Iowa Cuts Hair-Braiding Licensing Requirement

By Matt Hurley

When Iowa Gov. Terry Branstad (R) signed into law the state’s newest budget bill, he approved provisions exempting hair braiding from regulation by the state’s Board of Cosmetology Arts and Sciences.

The law frees Iowa hair braiders from mandatory occupational licensing requirements. Previously, state laws required hair braiders to take 2,100 hours of cosmetology training, including education on the application of makeup, and were required to pay annual fees to the government.

Branstad vetoed provisions that would have authorized the Iowa Department of Health to write new regulations on hair braiding and would have required braiders to pay for annu-
Freedom Rising

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TSA Slowdown Prompts Call for Airport Security Re-Privatization

By Michael Bates

Long wait times and missed flights plaguing air travelers this summer are a result of a months-long fight for more taxpayer funding for a public-sector union representing government employees in the Transportation Security Administration (TSA).

TSA is an agency of the U.S. Department of Homeland Security. It was created after the terrorist attacks of September 11, 2001.

Beginning in November 2015, the American Federation of Government Employees, a public-sector union, began organizing protests at major airports, such as Hartsfield-Jackson Atlanta International Airport and Minneapolis-St. Paul International Airport, demanding the federal government hire more unionized employees at higher pay rates.

In late May, U.S. Rep. Darrell Issa (R-CA) responded to the slowdowns by calling on airports to consider expanding participation in the Screening Partnership Program (SPP), a TSA program allowing airports to contract with private security companies instead of employing TSA workers.

Before TSA’s creation, airport security screening was provided by private companies contracting with airline companies. The security companies were regulated by the Federal Aviation Administration (FAA).

Currently, only 22 of 537 airports with FAA certification participate in SPP.

Airport Security Theater

Chris Edwards, director of tax policy studies for the Cato Institute, says government administration of airport security hasn’t made Americans safer.

“Governmental operation of airport screening has not increased security. Indeed, comparisons of TSA screening to private screening ... have shown private screening ... have shown private screening is more efficient and is as good or better.”

CHRIS EDWARDS
DIRECTOR OF TAX POLICY STUDIES
CATO INSTITUTE

“In that post-9/11 environment, there was a strong impetus to have the government take the lead,” Edwards said. “While the federalization of airport security certainly boosted airport security from pre-9/11 levels, over the long term it has become clear that a fully federalized security scheme is not necessarily the most efficient or best way to provide security.”

Partnering with the Private Sector

Edwards says TSA should get out of the screening business entirely.

“TSA should ultimately be in the business of looking at risk in aviation security and looking for ways to best mitigate that risk together with the input of the private sector, which may have innovative or more efficient ways to handle such threats,” Edwards said. “Rather than focusing on being the front-end screeners, the TSA would focus on how to best advance security, while leaving the actual screening to companies that are better equipped to fulfill that mission.”

“But House Republicans have argued the government needs to end its involvement in airport security screenings.

“Rep. Darrell Issa, the former head of the House Oversight Committee, argued this week that it was time to privatize all airport security in order to reduce wait times.

“The idea that somebody is probably full time government employee for 20 years, moving that bucket from one place to the other so you can put your small items in it. That’s an area where you look and say ‘You know what, that’s not really where the security is,’ Issa told Camerota on New Day earlier Thursday. ‘The security is in the knowledge and the oversight of these people doing these mundane jobs, but doing them in a way that shortens our lines and is more responsive.’”

House Approves a Bill to Reform Donor Privacy

By Danedri Herbert

The U.S. House of Representatives approved a bill prohibiting the federal government from collecting confidential information about private individuals’ donations to nonprofit organizations. If approved by the U.S. Senate and signed into law, House Resolution 5053, the Preventing IRS Abuse and Protecting Free Speech Act, would end the required collection and reporting of donors’ confidential information to the Internal Revenue Service (IRS). House lawmakers approved the bill in June.

Currently, nonprofit organizations must report donors’ personal data to IRS’ Exempt Organizations division, the same department guilty of using government power to target conservative organizations.

Preventing Political Abuse

HR 5053’s sponsor, Rep. Pete Roskam (R-IL), says IRS has shown repeatedly it cannot be trusted to resist the temptation to become a political organization.

“The IRS has demonstrated two things: Number one, they’re incapable of holding this kind of confidential information close; and number two, they’ve demonstrated that they don’t need this information,” Roskam said. “In terms of the first, the IRS wrongly disclosed Schedule B information in the past about the National Organization for Marriage, and donors were harassed and so forth because of an improper disclosure of donor information by the IRS.”

IRS representatives have admitted the agency doesn’t need donors’ private information to perform its stated mission, Roskam says.

“They’ve said it to us privately, [and] they’ve said it publicly,” Roskam said. “If they’re not capable of handling it, and they don’t need it, then let’s make sure they don’t get it.”

Data Collection for Discrimination

Bradley Smith, a law professor at Capital University and former Federal Election Commission member, says IRS doesn’t need to know about donations made by private individuals to private organizations.

“Whether it’s true or not—and I think there’s evidence to suggest that it has been true in the past—I think people feel that the IRS is collecting information that may be used to discriminate against people,” Smith said. “Our tax system does rely on voluntary compliance and confidence in the rule of law. If that’s lost, that’s a problem.”

Little ‘Public Interest’

Smith says donations from private individuals to nonprofit organizations should remain private.

“There’s not really that great of a public interest, and there is a government harm,” Smith said. “The government can use this information to intimidate and harass people. We do have examples of people being retaliated against, threatened. It’s a bigger and bigger problem, I think, in our society. We have more and more people wanting to attack speakers and voices they disagree with.”

Shutting Down Speech

Smith says numerous individuals and advocacy groups are engaging in a war against freedom of speech.

“You hear this phrase all of the time, ‘We need to hold these people accountable,’” Smith said. “And I’m always like, ‘What does that even mean, to hold someone accountable for their speech?’ What they’re really saying is, ‘We’re going to do other things that will harm them, until they stop voicing that opinion.’”

Danedri Herbert (danedri.herbert@gmail.com) writes from Kansas City, Kansas.

“Current law requires 501(c) organizations to report on Schedule B of the IRS Form 990 information about donors. ... However, particularly after the leak of National Organization for Marriage’s donor list in 2012 and more recent demands by state attorneys general for these forms, concern has grown that the mishandling of such information could chill First Amendment freedoms of donors.

“Following passage of his bill, Rep. [Peter] Roskam said, ‘We voted to eliminate a confidential form the IRS proved incapable of securing. The agency has said it doesn’t even need this form for tax administration in the first place. Either one of these facts should be reason enough to eliminate an onerous regulation. In this case, we have both.’”

Santa Cruz Cab Companies Call for Uber Crackdown

By Dustin Siggins

Taxicab companies in Santa Cruz, California are calling on lawmakers to enact a government crackdown on peer-to-peer economy transportation network companies, such as Uber and Lyft.

The taxicab owners say city law enforcement agencies are endangering consumers by allowing these companies to operate in the city.

Santa Cruz ordinances restrict the number of taxicabs allowed to operate in the city at one taxicab per 2,000 residents, meaning an estimated total of 32 individuals are authorized to drive a cab.

‘Naked Self-Interest’
Abigail Hall Blanco, an assistant professor of economics at University of Tampa and a research fellow with the Independent Institute, says taxicab companies aren’t concerned about passengers’ safety.

“Cab companies claiming their issue with Uber is one of safety reeks of naked self-interest,” Blanco said. “Perhaps counterintuitively, the regulations of cabs observed in many cities throughout the United States actually benefit cab companies. Several decades ago, government officials and taxi companies saw an opportunity for a mutually beneficial exchange in the form of increased regulation. Government would grant cab companies licenses in exchange for a fee. A limited number of licenses would keep fares artificially high and protect taxi firms from competition, all while pumping money into government coffers.”

 Regulations Harming Consumers
Blanco says economic innovation is threatening the cozy partnership between government agencies and some businesses.

“Companies like Uber and Lyft threaten this arrangement,” Blanco said. “Government would lose out on licensing fees, and cab companies would have to compete. Cab companies are concerned with their bottom lines. As opposed to competing in the market for customers, they are trying to eliminate competition via government regulation. Taking away options for consumers undoubtedly makes consumers worse off.”

Building ‘Walls’
John Kartch, communications director for Americans for Tax Reform, says economic protectionism helps the owners of incumbent businesses and hurts everyday consumers.

“For decades, local taxi cartels have worked with politicians to build protectionist walls around themselves, at the expense of working people,” Kartch said. “Take a look at the absurd Santa Cruz law capping the number of cabs at one per 2,000 people. What is the purpose of the cap? To protect the cartels. And how exactly does the government know the cap should be 2,000?”

Monopoly on Substandard Service
Kartch says the government-granted monopoly on for-hire transportation enables taxicab companies to get away with providing substandard service, because consumers have no legal alternative.

“Consumers have been suffering for years under entrenched taxi regimes who offer poor service, dirty cars, and [supposedly] broken credit card machines,” Kartch said. “Many taxi drivers avoid entire neighborhoods, limiting the mobility of people on a fixed income. Uber and Lyft have dramatically improved the mobility of the poor, the elderly, [the] disabled, and people who simply live far from public transit.”

Dustin Siggins (dustinsiggins@gmail.com) writes from Washington, DC.
NY State Senate OKs Ban on Airbnb in Apartments

By Dustin Siggins

New York State senators approved a bill criminalizing the advertisement of short-term housing rentals in apartments and other spaces classified as “multiple [dwellings],” prohibiting taxpayers from using Airbnb and other peer-to-peer economy companies to connect individuals seeking short-term housing with hosts providing places to stay on their property.

In June, Assembly Bill 8074, sponsored by state Assemblywoman Linda Rosenthal (D-Manhattan) was approved by the New York State Senate and sent to the New York State Assembly for consideration. If passed by the Assembly and signed into law by Gov. Andrew Cuomo (D), individuals advertising the availability of unused housing space in their apartments would be fined between $1,000 and $7,500 per incident for violating the rules.

Sharing Economy Benefits Cited

Peter Klein, a professor at Baylor University and senior research fellow at Baylor University’s John F. Baugh Center for Entrepreneurship and Free Enterprise, says consumer happiness and economic innovation go hand in hand.

“Consumers should be delighted that new sharing platforms and apps are challenging the incumbent providers of rides, rooms, temporary work, and more,” Klein said. “For those who use these new products, the benefits are obvious: better service, lower prices, greater reliability and flexibility, and so on.”

Klein says some peer-to-peer economy services—also referred to as “sharing economy” services—directly compete with traditional companies, but Klein says other services only supplement traditional companies instead of supplanting them.

“The sharing economy provides a wide variety of services, [and] some, but not all, compete head-to-head with the conventional providers,” Klein said. “An Uber ride is clearly a substitute for a taxi ride. You can get a regular hotel room through Airbnb but also a variety of less expensive options, such as a shared bedroom, that are simply unavailable from hotels. Airbnb also offers high-end options, options for families or larger groups, and so on.”

Disparate Impacts

Paul Blair, a state affairs manager with Americans for Tax Reform, says the bill unfairly affects low-income households in New York.

“The worst part about this anti-competitive action is that it’s low-income folks who are going to be harmed the most,” Blair said. “Airbnb is a great service for people struggling to make ends meet in one of the most expensive housing markets in the world. This isn’t about community safety or strangers in the area. It’s about killing a disruptive service competing with a well-entrenched hotel industry, regardless of how many families are hurt.”

Dustin Siggins (dustinsiggins@gmail.com) writes from Washington, DC.

Austin, Texas Residents Rally in Support of Uber

By Jeff Reynolds

After voters rejected a proposal to roll back regulations targeting popular peer-to-peer economy transportation network companies (TNCs), Austin, Texas residents took to the streets to tell lawmakers how the loss of TNC services such as Uber affects their everyday lives.

In 2014, the Austin City Council enacted a temporary ordinance allowing individuals to use TNC services until more permanent regulations could be crafted. In December 2015, the Austin City Council passed an ordinance governing TNC operations in the city, requiring drivers to be fingerprinted and researched by police and imposing a 1 percent tax on all revenue the drivers collect.

In February 2016, when the ordinance took effect, Austin residents collected 65,103 signatures on petitions asking the city council to roll back the TNC ordinance. City lawmakers voted to put the issue before voters in early May, and residents voted 56 percent to 49 percent to reject the rollback proposal.

Following the vote, popular TNCs Lyft and Uber suspended all operations in the city.

In June, demonstrators protested in front of Austin’s City Hall, telling local media they hoped to show lawmakers how forcing the companies to leave has made things tougher for local residents.

‘Numerous Benefits’

Baruch Feigenbaum, a transportation policy analyst for the Reason Foundation, says Austin consumers erred by voting to regulate TNCs.

“Ridesharing brought numerous benefits to Austin,” Feigenbaum said. “During major events, when there were not enough taxis to match demand, ridesharing stepped in and provided rides to the business community. Ridesharing brought new technology, such as online reservations and credit card payment, to the industry. Austin is a very technologically inclined city, and area residents tend to like the online options.”

Giving Residents a Lift

Feigenbaum says Lyft and Uber lifted up everyone, not just businesses.

“Ridesharing served the low-income, minority areas of the city, which taxis tend to underserve,” Feigenbaum said. “Ridesharing provides part-time work to thousands of Austin-region residents, many of whom are college students, mothers with children, or seniors who otherwise would not be working.”

Public Safety Benefits

Josiah Neeley, a senior fellow with the R Street Institute, says TNCs improved Austin’s public safety.

“When they were debating the [TNC] ordinance, Austin law enforcement actually came out and said that ridesharing companies provide a real public safety value,” Neeley said. “Law enforcement mentioned before the city that when the bars let out, you have a lot of very vulnerable people. They’ve been drinking, and even if they’re not getting behind the wheel, the longer it takes to clear that area, the more danger there is of some sort of incident,” Neeley said. “Whether that be someone trying to take advantage of young women, people getting into fistfights, or whatever; that’s a huge public safety concern, even apart from drunk driving.”

Jeff Reynolds (jeffreyreynolds@comcast.net) writes from Portland, Oregon.
Wis. Worker Choice Law Reinstated While Court Challenge Continues

By Jen Kuznicki

A Wisconsin Court of Appeals judge overturned a county judge’s decision to invalidate the state’s right-to-work (RTW) law, reinstating the law while the appellate court decides whether to overturn or uphold the lower court’s ruling.

In April, Dane County Circuit Court Judge William Foust agreed with legal arguments made by labor unions seeking to overturn Wisconsin’s right-to-work law. Foust ruled the state’s prohibition against compulsory labor union membership could decrease unions’ cash flow, including dues collected from workers against their will, thus constituting an illegal seizure of private property by the government.

Foust refused to grant lawyers’ request to reinstate the law during the appeals process, but District 3 Court of Appeals Presiding Judge Lisa Stark granted the request.

Right to Involuntary Dues?

Rick Eisenberg, president and general counsel for the Wisconsin Institute for Law and Liberty, a nonprofit public-interest law firm, says labor unions feel they have a right to other people’s money.

 “[Labor unions] say their private property has been taken, because if they become an exclusive bargaining agent for a collective bargaining unit, they have to represent all of them under federal and state law, but they can’t force all of them to pay dues, so they are being forced to work on behalf of people who don’t have to pay them,” Eisenberg said. “This, [they argue,] is a taking of their resources because they now must work and aren’t being compensated. That’s their theory.”

Rigged Game

Eisenberg says unions are the victimizers, not the victims.

“The unions avail themselves of some very favorable laws governing collective bargaining, but prior to the enactment of the National Labor Relations Act, it wasn’t even clear that unionization wasn’t an antitrust violation,” Eisenberg said.

“The law says that a union can become an exclusive bargaining agent, it doesn’t have to worry about competition from anyone else, and they have a right to compel the employer to bargain in good faith. That’s a powerful right, that you can make someone listen to you.”

Giving Workers a Choice

Aparna Mathur, a resident scholar in economic policy studies at the American Enterprise Institute, says right-to-work laws benefit businesses and workers alike.

“More businesses prefer to locate in states where there are RTW laws,” Mathur said. “With [right to work], all they are saying is that you can’t force an employee to be a part of a union. That also means that if the employee thinks they are better off in a union, they can be in a union.”

APARNA MATHUR, RESIDENT SCHOLAR AMERICAN ENTERPRISE INSTITUTE

“More businesses prefer to locate in states where there are RTW laws. With [right to work], all they are saying is that you can’t force an employee to be a part of a union. That also means that if the employee thinks they are better off in a union, they can be in a union.”

PORTLAND, ME Lawmakers Consider Privatizing Trash Collection

By Ben Johnson

Lawmakers in Portland, Maine are considering legislation that would return trash collection services to private-sector companies.

Addressing Portland citizens’ unhappiness with the city government’s administration of waste management services, the Portland City Council held a workshop in June to debate alternatives to the city’s current program. The city government has fielded numerous complaints from taxpayers about litter caused by the city’s recycling program, rising prices for trash disposal, and video footage of government employees disposing of recyclables as garbage.

Track Record of Success

Liam Sigaud, a policy analyst at the Maine Heritage Policy Center, says privatizing trash collection has worked successfully in many other cities.

“The many cities that have adopted a private-trash-collection model have almost uniformly seen improvements in service quality and cost savings,” Sigaud said. “The reason is simple: Private enterprise has an incentive to provide efficient, effective services that public employees, often protected by union contracts, lack.”

‘Spurs Innovation’

Sigaud says private companies are incentivized to do better work at lower cost, a stimulus government agencies lack.

“The private sector often spurs innovation and entrepreneurship in a way that unwieldy public works departments do not,” Sigaud said.

E.S. Savas, a professor at Baruch College and former assistant secretary of the U.S. Department of Housing and Urban Development, says many city governments have gotten out of the trash collection business, allowing private businesses to do the job better for less money.

“About 50 percent of American cities do contract out for solid waste services,” Savas said. “Studies show that municipal collection runs about 30 percent more [expensive] than [contracted] collection [and is performed] at the same level of quality of service.”

Better Quality Control

Savas says privatization actually gives government officials more power to ensure citizens are receiving high-quality services.

“Public officials have learned that they have much greater control over a private contractor than they have over their own civil service or unionized workforce,” Savas said.

Need to Stand Up to Unions

Savas says resistance to municipal privatization is motivated by political fear and lack of will.

“The largest cities, [such as] New York [and] Chicago, don’t contract out, although enormous amounts of money could be saved,” Savas said. “The political power of the public-employee union is so great that no mayor dare do that.”

By Ben Johnson (therightswriter@gmail.com) writes from Stockport, Ohio.

INTERNET INFO


INTERNET INFO

Philadelphia Imposes New Tax on Sweetened Drinks

By Ben Johnson

Philadelphia lawmakers have approved a new tax on soda and other sweetened beverages.

The lawmakers say the purpose of the tax is to raise additional revenue to fund an expanded government preschool education program for local children.

Starting in January 2017, the new law will add a tax of 1.5 cents per ounce to the price of soda and other sweetened beverages sold in the city.

Taxing Low-Income Philadelphians

Bob Dick, a policy analyst with The Commonwealth Foundation, says the new tax is regressive and will have a negative impact on low-income earners in the city.

“It’s going to fall on those who can least afford it, and it’s definitely not the way to provide opportunities to low-income Philadelphians,” Dick said.

Dick says Philly lawmakers should be reducing spending instead of grabbing more money from consumers.

“If you’re raising taxes, obviously you’re not looking at other ways to control spending or reduce spending, and government generally isn’t living within its means,” Dick said. “Instead, it’s going to low-income people in Philadelphia and asking them to pay more for what politicians feel is important for the city.

“It’s just a way to give [lawmakers] a blank check for them to spend on whatever they want,” Dick said.

Soda Slush Funds

William F. Shughart II, an economics professor at Utah State University, says lawmakers often use sin-tax revenue as a way to divert money into other spending programs.

“Whenever the revenue from a tax is earmarked for a specific spending program, whether it’s roads or pre-K schools, what happens usually is that general fund revenue that would have gone to that program is reduced almost dollar-for-dollar by the amount of earmarked tax that comes in for that specific program,” Shughart said. “The total amount spent on the program doesn’t change.”

Shughart says consumers lose out when lawmakers impose sin taxes.

“Invariably, it has an effect on consumer prices equal to the amount of the tax the consumer has to pay,” Shughart said. “Diet sodas are not subject to the tax, so people substitute diet for sugary drinks or buy their sugary drinks outside the city limits.”

Bob Dick (thecommmonwealthfoundation.com) writes from Stockport, Ohio.

House Lawmakers Censure IRS Commissioner

Continued from page 1

ed in covering up Lerner’s actions by destroying public records and stonewalling government investigations.

With the committee having approved the censure in June, the House will vote on the measure. If the censure is approved, Koskinen will be stripped of his taxpayer-funded pension and other government perks.

U.S. Rep. Jim Jordan (R-OH), a member of the House Oversight Committee, told Budget & Tax News Koskinen’s actions and statements meet the legal standard necessary for censure.

‘Breach of Public Trust’

“We think the standard is dereliction of duty, gross negligence, and breach of public trust,” Jordan said. “Obviously, Mr. Koskinen has done just that. When it’s something of this magnitude, where documents are under two subpoenas and there have been three document preservation orders in place, and under his watch 422 backup tapes were destroyed containing potentially 24,000 e-mails, … that’s a breach of public trust and gross negligence.”

Jordan says Koskinen helped cover up abuses of Americans’ fundamental rights.

“When the Founders put together the First Amendment—freedom of speech, freedom of religion, freedom of the press, freedom of assembly, all those rights are extremely important—what they really focused on was your ability to speak,” Jordan said.

“In particular, they weren’t focused on just any old speech, but they were focused on political speech: your right to criticize your government and not be harassed for it. But that’s exactly what the IRS did.”

Long List of Abuses

Dan Mitchell, a senior fellow with the Cato Institute, says the IRS has also refused to enforce Obamacare provisions.

“In terms of the bigger question of what the IRS has done wrong, it goes way beyond the attempted suppression of Tea Party groups,” Mitchell said. “It deals with everything from the fact that they arbitrarily and unilaterally ignore certain Obamacare law provisions simply because the White House decided that they wanted to change the rules, notwithstanding that the law theoretically means what the law says.”

‘Politically Weaponized Agency’

Mitchell says IRS has effectively become a “weaponized” arm of the government.

“There was also an IRS regulation that forced American banks to put foreign tax law above U.S. tax law, so there’s been a whole series of things that the IRS has done which has made it, in effect, a politically weaponized agency for the Obama administration.

And that is something that should upset anybody who cares about the rule of law, whether you’re on one side or another of a particular political issue,” Mitchell said.

The only reason the IRS has the power and ability to be vindictive and put its thumbs on the scale to distort

Elizabeth BeShears (liz,erob@gmail.com) writes from Trussville, Alabama.
Tighter Welfare Verification Rules Proposed in N.C.

By Andrea Dillon

North Carolina lawmaker is proposing a bill that would require the state Lottery Commission and its welfare entitlement agency to verify lottery winners aren’t also collecting government benefits, such as food stamps.

House Bill 1047, sponsored by state Rep. Bert Jones (R-Rockingham), proposes requiring the North Carolina Lottery Commission to report to the Department of Health and Human Services and Division of Social Services when recipients of food and nutrition benefits win lottery prizes exceeding $2,250.

HB 1047 was approved by the North Carolina House of Representatives in June and is currently under consideration by the state Senate.

Help for the Truly Needy

Jones says researching solutions to entitlement reform inspired him and his colleagues to do something about fixing a broken system that was failing the “truly needy” in his state.

“We had been studying the issue of welfare waste, fraud, and abuse, in which precious, limited resources are wrongly allocated that should be preserved for the truly needy,” Jones said. “As good stewards, we must address waste, fraud, and abuse wherever we can find it.”

‘Couple of Good Things’

Mitch Kokai, director of communications for the John Locke Foundation, says the bill contains several positive elements.

“I think that the bill has a couple of good things going for it,” Kokai said. “One is that you want to ensure that, to the extent that the government is going to be providing benefits to people who have a need to have some sort of supplement because they are low-income, that you aren’t providing benefits to people who have just won a big lottery prize. To the extent that you eliminate from the ranks of those who are getting benefits people who have just won a big lottery prize, that makes sure that the money is going to people who have the most need to get it.”

Encouraging Responsibility

Kokai says the bill could discourage individuals with limited amounts of disposable spending from succumbing to government lottery advertising campaigns.

“I think there is also a secondary piece of this that turns out to be beneficial, and that is that it discourages people who are on food stamps from playing the lottery,” Kokai said. “Anyone who has looked at lotteries across the country [has noticed] the people who end up playing them, more often than not, are those who have the least amount of resources available to do something like this.”

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

Pennsylvania Tweaks Alcohol Sales Restrictions

By Gabriele Cintorino

Pennsylvania Gov. Tom Wolf (D) signed a bill reforming the state government’s restrictions on alcohol sales, allowing consumers to purchase more kinds of alcohol from privately owned stores and restaurants, instead of being required to buy from government-controlled stores.

House Bill 1690 was signed into law in June and takes effect in August. Government restrictions regulating which days consumers are permitted to purchase alcoholic drinks will also be removed under the legislation.

‘Step in the Right Direction’

Jay Ostrich, a spokesman for state Rep. Mike Turzai (R-Alleghany), the bill’s sponsor, says the new law is intended to create a thirst for greater freedom.

“What a step in the right direction toward full privatization,” Ostrich said.

‘Small First Step’

Elizabeth Stelle, director of policy analysis at The Commonwealth Foundation, says the new law is only a small step toward real reform.

“The wine that’s going to be sold in grocery stores [still] has to come from state stores,” Stelle said. “While you might be able to call it a small first step to privatizing wine and liquor sales, it could be much, much better than it is today.”

Stelle says Pennsylvania lawmakers should push for more consumer freedom, instead of forcing their constituents to settle for marginal changes.

“This could be an important first step towards more freedom and more convenience when it comes to alcohol sales, but it could have the opposite effect, by delaying additional reform,” Stelle said.

Gabriele Cintorino (gintorino4@gmail.com) writes from Nashville, Tennessee.
Louisiana Lawmakers Call for a National Amendment Convention

By Danedri Herbert

Louisiana lawmakers approved a resolution calling for a national convention to draft and enact a balanced budget amendment and other restraints on the federal government.

Senate Concurrent Resolution 52, filed with the Louisiana secretary of state in June, calls on Congress to convene a convention to draft proposed “amendments to limit the power and jurisdiction of the federal government, impose fiscal restraints upon its activities, and limit the terms of office that may be served by its officials and by members of Congress.”

Louisiana is the 29th state to call on Congress for a convention to enact amendments to the Constitution and the eighth state to pass the resolution sponsored by Convention of States, a project of Citizens for Self-Governance. Article V of the U.S. Constitution requires Congress to convene such a convention if two-thirds of state legislatures (currently 34) authorize it.

“Killing State Budgets”

Dale Clary, a media liaison for Convention of States, says runaway federal spending is forcing states to increase their spending beyond sustainable levels.

“Federal mandates are killing our state budgets,” Clary said. “Medicaid alone is about 30 to 40 percent of many state budgets. Here, in Louisiana, we’re fighting right now in a special session over spending and revenues. We’re spending more than we ever have before, and we can’t touch it, because of the federal mandates.”

“We’ve Had Enough”

Clary says state lawmakers are stepping up and addressing the country’s problems.

“State legislators see what’s happening to their state budget because of federal mandates, and enough of them have said, ‘We’ve had enough,’” Clary said.

Clary says real reform on the national level won’t happen without action by the states.

“Nobody is going to stop the spending [in Washington, DC]. They’ve proven it. We send good people to Congress all of the time, but once they get up there, spending is something they’re not all that concerned about. An Article V convention is how we make Congress stop doing what they’re doing.”

Dale Clary
CONVENTION OF STATES

Lawmakers Hear Debate Questioning Energy Dept. Appliance Regulations

By Jen Kuznicki

Lawmakers in Congress held hearings on energy-efficiency regulations governing consumer appliances proposed by the U.S. Department of Energy (DOE). Some witnesses expressed concern DOE is issuing rules that cost consumers more than they would save if the rules were in place.

The U.S. House Energy and Commerce Committee’s Energy and Power Subcommittee in June heard testimony from appliance manufacturers and government administrators about DOE’s efficiency regulations. In the hearing memo, the subcommittee wrote, “[T]he Obama administration has promulgated more appliance standards than any previous administration [and has] both amended standards for previously-regulated categories of appliances and first-ever standards for newly-created categories.”

Consumer Demand

Sherzod Abdukadirov, a research fellow with the Mercatus Center at George Mason University, says consumer demand already drives companies to produce efficient home appliances.

“To the degree that more efficient appliances actually save consumers money on energy costs, that already happens naturally in the market,” Abdukadirov said. “When government steps in, the savings are either trivial or nonexistent. There is no evidence that consumers are not already reacting to energy efficiency, so there is no reason for government to intervene in the market.”

Fuzzy Math

Abdukadirov says DOE regulations may be reaching a point of diminishing returns.

“There is a big question about the calculated savings that are claimed in these efficiency standards,” Abdukadirov said. “In the DOE’s own calculations, some are negligible, like three dollars over 15 years, which is so trivial that it is within the margin of error. Even the slightest mistake in their assumptions would negate the estimated savings.”

David Kreutzer, a senior research fellow at The Heritage Foundation, says government energy-efficiency mandates don’t measure enough variables.

“They never include the fact that your refrigerators won’t last as long, they won’t cool down as fast, and many other things,” Kreutzer said. “Consumers value saving expenses on energy, but they also value saving on initial cost of appliances, reliability, familiarity, convenience, and a zillion other things that it’s not clear the Department of Energy values as they set efficiency standards.”

‘Busybody Capital of the Universe’

Kreutzer says telling consumers what’s best for them, instead of letting them decide, is un-American.

“It is illegitimate when government acts as the busybody capital of the universe and attracts people who want to tell other people what to do,” Kreutzer said. “That is not the way America is set up. People don’t want to be told what to do or what to purchase, and for good reason, because the government doesn’t know what each consumer values.”

Jen Kuznicki (jenkuznicki@gmail.com) writes from Hawke, Michigan.
Mississippi Gov. Phil Bryant (R) signed into law a bill temporarily legalizing daily fantasy sports while lawmakers consider how to deal with the popular industry.

Daily fantasy sports allow players to compete online by selecting professional athletes for fictional “fantasy” teams. Teams compete by comparing real-world performance statistics over an agreed-upon period. Teams with the best results often win prizes or cash.

In addition to legalizing daily fantasy sports until July 1, 2017, Senate Bill 2541 creates a state task force for lawmakers to begin meeting in July.

The law requires the Fantasy Contest Task Force to begin meeting in July. It will be composed of lawmakers and government officials from the state’s Gaming Commission, Department of Revenue, the state attorney general’s office, the Mississippi Senate’s Judiciary Committee, and the state House Gaming Committee. The task force is required to report its findings and recommendations to lawmakers in October 2016.

‘A Game of Skill’

State Sen. Sean Tindell (R-Gulfport), the bill’s sponsor, says he wants to keep fantasy sports legal for Mississippi sports fans.

“People have been playing fantasy sports in the state of Mississippi for decades now. It’s something that my friends and I started doing in the late 1990s in college. Under federal gaming law, daily fantasy was excluded because it was considered to be a game of skill.”

SEAN TINDELL, STATE SENATOR, GULFPORT, MISSISSIPPI

“People have been playing fantasy sports in the state of Mississippi for decades now,” Tindell said. “It’s something that my friends and I started doing in the late 1990s in college. Under federal gaming law, daily fantasy was excluded because it was considered to be a game of skill.”

Tindell says fantasy sports are not a form of gambling and shouldn’t be regulated as if it is.

“If you can explain to me the difference between fantasy sports and trading stock futures or derivatives, ... well, I’ll bet you $100 you can’t,” Tindell said.

“The reality is that it’s no different than taking the long or short position on stocks. You’re simply trying to evaluate the value of those stocks and that company, trying to determine where the stock price will go. It’s no different than fantasy sports.”

Lawmakers ‘Very Aggressive’ Now

Marc Edelman, an associate professor of law at Baruch College–City University of New York, says regulation of daily fantasy sports is a hot topic with state lawmakers.

“After a prolonged period of time in which states had overlooked legal questions about daily fantasy sports, over the past six months, states have taken a very aggressive approach,” Edelman said.

Testing Their Luck

Edelman says state lawmakers have to decide whether winning a fantasy sports match is luck or skill.

“The question has come up regarding contests that require entry fees and prizes that relate to the prediction of performance of players over multiple real-world games,” Edelman said. “In most states, these contests will be deemed to be legal if these are games of skill and illegal if they’re games of chance.”

Jeff Reynolds (jeffreyreynolds@comcast.net) writes from Portland, Oregon.

New Jersey Senate Rejects Proposed Gas Tax, Sales Tax Swap

The New Jersey Senate rejected a proposed deal made between Gov. Chris Christie (R) and lawmakers in the General Assembly that would have hiked the state’s gasoline excise tax by 23 cents per gallon—from 14.5 cents per gallon to 37.5 cents per gallon—in exchange for gradually relieving consumers’ sales tax burden.

The sales tax would have been reduced by 1 percentage point over the next two years.

In July, New Jersey Senate lawmakers rejected the proposal by tabling it for consideration at an unspecified future date. Christie responded by issuing an executive order instructing the state Department of Transportation to submit plans for an “orderly shutdown” of construction work funded by gas-tax revenue.

Unpredictable Effects

Erica Jedynak, state director for the New Jersey chapter of Americans for Prosperity, says it’s difficult to predict how swapping gas-tax hikes for sales-tax relief would impact consumers.

“Although a sales tax decrease will certainly help [reverse] some of the regressive impacts of a gas-tax increase, we can’t know what the overall impact will be,” Jedynak said. “A much better deal for taxpayers would be spending reform, rather than raising taxes.”

Comprehensive Reforms Suggested

Jedynak says state lawmakers should lower tax rates while eliminating tax breaks for special interests.

“New Jersey has one of the highest corporate taxes in the nation, while at the same time handing out tens of millions of dollars in special tax incentives to favored corporations,” Jedynak said. “Regular taxpayers find the state asking for more and more of their hard-earned paycheck. If New Jersey wants to be most hospitable to citizens and businesses, they should lower overall tax rates and end many of these special-interest handouts.”

Calls for Lower Rates

Jonathan Williams, director of tax and fiscal policy at the American Legislative Exchange Council, says many taxes are too high in New Jersey.

“New Jersey’s personal and business income tax rates are both close to the highest in America, while property tax burdens are the very highest in the nation,” Williams said. “Also, New Jersey is one of the remaining states to levy a death tax, one of the most economically damaging taxes in existence, which is arguably one of the reasons why many wealthy residents look to leave New Jersey and relocate to other states.”

Marybeth Glenn (glennmarybeth@yahoo.com) writes from Wausau, Wisconsin.
Continued from page 1

al, government-mandated training courses and testing.

In a letter to lawmakers, Branstad stated regulating hair braiding was not a core purpose of government.

“Licensing and regulations should only be mandated when necessary to serve public health or safety,” Branstad wrote. “Natural hair braiding does not require government mandates, regulations, or licensing.”

‘Hurtful’ Regulations

Don Racheter, president of the Public Interest Institute, says occupational licensing regulations harm the economy and don’t protect consumers.

“I believe they are hurtful,” Racheter said. “We need to certify people if they have a skill set, so they can hold themselves out as qualified, but study after study has shown licensure just creates barriers to entry and drives prices up without improving safety. Why should a hair braider have to do [2,100] hours in cosmetology school, which has no classes on hair braiding? Lots of barriers to entry keep jobs from being formed and [keep] the economy from growing.”

Racheter says occupational licensing rules are more about politics and money than public health.

“If things were right in the world, all licensure would be repealed,” Racheter said. “But providers who benefit are organized and vocal and make campaign contributions, while those who would benefit are not.”

Settled Science

Edward Timmons, an associate professor of economics at St. Francis University, says economists have found occupational licensing hurts more than it helps.

“Research has generally shown that occupational licensing imposes more harm than benefit,” Timmons said. “The harm comes in the form of higher prices of services from licensed professionals and also higher barriers to enter a profession for aspiring jobseekers.”

‘Makes a Lot of Sense’

Timmons says the reforms benefit Iowans at the expense of lobbyists and government agencies.

“Deregulation of hair braiding makes a lot of sense in Iowa,” Timmons said. “Professional groups lobby legislators to keep licensing in place. Licensing boards also generally serve as a source of revenue for state governments. It also leads to higher prices for consumers.”

Matt Hurley (wmdtv matt@yahoo.com) writes from Cincinnati, Ohio.

Iowa Shaves Hair-Braiding Licensing Requirements

The Heartland Institute is building a library devoted to liberty. We especially want books on American history, economics, education (K-12 and higher ed), environmentalism, history of social thought (Plato, Hobbes, Mill, etc.), public policy, socialism and Soviet studies.

The value of books you donate is tax-deductible. To donate, visit www.heartland.org/library or call 312/377-4000.
**Calif. Senators Approve Tobacco, E-Cigarette Ban for Government Parks**

**By Leo Pusateri**

California lawmakers are considering a proposal that would ban tobacco and e-cigarette use at government parks and beaches throughout the state.

Senate Bill 1333 passed the state Senate on June 1. Its sponsor, state Sen. Marty Block (D-San Diego), told media he offered the bill to protect the state’s forests from wildfires.

Under the bill, people caught using tobacco or e-cigarettes in government parks or beaches would be fined up to $250.

**Banning ‘Minority Lifestyle Choices’**

Aeon Skoble, a professor of philosophy at Bridgewater State University, says the bill does not address a health or environmental issue, but instead is a form of institutionalized discrimination against unpopular lifestyle choices.

“Since e-cigarettes are not on fire, it’s hard to see how they represent a fire hazard, and since their off-product is water vapor, it’s hard to see how there’s a ‘harm-to-others’ justification for the ban,” Skoble said. “What little rationale there is for public smoking bans doesn’t apply to vaping. This lays bare the extent to which this is really a case of the majority discriminating against minority lifestyle choices.”

Skoble says the government should have to justify any decision to infringe on people’s rights.

“In my view, the state has to have an extremely serious reason for infringing individual freedom,” Skoble said. “Indoor smoking bans in public buildings might be justified by the possible harms to others of secondhand smoke, but this wouldn’t apply to vaping, which doesn’t produce secondhand smoke.”

**Public Health or Power Grab?**

William L. Anderson, an economics professor at Frostburg State University, says governments often use “public health” to justify power grabs.

“Look, I don’t like smoking and don’t like to be around it, but as I see it, we are looking at property rights, not government-inspired public health issues,” Anderson said. “There is too much mischief in so-called public health.”

**Attack on Individual Rights**

Anderson says lawmakers have a long tradition of attacking individual rights.

“Don’t forget that the progressives of a century ago, beginning with [President Woodrow Wilson], believed that individual rights were a threat to the cohesion of a nation and a threat to a good society,” Anderson said. “At its heart, the argument regarding smoking is one of individual rights. Yes, we can say that your right to smoke ends where I am, since you are imposing an external cost on me, but that is something that can be dealt with at a level somewhere less intense than what we see today.

“I think that the whole public health approach is collectivist, and after a while, we see that it becomes an excuse to empower abusive government,” Anderson said.

Leo Pusateri (psycheistr@fastmail.fm) writes from St. Cloud, Minnesota.

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**Arlington, Texas Lawmakers Ask Voters to Subsidize Baseball Stadium**

**By Ben Johnson**

The Arlington, Texas City Council unanimously approved the creation of a ballot resolution that will ask voters in November to approve $500 million in sales and tourism tax hikes to subsidize a new sports stadium for the Texas Rangers, the city’s Major League Baseball team.

David Surdam, a professor of economics at the University of Northern Iowa, says it’s unlikely the public will benefit significantly from the subsidy.

“Whenever they say it’s so beneficial, you have to ask, ‘Why doesn’t the owner do it and reap the profits?’” Surdam said. “The research I’ve read says that it was pretty dubious that there was much of a positive benefit from this.

**Debt Load Already Heavy**

James Quintero, director of the Center for Local Governance at the Texas Public Policy Foundation, says the ballot measure is a bad deal for Arlington taxpayers, now and in the future.

“The City of Arlington already owes a significant amount of debt,” Quintero said. “For fiscal year 2014, the total outstanding debt held by the city is in excess of $1.1 billion. That includes both principal and interest, but even so the total amount of debt owed by the city is borderline astronomical.

“To go before voters and ask for an additional almost 50 percent increase in the existing debt load is not good fiscal policy, in my mind.”

James Quintero, director of the Center for Local Governance, Texas Public Policy Foundation

Arlington lawmakers should stick to doing the things government is supposed to do, Quintero says.

“I don’t think the city should be in the baseball-stadium-building business,” Quintero said. “You’re potentially diverting revenue from what government ought to be doing. Instead of building these big, grandiose stadiums, what city government ought to be providing is for things like public safety, health and welfare, roads, the things that we generally associate with the core functions of government.”

Ben Johnson (therightswriter@gmail.com) writes from Stockport, Ohio.

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**INTERNET INFO**

Scientist Donates Award to Job-Training Charity

By Tori Hart

While governments at all levels struggle to achieve their claimed desire to lead people out of poverty, a small group of Christian women in Alabama is tackling the problem directly, without the need for taxpayer funds or government administration.

Although their work often goes on without much fanfare, the donation of an annual award for excellence in scientific inquiry is putting the spotlight on the good deeds performed by the Christian Women’s Job Corps of Madison County, Alabama.

John Christy, a professor of atmospheric science and director of the University of Alabama-Huntsville’s Earth System Science Center, is this year’s recipient of the Frederick Seitz Memorial Award, which recognizes important contributions to scientists’ understanding of Earth’s environment.

Christy says he plans to donate the award to the Christian Women’s Job Corps of Madison County, Alabama (CWJC), an organization for which his late wife, Babs Christy, served.

CWJC is a nonprofit organization dedicated to “inspiring and empowering women toward self-sufficiency” and “equipping women with essential skills to improve their lives.”

‘Standing Up for a Principle’

Christy says the Seitz Award commemorates standing firm and sticking to one’s beliefs. The award was established by former colleagues of physicist Seitz, one of the world’s best known and most highly respected scientists.

“It was for standing up for a principle in science; that has faded away in many places now, including the political realm,” Christy said. “I guess it’s an award for courage to stand firm in what the observations and data tell us about climate change and making that known in many public venues, to the scorn of many colleagues around me.”

Christy says CWJC is important to him, as it was important to his late wife.

“The organization basically provides opportunities for women who do not have skills for the job force, to gain these skills. She served as secretary and then as president. It was a real mission in her life. She got involved because she had several friends there.”

Helping Others Up

Anne Stone, a member of CWJC’s board of directors, says the nonprofit organization is all about people helping other people achieve self-sufficiency.

“When we first began, most of our ladies were from low-income backgrounds,” Stone said. “We have a number of women who have been out of the workforce for some time, either due to raising children or they had a husband who supported them and through some difficult times, they’ve been either widowed or divorced. They don’t have the skills or the confidence to get back in the workforce.”

Stone says CWJC is supported by individuals’ voluntary charity, instead of compelled taxation distributed by the government.

“All of our sites are in churches or buildings owned by churches, so we don’t pay rent,” Stone said. “Our church had started a building program, and they decided in the building fund that they would give 10 percent to missions. I asked them for $20,000, and we got it.”

Tori Hart (tori.heartland@gmail.com) writes from Arlington Heights, Illinois.

IN OTHER WORDS . . .

“In 1994, the Women’s Missionary Union held a planning meeting to discuss the development of a program to address the needs of women in poverty. It is a late-twentieth-century addition to WMU’s rich history of missions and ministry. The inspiration for Christian Women’s Job Corps came as a group of women visited ladies in the Appalachian region of the United States. They discovered that when women help women by mentoring them, both experience a life change. They felt this pattern could be replicated and enlarged by a larger group of women helping women.

“From its beginning, CWJC of Madison County has operated as a ‘Church and Community Model,’ incorporating Christian churches from throughout the county as well as community organizations and facilities. We are supported by the help of a number of churches as well as health, educational, government, and business organizations throughout the county. Our three school-type sites are made possible by support from many individuals and groups throughout Madison County. CWJC is dependent on volunteers from these support groups.”

— “CWJC History,” CWJC.net, Christian Women’s Job Corps of Madison County, AL. For more information, or to donate, see http://cwjc.net/donate-social/.
Ohio Gov. John Kasich (R) has signed a law lifting government restrictions on the potency of beer sold in the state, giving beer drinkers a reason to raise a glass in celebration of free-market principles.

House Bill 37, introduced by state Reps. Mike Duffey (R-Worthington) and Michael Stinziano (D-Columbus) in February 2016, takes effect in late August, removing government restrictions capping the percentage of alcohol by volume (ABV) on beer produced or sold in Ohio.

The bill will also allow Ohioans to purchase and consume beer or liquor in some market districts, such as Columbus’ North Market complex. Prior to the bill’s passage, beer and liquor consumption was not permitted in market districts.

Michelle Minton, a consumer policy fellow at the Competitive Enterprise Institute, says the new law makes common-sense changes to the state’s alcohol laws by treating beer no differently than other alcoholic beverages.

‘Antiquated and Arbitrary Restriction’

“Speaking only about the ABV cap, it is about time Ohio lifted this antiquated and arbitrary restriction,” Minton said. “Putting a cap on the level of alcohol in beer makes no sense when people are legally allowed to purchase wine and, particularly, spirits, which have many times more the level of alcohol by volume.”

Minton says she has some concerns about the bill’s labeling requirements.

“One concern is the law’s new requirement that brewers label beers over 12 percent ABV as ‘high alcohol beer’ may cause some difficulty for out-of-state brewers, who will need to make a label specifically for the Ohio market and get it approved by the U.S. Alcohol and Tobacco Tax and Trade Bureau,” Minton said.

More Options for Brewers, Consumers

Minton says she’s happy brewers have the option to make more-potent beverages, despite her concerns about the compliance costs.

“The added cost may prompt many to forgo making high-alcohol beer, but at least the option now exists,” Minton said.

Encouraging Growing Markets

Greg Lawson, a senior policy analyst at the Buckeye Institute for Public Policy Solutions, says the new law is great for Ohio consumers.

“We already have somewhat of a vibrant micro-brewing market throughout the state,” Lawson said. “This will improve that. It will increase opportunity for the already existing market.”

‘People Are Really Excited’

Lawson, who describes himself as a “beer snob,” says he’s raising his glass to the bill’s passage.

“These are high-end beers, and most people really like this,” Lawson said. “It’s turned into an art form, and people are really excited. It’s a growing market. All of the growth in the beer market is in the craft-brewing field.”

Lawson says he hopes the new law will inspire other states to remove alcohol regulations.

“If this opens the door to other states doing that and lifting these kind of artificial restraints, that’s a good thing,” Lawson said.

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

Lawmakers in Louisville, Kentucky are imposing new regulations restricting consumers’ ability to use popular peer-to-peer economy housing services such as Airbnb and VRBO.

In June, the Louisville Metro Council approved ordinances restricting how and where people may use the services, which connect tourists seeking short-term housing and hosts providing places to stay on their property.

The ordinances impose new fees and licensing requirements and prohibit property owners’ participation in peer-to-peer economy services in certain parts of the city.

Free Markets in Action

Jim Waters, president of The Bluegrass Institute for Public Policy Solutions, says the peer-to-peer economy, also referred to as the “sharing economy,” is a good example of how free markets work.

“The sharing economy functions more like a true free market. For the most part, it puts buyers directly in contact with suppliers without government, unions, regulators, middlemen, conglomerates, and other entities getting in the middle. ...”

JIM WATERS, PRESIDENT
THE BLUEGRASS INSTITUTE
FOR PUBLIC POLICY SOLUTIONS

“Connecting People with People”

Christopher Koopman, a research fellow with the Mercatus Center at George Mason University, says sharing-economy services are not new services; they are old services working in new ways.

“It isn’t that the services provided by the sharing economy are radically different from traditional service providers, but the mode in which it operates is certainly new and radical,” Koopman said. “Instead of relying on professional drivers to get you around town, Uber allows you to connect with your neighbor looking to make some extra money. Instead of having to rely on hotels or the generosity of friends and family, Airbnb allows you to connect with people willing to share their home and give you a bed.”

Koopman says everybody is a winner in the sharing economy.

“It is creating more choices, making life more efficient, and pushing existing service providers to compete in ways they’ve never had to before,” Koopman said.

“This means that consumers are much better off. It certainly benefits providers, too. It is creating opportunity for those in need and opening doors that have been shut to those looking for work.”

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

INTERNET INFO

Encouraging Zoning Reform to Promote Urban Economic Growth

By Arianna Wilkerson

Owners of small land-development companies may feel they operate at the mercy of big government, but a new book by author and urban planning expert John Gann Jr. explains how they can spark positive change by educating local politicians about the damage zoning restrictions do.

Gann’s book, Triple Real Estate Value by Marketing Zoning Changes, is full of valuable tips, advice, and strategies for small-business owners who wish to be the change they want to see in their community. Gann explains how they can get involved in their communities and have fun growing their businesses by encouraging reform of zoning laws and zoning decisions to promote economic growth.

Gann, a former city planning director and a respected city economic development consultant and expert, has been published in newspapers and magazines such as The Wall Street Journal, Real Estate Today, and Urban Land. His book is packed with useful advice and information, presented succinctly and without filler or time-wasting digressions.

Winning Hearts, Not Lawsuits

Contrary to many activists’ assertions, the best way to effect change in one’s community is not through lawsuits and the court system but by engaging lawmakers in public forums with persuasive arguments based on facts and sound principles. Investors who win over the hearts and minds of the city’s decision-makers and community residents are more successful in their attempts to develop land, Gann writes.

Gann says existing zoning laws restricting land use and development may not reflect “full real estate potential, as determined by its location and market demand,” creating a gap between what the community could be and what the community could become. Developers must not view zoning as a permanent barrier, Gann says. They should instead see such laws as a temporary challenge to be defeated without the use of expensive attorneys.

Mind the Gap

Investors can win by closing what Gann calls the “zoning gap,” by helping lawmakers understand why the difference between zoning laws’ stated goals and their actual effects on consumers impacts their communities. Gann says the gap between intended goals and actual outcomes is a consequence of outdated, poorly considered, and incomplete restrictions. Real estate investors should talk to lawmakers using facts and stories to show them how changing regulations can benefit the entire community and create win-win situations.

By using cordial, win-win approaches—instead of contentious, win-lose courtroom battles—you’re not selling a zoning change, you’re selling its benefits,” Gann writes. Closing the zoning gap provides an opportunity for investors to reap profits while improving their communities, which benefits everyone.

Winning Without a Fight

Another important element of Triple Real Estate Value by Marketing Zoning Changes is the significant amount of information it provides about how to present concerns in public. Zoning hearings are typically held by a city council, a zoning board, or a planning commission. In these settings, Gann explains, a key to success is to listen to supporters and opponents before the official hearing is held.

Small investors need to address objections and suggestions thoughtfully, early in the development stage, so the public hearing becomes a non-event, says Gann. Investors also must be open to negotiation and revision, accepting the fact their plans may have to go through several rounds of revising in order to pass objectors’ personal tests.

Gann says city council members will be impressed when the investor articulates solutions to potential problems and demonstrates unified support from voters. Local lawmakers like to hear current residents and incumbent city businesses approve of proposed zoning changes.

Worth the Investment

Promises of doubled or tripled land values may seem exaggerated, but reading and thinking about the strategies Gann details removes many of those doubts. For much less than the price of a real estate attorney’s time, Triple Real Estate Value by Marketing Zoning Changes will provide readers with a wealth of information that will help them change their communities for everyone’s benefit.

Arianna Wilkerson (awilkerson@heartland.org) is a marketing project coordinator with The Heartland Institute.

New from the Cato Institute

U.S. Fiscal Imbalance

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T he U.S. fiscal imbalance—the excess of what we expect to spend, including repayment of our debt, over what government expects to receive in revenue—is large and growing due to record-high government spending. Committed to bringing attention to this increasing threat, the Cato Institute inaugurated a significant project to investigate and document the federal government’s current financial position.

The project’s major report—U.S. Fiscal Imbalance—detailing the true state of the government’s financial health, and how the fiscal situation has been continuously deteriorating, is available free online at www.cato.org/fiscalimbalance.
An Entertaining and Informative Introduction to Libertarian Thought

By Jay Lehr, Ph.D.

Authors will on occasion mistitle a book in the hopes of boosting sales or to spark interest in the topic, but this book, titled Libertarianism for Beginners, is not one of those!

Libertarianism for Beginners is part of a series of books designed to introduce readers to complex ideas, giving them a taste of a topic they may not have been previously aware of or may not have fully understood. As a lifelong libertarian, I can say with certainty I have been previously aware of or may not have fully understood. As a lifelong libertarian, I can say with certainty I have been previously aware of or may not have fully understood. As a lifelong libertarian, I can say with certainty I have been previously aware of or may not have fully understood. As a lifelong libertarian, I can say with certainty I have been previously aware of or may not have fully understood. As a lifelong libertarian, I can say with certainty I have been previously aware of or may not have fully understood. As a lifelong libertarian, I can say with certainty I have been previously aware of or may not have fully understood. 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