. Fortunately, millennia of human history suggest we will achieve a successful long-term transition, even if short-term problems arise, Kaplan writes.

“Obviously, technological improvements have raised productivity and increased economic output throughout human history, most notably during the Industrial Revolution,” Kaplan writes. “In plain language, this means that fewer people are needed to perform the same amount of work. But it’s equally true that historically, the increased wealth resulting from these improvements has created new jobs, though this effect is rarely immediate.”

AI does not invalidate the economic principles governing labor markets and capital, Kaplan writes.

“Nothing about AI changes the fundamentals of how labor markets evolve with technology,” Kaplan writes. “From an economic standpoint, AI technology is just another advance in automation. But its potential to rapidly encroach on current workers’ skills is unparalleled in the recent history of technological innovation, with the possible exception of the invention of the computer itself.”

Separating Myth from Reality
Throughout the book, Kaplan expertly separates science fact from science fiction, debunking many exaggerated claims about rampant superintelligences and domineering digital overlords.

Readers will delight, as I did, in the author’s ability to answer the questions about AI we all were wondering about but didn’t know whom to ask. Kaplan’s book is a great roadmap for the future, educating readers about an increasingly relevant topic affecting the entire world.

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