Indiana’s antiestablishment era

Both 2007 and 2008 could be brutal for the status quo

By BRIAN A. HOWEY

INDIANAPOLIS - For Bart Peterson, Al Huntington, Kevin Smith, Stephen Luecke, Wayne Seybold and other incumbent mayors, these are nervous days. They are incumbent mayors on the ballot in times when Hoosiers have taken to the streets, the council chambers, even taunting mayors in their own front yards, to protest high taxes and the escalating cost of government.

They watched 11 incumbent mayors fall in the May primary.

There has been scant polling data this cycle, though WISH-TV polled Indianapolis Mayor Peterson’s race with Republican Greg Ballard and found him to have a 52-38 percent lead, which was virtually the same as a GOP poll in August. But Ballard has had scarce resources and his only ads, which he has not confirmed are officially from his campaign, have appeared on YouTube. That could change as Marion County Prosecutor Carl Brizzi and power attorney Bob Grand hold a big fundraiser for Ballard next Monday at Grand’s home. He also picked up the endorsement of Peterson’s former public safety director Robert Turner today.

A WISH-TV poll released Wednesday shows that 37 percent favor replacing Gov. Mitch Daniels, with 39 percent favoring re-election. It also shows that former congresswoman Jill Long Thompson is leading establishment Democrat gubernatorial favorite Jim Schellinger by 41 to 10 percent. Senate Minority Leader Richard Young placed second with 16 percent. It is perceived in many Demo-

Reduce property taxes?

By CAMERON CARTER

INDIANAPOLIS - After months of reading newspapers and blogs, perusing government web sites, attending public meetings and visiting with numerous bureaucrats, elected officials and colleagues, one can only conclude that the current property tax crisis has been long in the making and involves many complex factors. While varying in intensity around the state, there is no doubt that the crisis is systemic in nature and taxpayers (many ill-informed) are out for blood – panic.

““As our campaign continues to grow and as we spread our message to more and more Hoosiers, I am confident that we will be in the best position to defeat Mitch Daniels.””

- Jill Long Thompson
among the political class is in the air. The situation calls for serious, sober reflection and analysis and, to some surprise given the uproar, the conduct of both the Kenley and Kern-Shepard commissions seems to be delivering just that. However, with 2007 municipal elections occurring in a matter of weeks and the 2008 election year looming, the temptation for both tinkering and simplistic solutions is great. Both must be avoided.

The complex combination of factors is resulting in greatly varied impacts across the state and between individual taxpayers (an outcome, one should note, expressly forbidden by the state constitution, which is quite explicit in the treatment of property taxation). Each county, city, school district and separate taxing district (of which there are far too many) has its own story. An individual’s property tax bill depends upon: (1) the assessed value of his property and the assessed value of the rest of the properties in each respective political jurisdiction; and (2) the budgets/levies for those too-numerous jurisdictions, many of which overlap.

Yes, it is all very complicated and one would be hard pressed to devise a worse system if one tried. But, you can boil it down to two essential elements: (1) the assessments; and (2) the spending. While there may be several desirable short-term steps, such as Gov. Daniels ordering reassessments in suspect counties, any long-term solution must focus on these two root elements.

The problems have grown, the roots have been exposed and the needed changes have become more obvious. The measures that need to be taken have been identified, but not acted upon.

Let’s start with assessments. The glaring inequities and inconsistencies are the product of an assessment system in desperate need of streamlining and modernization. The Supreme Court confirmed the problem almost a decade ago, but the antiquated structure has frustrated the required adjustments. Reason dictates that a top-to-bottom reform, aimed at reducing the number of officials involved in applying the assessment standards and more clearly establishing responsibility for the final product, is needed to improve the quality and uniformity of assessments.

In short, the duty to assess property should be removed from townships – which have proven themselves patently incompetent in the assessment of both residential and, especially, commercial and industrial properties – and moved to a more competent and efficient level of administration. With more than 1,000 elected township officials involved in the process, there is no way to achieve the court-ordered and constitutionally mandated uniform and equitable taxation of property. The system is FUBAR (if I need to translate this last acronym for you, then you haven’t received your property tax bill yet – which also sort of proves my point).

The other fundamental flaw in the system is the method and structure of local government financing that encourages waste, duplication and increased government spending with little or no accountability. That means higher and higher taxes for us all and brings us to today’s crisis.

More than 2,400 units of local government across the state, including school corporations, act completely independently of each other as they establish budgets without regard to the spending of other overlapping jurisdictions. Nothing under Indiana law requires them to consider what their colleagues are doing in terms of spending, which results in massive net spending increases and an ever-increasing, indeed crushing, tax burden.

It doesn’t matter to them because the current system allows each to make its own spending decisions and essentially write the check for whatever it wants. The problem is they are all writing a check from the same account and it is up to you, the taxpayer, to make the deposits (pay the taxes) to cover the costs. There is no overall financial manager to look at priorities or attempt to balance the books or smooth out cash flow.

But, wait a minute, you say, we elect mayors and governors and city councils and state lawmakers and school boards and township boards and county commissioners to mind the store – they must be accountable. Yes, but the problem is you do elect all of these officials, they do all have a role in this mess and you can’t name three of them, I’d wager (if you can, double-or-nothing that you can’t name a fourth, especially from the township or school board level). The system encourages the units to simply point to one of their colleagues when the account is overdrawn. Taxpayers are left paying the tab and nobody is held effectively responsible – at least taxpayers have no easy means of...
figuring out whom they should hold accountable (the latest campaign ad of Mayor Bart “Not Me” Peterson is a good example of how the system allows the chief executive of the state’s largest city to artfully dodge any responsibility).

Reason dictates that some coordination or consolidation of the taxing authorities and/or their budget-making is needed. More accountability – through fewer jurisdictions with greater authority – must be built into the system.

The present crisis provides a great opportunity to take the reasonable steps that the system itself has defeated in the past. Real reform will require tough and unpopular actions, political courage and, above all, a determination to change. The root problems of the assessment process and too many taxing authorities making too many uncoordinated spending decisions with too little accountability must be addressed.

Property owners deserve accurate assessments. Taxpayers deserve to know who and what has caused their taxes to increase. A sound assessment process combined with more accountable and transparent budget-making will put control of the system back in the hands of the taxpayers. Opponents of meaningful change and the temptation to simply meddle here and there must be overcome. The pitchforks are out, but this is no time to panic. ✫

Carter is a vice president with the Indiana Chamber of Commerce.

Anti-incumbency: From page 1

cratic circles that Schellinger was the favored candidate of prominent party power circles (See Horse Race for more analysis).

A Republican source tells HPR that a number of respondents in party fundraising phone calls say they plan to vote against incumbents - both Republican and Democrat.

Peterson explained on WISH-TV, “This isn’t going to be an easy election for any incumbent, Republican or Democrat. The reality is, a lot can happen in the next seven weeks.”

He is a mayor who just pushed through a $90 million local option income tax increase and will most likely sign a 2008 budget with a $2 million spending increase at a time when many critics of the administration - some facing double and triple digit property tax increases - were demanding spending cuts.

In Fort Wayne, where there is no incumbent on the ballot, sources in both parties tell HPR that Republican Matt Kelty, facing a nine-count indictment on campaign finances charges and perjury, was still within the margin of error. Democratic nominee Tom Henry began his TV and radio campaign on Wednesday.

With many “economic” Republicans likely to vote for Henry, how could Kelty still be in the game? “There is an intense antiestablishment sentiment out there,” said Allen County Republican Chairman Steve Shine.

Congress Approval at 11%

A Zogby Poll released on Wednesday reveals that the approval rating for Congress stands at an astounding low 11 percent. President Bush’s approval is at a paltry 29 percent.

On the property tax issue, the WISH-TV poll reveals that 22 percent hold the Indiana General Assembly to blame, 19 percent Gov. Mitch Daniels, 13 percent the Department of Local Government Finance, 13 percent county assessors, 11 percent township assessors, and 9 percent Mayor Peterson.

It is machine gun style anger and angst, lashing out at virtually any elected official in sight.

Locals don’t trust Statehouse

That suspicious mindset extends into the “establishment” itself. While Gov. Mitch Daniels, Speaker B. Patrick Bauer and Senate President David Long sent out a joint letter last summer urging counties to pass local option income taxes to offset property tax hikes, in news
story after news story, county officials have voiced their distrust of the Indiana General Assembly.

Wayne County Commission President Myron Moyer said of the LOIT, "We don't want to make a decision that locks us in if the Legislature makes changes to the law later."

Hamilton County Council President Brad Beaver said in August, "Don't force us into a system that is already broken." He was responding to a letter from Gov. Daniels urging the passage of the LOIT. "We have no confidence," said Beaver. "It (the state's system) has no auditing trail. It is not transparent."

LaGrange County Commissioner George Bachman bristled at the governor's repeated comments largely blaming the high taxes on excessive local spending. "For the governor to say it's the counties' fault is ridiculous," Bachman said.

"Don't do something without asking us," said Steuben County Commissioner Ron Smith, adding that state officials "don't always know how county government works."

"It's not like they haven't considered it and done their homework," said Indiana Association of Counties Executive Director David Bottorff (Times of Northwest Indiana). "They know what it does to their citizens, they know what happens with the tax levies and where the income tax money comes from -- and where it's going to be spent. And they don't like it."

"If that could get reworked, and it was truly for property tax relief for everybody, it might be more palatable," said Lake County Councilman Tom O'Donnell, D-Dyer.

And yet, despite an unpopular war, and a property tax crisis, many voters appear to be unmotivated. Howard County Republican Chairman Craig Dunn called the May primary battle between Kokomo Mayor Matt McKillip and Councilman Rick Hamilton arguably, "the most significant primary in the history of our city." The economic Republican Hamilton from the local Chamber upset the socially conservative McKillip. It was "a hotly contested Republican and Democrat primary and yet only 29% of the registered voters turned out," Dunn said. "The candidate who wins will be the one who gets his base out in force.

**Peterson’s dilemma**

To understand Peterson's candid unease, look beyond the head-to-head numbers in the WISH-TV poll and you can see why incumbents are nervous. Peterson finds 21 percent of the African-American vote - his base - undecided. Voter turnout has been slipping in Center Township this decade. Only 38 percent turned out there in 2004 despite a ballot selected that included John Kerry, Sen. Evan Bayh, Gov. Joe Kernan and Rep. Julia Carson. It slipped even further in 2006 when Carson won by just 7.5 percent.

Peterson has to be concerned about the intensity of his base in not only Center Township, but in other Democratic redoubts he will need such as Lawrence Township, where the local trustee Mike Hobbs is facing several criminal charges, and in Pike Township, where township officials have resisted the mayor’s attempts to consolidate the fire department there with the Indianapolis Fire Department.

In the WISH-TV poll, Peterson is polling 81 percent of the Democrats. The right track/wrong track numbers stand at 38/46 percent. On the police merger, 47 percent say it is not successful, including 38 percent of African-Americans, 42 percent of Democrats and 51 percent of whites.

**Daniels poll woes**

The fact that 37 percent say they would vote for someone other than Daniels is not surprising. No governor in modern Indiana history has ever used as much political capital as Daniels on such issues as daylight saving time, the Colts stadium and Major Moves.

The governor's re-election campaign is expecting the fruits of those issues will be kicking in a year from now. Many voters are upset by the property tax crisis and it is expected that Gov. Daniels will offer bold solutions on that issue as well as local and state government reforms during the 2008 Indiana General Assembly. Daniels may be facing his most critical legislative session.

It's worth noting that in January 2004, Gov. Joe Kernan had a 12 percent lead over Daniels.
2007 Mayoral

**Fort Wayne:** Republican: Matthew Kelty. Democrat: Tom Henry. 2003 Results: Richard (D) 27,251, Buskirk (R) 19,701. 2007 Forecast: Fort Wayne’s Democratic mayoral nominee will spend thousands of dollars to bring his face and message to area TV viewers (Fort Wayne Journal Gazette). Television commercials for Tom Henry are scheduled to begin today on WANE-TV, Channel 15; WISE-TV, Channel 33 and WPTA-TV, Channel 21, along with some Comcast cable channels, according to Joe Fox, Henry’s campaign manager. The media buy with WANE is for $68,000, said Tom Antisdell, WANE local sales manager. Antisdell said the buy will give the campaign air time from this week through the election. Fox said the ads will begin airing during the morning hours. An advertising representative for WISE and WPTA could not be reached Thursday afternoon. The 30-second spot features Henry at work, talking to residents and answering questions from the media, although Fox concedes it was not a real news conference. In the commercial, Henry says he wants to cut government spending and help business grow. He also says he wants to present a “real solution to the property tax crisis.” Republican Matt Kelty has long campaigned on a platform to lower property taxes, saying he wants to permanently cap them. The ad was created by Laguens Hamburger Kully Klose, a political consulting firm out of Washington. Glenna Jehl said the Kelty campaign plans to go on television and have billboards and mailings as the election nears.

Kelty is seeking a delay in the criminal case pending against him that would push his next court appearance until after the election (Fort Wayne Journal Gazette). According to documents filed Tuesday, Kelty asked Allen Superior Court Judge Fran Gull to move the date of a pretrial hearing from Oct. 10 to Dec. 10 to allow him and his attorneys time to review information not yet provided by Special Prosecutor Daniel J. Sigler. He has also added a pair of Indianapolis-based attorneys to his defense team, according to court documents. In August, a grand jury indicted Kelty, a Republican, on nine criminal counts, most relating to how he reported $158,000 in loans to his campaign. He is also accused of lying in his testimony to the grand jury about a public opinion poll. Kelty said he asked for the delay on a recommendation from his attorneys. He said a transcript of the grand jury proceedings has not been made available. He said the transcript will need to be examined by his attorneys before proceeding. Kelty hired Larry Mackey and Jason Barclay of Barnes & Thornburg in Indianapolis because they are two of the best attorneys in the state and they help his defense greatly because of the staff resources available at the firm, Kelty said. Sigler agreed to Kelty’s request for a delay in the pretrial hearing and said he was unsure how Gull would rule. “It was going to go past the election anyway,” he said. “It has been pretty clear that (Kelty) did not have an interest in trying it before the election. … That is certainly his choice.” Status: LEANS HENRY.

**Indianapolis:** Democrat: Mayor Bart Peterson. Republican: Greg Ballard. 2003 Results: Peterson (D) 92,763, Jordan (R) 55,354. 2007 Forecast: Peterson had a 52-38 percent lead over Republican Greg Ballard in a WISH-TV poll released Monday. The poll revealed the right track/wrong track numbers to be 38/46 percent. The poll mirrors a similar poll released by Marion County Republicans in August. The poll said that on the issue of crime, only 36 percent believe Peterson is doing a good job and 51 percent said he wasn’t. Peterson told WISH, “This isn’t going to be an easy election for any incumbent, Republican or Democrat. The reality is, a lot can happen in the next seven weeks.” The poll was conducted Sept. 10-14 of 800 likely voters (+/-3.5%).

Peterson’s former public safety director, Robert Turner, endorsed Ballard today, saying, “Law enforcement officers and public servants; support Greg Ballard with your contribution of time and money! We still live in America, although there are times when it appears that we are in a third world nation where we become targets for retaliation and punitive job actions when we exercise our constitution al rights, exercise our freedom of speech, dare to disagree with the current administration or support a candidate other than our current administration.”

Ballard has yet to run television ads in his bid to unseat Democratic incumbent Bart Peterson, but that hasn’t stopped supporters from creating their own commercials. There are a number of anti-Peterson commercials currently circulating on YouTube (Advance Indiana). For as long as anyone can remember, the front yard was fertile ground for political campaigns. Now MySpace and YouTube are offering a new stage not only for the campaigns but...
for constituents themselves to participate in the process by making their own videos supporting or criticizing a candidate. The Ballard campaign says they are well aware of the ads but not responsible for them. "None of these ads are Republican ads but I love seeing them. I think it is indicative of the feelings in the city because people are really upset with the direction of the city," said Tom John, Marion County Republican Party. One video criticizes Mayor Bart Peterson to the tune of "I Put a Spell On You," with subtitles like "increased spending" and "no oversight," showing video of the much-delayed Central Library project. "It's clear in the world of paid media it's a violation of paid and federal election law," said Mike O'Connor, Marion County Democratic Party. **Status: LEANS PETERSON.**

**South Bend: Republican: Juan Manigault. Democrat: Mayor Stephen Luecke. 2003**

**General Results:** Luecke (D) 10,598, Schmidt (R) 4,188. **2007 Forecast:** HPR got caught up in the case of whether this race was a "tossup." In our Aug. 23 edition, Horse Race used a primary election template that listed this race as a "Tossup." At this point, this race is not a tossup. We've heard anecdotable evidence from both sides that suggest it is anywhere from within the margin of error to a double digit lead for Luecke. We will await the next scientifically conducted media poll expected in the next couple of weeks before there is any status change. This past week, the Luecke campaign successfully planted the Workforce Development story. Manigault complained Luecke "went negative" by bringing the issue up recently at a joint appearance before a group of South Bend firefighters. (Wensits, **South Bend Tribune**). The fact, according to Luecke, is that while Manigault was in charge of Workforce Development, a position he has since resigned to concentrate on the campaign, an audit was required because Manigault could not prove that federal money was spent properly. The GOP candidate said that if he had done a poor job, Luecke, as the chief elected official of the Workforce board, would have asked for his resignation. "He did not." "What I did in effect," Luecke responded, "is fire him as the fiscal agent. We took away from Juan the responsibility for bookkeeping because he was unable to do it." Manigault said the audit, which covered the years 2000, 2001 and 2002, showed that all of the funds were accounted for, and he said Luecke's claim that $1.1 million was overspent is not true. "Is that negative? Yes, it is," Luecke added. "It's factual, not going negative in the way of unreported crimes that take place every day and every night. "When I walk our city's streets and talk to people, they point out problem spots in their neighborhoods to me and express concern for their safety and the safety of their families." Manigault also brought up an issue he called the "no bid" contracts Luecke has awarded. What's to watch for in this race? The coming battle over when St. Joseph County drops its property tax bills. Manigault charges Luecke with "playing politics" on the issue by persuading the county not to send the bills out until after the election. Manigault said that property owners will have to pay both installments by Nov. 13. "All because our elected leader is taking a political position," Manigault charged. **Status: LEANS LUECKE**
Governor 2008: Republican: Gov. Mitch Daniels. Democrat: Senate Minority Leader Richard Young, Jim Schellinger, Jill Long Thompson. 1996 Results: O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. 2000 Results: O’Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. 2004 Results: Daniels (R) 1,302,912, Kernan (D) 1,113,900, Gividen (L) 31,644. 2008 Forecast: Here are the pertinent WISH-TV poll numbers: Jill Long Thompson has now demolished any notion that Schellinger will be the consensus candidate. She had 41 percent with Sen. Young coming in second with 16 percent and Schellinger at 10 percent. Long Thompson was getting 44 percent of the female vote and 43 percent of the black vote. Based on this poll, HPR is moving the Democratic primary to “Leans” Long Thompson from “Toss-up.”

While Schellinger has raised the most money as of the July reporting deadline, few Hoosiers have any idea of where he stands on any issue. Schellinger had originally told HPR that he would be talking about issues early last spring. His campaign has put out a handful of press releases, mostly dealing with campaign personnel, endorsements and appearances. That he would finish third in the first media poll - and below Sen. Young - is jarring. Campaign manager Mike Edmondson said in an e-mail, “Jim is not a politician - he’s never run for or held political office. Despite that, he begins in this poll in the double digits which tells us that as this campaign begins in earnest and people met a leader with cooperative style like Jim Schellinger, Hoosiers from across our state will embrace Jim as a clear alternative to Gov. Daniels’ arrogant approach.”

Long Thompson observed, “We are pleased with the results of this latest poll. It is just further confirmation of what I’ve been hearing as I visit communities across this state. Hoosiers want change and are looking for a new direction - and they want an experienced voice who knows how to produce results.”

Former Democratic State Chair Ann DeLaney, who supports Long Thompson, said the poll is further evidence that she provides Democrats with their best chance of defeating Mitch Daniels. “This poll underscores that Jill Long Thompson is by far the strongest candidate in the field and gives Democrats their best opportunity to win in November 2008,” DeLaney said. “Her early opposition to privatizing the Indiana Toll Road and her call for comprehensive tax reform that is fair and equal are clearly resonating with Hoosier voters.”

Long Thompson added, “We won’t take any vote for granted and know the poll numbers will tighten as we get closer to the election. But as our campaign continues to grow and as we spread our message to more and more Hoosiers, I am confident that we will be in the best position to defeat Mitch Daniels next year and get Indiana back on track.”

In a head-to-head with Long Thompson, Gov. Daniels led 46-38 percent. But his re-elect numbers stand at 39 percent to 37 percent who want to replace.

Cam Savage, communications director for the Daniels campaign, told HPR, “We’re excited by these results, and we think they’ll give our fundraising a boost. Gov. Daniels has tackled every tough issue facing our state and it is encouraging to know that eight out of ten Hoosiers approve of the job he’s doing.”

Pollster Fred Yang, who is working for Schellinger, observed, “Unfortunately for Gov. Daniels, the WISH-TV survey shows his positive job rating below the important 50% threshold, and in fact, more Hoosiers disapprove of Daniels’s performance than approve. Forty-five percent (45%) of voters surveyed give him positive marks of excellent or good, while 47% give him negative marks of fair or poor. Among the crucial swing group of independents, the governor has a decidedly negative job rating of 64% negative and just 26% positive.”

A retired firefighter from Bedford has formed a committee to run for governor as a Republican and said he is confident he can gather enough registered voters’ signatures to get on the primary ballot (Louisville Courier-Journal). La Ron Keith, 48, said yesterday that he filed the necessary paperwork to form a campaign committee about two weeks ago. He must have 500 valid signatures from registered voters in each of the state’s nine congressional districts to gain a spot on the ballot and challenge Gov. Mitch Daniels in next May’s primary. Keith said he has not yet sought any contributions. Keith said he was “fed up with politicians” who seem to make promises
they do not have to keep and will not tackle tough issues. He advocates abolishing property taxes and replacing the lost revenue by raising the sales tax and extending it to all purchases, placing stricter spending caps on state and local governments.

Finally, YouTube is coming to the governor's race. Several blogs are showing Schellinger talking to a small group of men in a parking lot at Princeton in a video shot by Jondi Schmitt. Schellinger tells his "penny story" and says he will reinstitute collective bargaining for state workers. He also tells the people that up until a couple of years ago, he lived "paycheck to paycheck." We expect the 2008 election to have much more of this: either hired hands by opposing campaigns or average citizens recording candidates in the field and posting them on YouTube.

**Democratic Primary Status:** LEANS LONG THOMPSON. **General Status:** Leans Daniels.

### 2008 Indiana Congressional

**Congressional District 5:** Republican: U.S. Rep. Dan Burton, Dr. John McGoff. **Geography: Media Market:** Indianapolis, Fort Wayne, South Bend. **People:** Urban/rural 73/27%; median income $40,381; poverty 9.5%; Race 84% white, 8% black; Hispanic 5%; Blue/white collar: 34/50%. **2006 Republican Primary Result:** Burton 61,150, Alfred 6,869, Wakley 4,822. **2006 General Result:** Burton (R) 133,118, Carr (D) 64,362, Sharlow (I) 7,431, Miller (I) 18. **2008 Forecast:** Burton's campaign has released an American Viewpoint Poll showing him with a commanding 71-15 percent lead over Dr. John McGoff. No dates for the 500 likely voter poll was released but the pollster said that it had a 4.5 percent error rate. The poll said that Burton holds a 49 percent lead in Marion County, where McGoff served as coroner. **Primary Status:** LEANS BURTON

**Congressional District 7:** Republican: Wayne Harmon. Democrat: U.S. Rep. Julia Carson. **Geography: Media Market:** Indianapolis. **People:** Urban 99.7%; median income $36,522; poverty 13.5%; race white 63, black 29.4%, Hispanic 4.4%, Asian 1.3%; blue/white collar 26/58%; **2000 Presidential:** Gore 55%, Bush 43%; **2004 Presidential:** Bush 56%, Gore 42%; **2002 Results:** Hill 96,654 (51%), Sodrel 87,169 (46%). **2006 Results:** Hill 110,455, Sodrel 100,469, Schansburg 9,893. **2008 Forecast:** Former Congressman Mike Sodrel made an appearance at a Bloomington GOP event last week and, according to some who attended, sounded very much like a candidate for Congress (Weidenbener, *Louisville Courier-Journal*). But on Friday, the three-time candidate and one-time winner of the 9th District U.S. House seat said he won't make an announcement until the first week in October. He said that's the latest it would be wise to wait. "I need to do it early enough that I can get started or early enough that someone else can get started," Sodrel said by phone from his home. As you might expect, this is a widely anticipated decision. Sodrel won the seat the last time the election coincided with a presidential race in 2004. Sodrel doesn't likely have the time to find out whether Sen. Hillary Clinton will be the nominee before he runs. He just can't wait that long. "It's time to make up my mind," he said, "and either do it or not." **Status:** LEANS HILL.
Hill, Bayh respond to property tax cries with legislation

By MARK SCHOEFF JR.

WASHINGTON - Intense anger over property tax increases in Indiana has caused two Hoosier members of Congress to respond to an issue that is normally the domain of state and local government.

Democratic Rep. Baron Hill (9th CD) on Tuesday introduced a bill that would allow homeowners who do not itemize to deduct their property taxes from their federal income taxes. Hill’s Democratic colleague on the other side of Capitol Hill, Sen. Evan Bayh, has introduced a companion version in the Senate.

It’s too early to tell whether the bills will get traction. Neither Hill nor Bayh are members of the committees that have jurisdiction over tax matters—the House Ways and Means Committee and the Senate Finance Committee.

But the Hill-Bayh partnership demonstrates bicameral support — something that sometimes isn’t easy to achieve in Washington — and bipartisan backing. In the House, two Indiana Republicans have signed on to Hill’s bill — Reps. Mike Pence (6th CD) and Dan Burton (5th CD). Democratic Reps. Joe Donnelly (2nd CD) and Brad Ellsworth (8th CD) are also cosponsoring the bill.

Pence’s and Burton’s support may indicate that the anti-property tax wave in Indiana is crashing into both Democrats and Republicans — even those who don’t have a direct influence on the state and local issue.

During the August congressional recess, Hill said that property taxes were a priority for voters. “People were coming up to me on a regular basis and complaining to me about the increase in property taxes,” he said during the conference call.

While he was in the state last month, Bayh said he saw signs from angry constituents that read: Home for sale because of property tax increase.

The bill that Bayh and Hill are advocating would produce modest gains for taxpayers. Bayh said that a couple with at $1200 property tax bill who files federal taxes jointly and makes between $63,000 and $128,000 annually would get a $300 deduction. Those owing $2000 in property taxes would get a $500 deduction. For people making between $128,000 and $195,000, the savings on federal taxes would total $336 based on $1200 in property taxes and $560 based on $2000 in property taxes.

“It’s a step in the right direction,” Bayh said. “At a time like this, every little bit helps, and we wanted to do our part.”

Bayh also stressed that his bill was designed to promote tax fairness. He said that people who don’t itemize are hit with “double taxation,” which adds “insult to injury.”

Republicans who are joining Hill and Bayh in their effort may tend to stress that aspect of the bill, given that Republican Gov. Mitch Daniels is taking heat over the property tax debacle.

“Congressman Pence believes this is about fairness and equity in the tax system,” Matt Lloyd, Pence’s spokesman, told HPR. “Americans who do not itemize should be entitled to the same tax deductions as those who do.”

In addition to their support for the property tax bill, Pence, Hill and Bayh promote fiscal conservatism. Paying for the measure, which Bayh estimates would cost $7 to $13 billion annually, may present a challenge under rules instituted by congressional Democratic majorities that require spending increases to be financed by higher taxes or lower spending elsewhere in the federal budget.

Neither Hill nor Bayh offered specific programs for the chopping block. Bayh said the bill costs less than the United States is spending each month in Iraq and less than the total cost in the growth of earmarks. He also suggested closing tax loopholes.

“It’s the kind of thing we can afford, if we make it a priority,” Bayh said.

Hill said he will determine how to fund his bill after he receives an estimate of its price tag from the Congressional Budget Office. “As soon as we get that number nailed down, we’ll let (Rep.) Charlie (Rangel, chairman of the Ways and Means Committee) know where we want to go with offsets,” he said.

Another potential hurdle for Hill to overcome may be a philosophical one. Some opponents may charge that the bill undermines the standard tax deduction, which is offered to those who don’t itemize.

Hill hasn’t yet heard that objection from the colleagues he’s approached. “They haven’t raised it,” he said. “It will be interesting to see whether the argument does come up.”

Rep. Hill (left) and Sen. Bayh with Columbus Mayor Fred Armstrong. (HPR Photo by Brian A. Howey)
Daniels chairs tribute to Gordon St. Angelo

By BRIAN A. HOWEY and BEVERLY PHILLIPS

Last week Gordon St. Angelo, the former Indiana Democrat Chair and current CEO of the Friedman Foundation, joined a long list of Gov. Mitch Daniels endorsers that included several prominent Democrats. Gov. Daniels returns the accolades next month as honorary chair for a October 30 reception and dinner at the Columbia Club (Indianapolis). The evening will pay tribute to St. Angelo’s long career in politics, philanthropy, civic and community contributions. Veteran television journalist and Hoosier native Jane Pauley will appear in a video that includes former Indianapolis Mayors Bill Hudnut and Stephen Goldsmith, former Rep. Lee Hamilton, Rep. Mike Pence and others who have worked with St. Angelo over the years. “Legacy of Achievement” event proceeds will benefit the Friedman Foundation, a leading national advocate for parental choice in education. More information at www.friedmanfoundation.org.

Sen. Mitchell to speak at Purdue Leadership Series

Former Senator George Mitchell (D) who represented Maine for 14 years will keynote Purdue University’s Krannert School of Management seventh annual Leadership Speakers Series on October 25, 6:30 p.m at Purdue Memorial Union. He was the Senate Majority Leader from 1989 until he retired from elected office in 1995. A Nobel Peace Prize nominee, Mitchell is known for his peace advocacy work and served as Special Envoy to Northern Ireland following his retirement. He played a critical role in the 1998 Belfast Peace Agreement. He also led Walt Disney Company as Chairman for three years after shareholders ousted Michael Eisner. Ticket deadline to the scholarship fundraiser is September 27. Contact tnewton@purdue.edu.

Diva unveils new stamp in New York as Marion County plans for enforcement

Plagued by ongoing jury no-shows in Marion County, judges plan to start enforcing failure to appear penalties beginning February 1. Marion Superior Court Presiding Judge Gerald S. Zore says beginning early next year, qualified citizens in Marion County who fail to report to jury duty may face fines or be required to complete community service work. Last week the United States Postal Service also unveiled a new Jury Duty stamp at a star-studded event in New York City led by pop icon Mariah Carey. “We are honored that the postal service is playing part in raising social awareness of jury service,” Judge Zore said. Marion County judges plan to use the new jury duty stamps as they gear up for the enforcement effort that no-doubt will please many and anger others.

Thompson tops Howard Co. Straw Poll

The Howard County Republican Party held the First Annual Chairman’s Reception and Presidential Straw Poll at Republican Headquarters on September 19.

Special dignitaries in attendance were: State Republican Party Chairman Murray Clark, State Sen. Brandt Hershman and State Rep. Jim Buck

There was a turnout of 108 people for the event. All proceeds went to the Republican candidates fall campaigns. The straw poll numbers were: Fred Thompson 59%; Rudolph Giuliani 15%; Mitt Romney 13%; John McCain 7%; Mike Huckabee 2%; Sen. Sam Brownback 2%; Newt Gingrich 2% (write-in vote).

Lugar passport reminder

With only ten days remaining before travel regulations requiring a U.S. Passport for all international destinations are reinstated, U.S. Sen. Dick Lugar reminded Hoosiers to be prepared for the change in rules. On June 8, 2007, the State Department and the Department of Homeland Defense suspended the new rules requiring Americans to have a valid U.S. Passport for re-entry into the United States following air travel to Canada, Mexico, Bermuda, and the Caribbean. That suspension ends exactly 10 days from now (September 30) and citizens traveling to any international destination thereafter will need a passport.
Health care strengthens Hillary and GOP campaigns

By MARK CURRY

WASHINGTON - On Tuesday, U.S. Sen. Hillary Clinton proposed a health care plan that pleased many Democratic voters almost as much as it motivated Republicans to work for her defeat.

"I'm excited and confident," the New York Democratic Senator said during a webcast to explain how her plan will "finally cover every single American with insurance."

"It's my highest domestic priority so I will get to work on it as soon as I become president," she said.

Clinton claims her American Health Choices Plan "will secure, simplify and ensure choice in health coverage for all Americans... with no overall increase in health spending or taxes. For those with health insurance, the plan builds on the current system to give businesses and their employees greater choice of health plans - including keeping the ones they have - while lowering costs and improving quality."

She intends to pay for half of the plan's estimated $110 billion price tag by eliminating the Bush tax cuts to Americans making over $250,000 a year. The other half would be realized through savings brought about by making the current health care system more modern and efficient.

Of course, this was not Clinton's first foray into the health care debate, as noted in a Wall Street Journal opinion article that summarized the prevailing Republican attitude towards universal health care in general and Hillary Clinton in particular.

"The former first lady's 1993-94 health-care overhaul ended disastrously," the Journal's editorial stated. "Still, it poured the philosophical and policy foundations of the current health-care debate. As she unveils HillaryCare II, Mrs. Clinton likes to joke that it's 'deja vu all over again' - and it is, unfortunately. Her new plan... mentions "choice" so many times that it sounds like a Freudian slip. And sure enough, 'choice' for Mrs. Clinton means using different means that will arrive at the same end: an expensive, bureaucratic, government-run system that restricts choice."

It didn't take long for Clinton's GOP counterparts to pounce. The Los Angeles Times reported on a fundraising letter issued by Rudy Giuliani's national chairman, Pat Oxford.

"Higher taxes, socialized medicine, liberal judges writing laws from the bench, a state of denial about the terrorists' war on us.... It's enough to give us nightmares," Oxford wrote, adding that New York's former mayor would stop "the Clinton attack machine."

But Clinton's plan has drawn wide support from pundits and others, and it is likely to sit well with many Democrats. Although it will be a week or two before polls can document voter reaction, CBS released the results of a survey Tuesday that found "Democratic primary voters express more confidence in her ability to handle health care than in her chief Democratic rivals, Senator Barack Obama and former Senator John Edwards."

Crisis of political faith

"Political leaders of the religious right are stepping up efforts to find a consensus choice," reports Shawn Zeller of Congressional Quarterly.

So far, no Republican candidate has emerged as a clear option for evangelical conservatives in the 2008 contest. Any presidential wannabe will face tough scrutiny from the segment that makes up as much as one-third of voters in GOP primaries.

"What I hear and see is that if you were a Republican candidate in the past, you got a pass on close scrutiny on key issues," Tony Perkins, president of the Family Research Council, tells CQ. "I don't think that's going to be the case anymore. They are going to have to verify their credentials in order to gain the support of social conservatives."

Just yesterday, the Associated Press reported that James Dobson of Focus on the Family indicated he will not support GOP hopeful Fred Thompson.

"Isn't Thompson the candidate who is opposed to a Constitutional amendment to protect marriage, believes there should be 50 different definitions of marriage in the U.S., favors McCain-Feingold, won't talk at all about what he believes, and can't speak his way out of a paper bag on the campaign trail?" Dobson wrote in a message to friends.

"He has no passion, no zeal, and no apparent 'want to.' And yet he is apparently the Great Hope that burns in the breasts of many conservative Christians? Well, not for me, my brothers. Not for me!"
The AP article also noted that earlier this year Dobson wrote on a conservative news Web site that he wouldn’t support Giuliani should he win the Republican nomination. Dobson called Giuliani an “unapologetic supporter of abortion on demand” and criticized him for signing a bill in 1997 creating domestic-partnership benefits in New York City.

Wazzup?

Here are highlights of upcoming campaign events gleaned from the "Futures Calendar" published by the ABC News political blog, The Note.

**Sept. 20** - Iowa AARP and Iowa Public Television host a Democratic Candidate Forum in Davenport. Former President Bill Clinton to appear on "The Daily Show with Jon Stewart."

**Sept. 21-23** - Nearly all GOP presidential candidates will speak at the Mackinac, Mich., Republican Leadership Conference.

**Sept. 26** - DNC presidential debate in Hanover, N.H., to be broadcast on NBC News/MSNBC.

**Sept. 27** - PBS hosts a debate of the Republican presidential candidates at Morgan State University in Baltimore.

---

**Hoosier Support List**

**Giuliani:** Marion County Prosecutor Carl Brizzi, Stephen Goldsmith, Tim Durham, Beurt SerVaas, Steve Hilbert.

**McCain:** Gov. Mitch Daniels; Attorney General Steve Carter.

**Romney:** Secretary of State Todd Rokita, James Bopp Jr., Dan Dumezich, Bob Grand, Chris Chocola.


---

**2008 State Presidential Polls**

<table>
<thead>
<tr>
<th>Iowa (R)</th>
<th>Date</th>
<th>Romney</th>
<th>Giuliani</th>
<th>Thompson</th>
<th>McCain</th>
<th>Huckabee</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAT/Bloomberg</td>
<td>Sept. 6-10</td>
<td>28</td>
<td>16</td>
<td>16</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>ARG</td>
<td>Aug. 26-29</td>
<td>27</td>
<td>17</td>
<td>13</td>
<td>5</td>
<td>14</td>
</tr>
</tbody>
</table>

**New Hampshire (R)**

Rasmussen  

<table>
<thead>
<tr>
<th>Date</th>
<th>Romney</th>
<th>Giuliani</th>
<th>Thompson</th>
<th>McCain</th>
<th>Huckabee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 16</td>
<td>25</td>
<td>22</td>
<td>19</td>
<td>12</td>
<td>4</td>
</tr>
</tbody>
</table>

**South Carolina (R)**

LAT/Bloomberg  

<table>
<thead>
<tr>
<th>Date</th>
<th>Romney</th>
<th>Giuliani</th>
<th>Thompson</th>
<th>McCain</th>
<th>Huckabee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 6-10</td>
<td>9</td>
<td>23</td>
<td>26</td>
<td>15</td>
<td>6</td>
</tr>
</tbody>
</table>

**Michigan (R)**

ARG  

<table>
<thead>
<tr>
<th>Date</th>
<th>Romney</th>
<th>Giuliani</th>
<th>Thompson</th>
<th>McCain</th>
<th>Huckabee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 1-4</td>
<td>39</td>
<td>13</td>
<td>12</td>
<td>9</td>
<td>4</td>
</tr>
</tbody>
</table>

**Iowa (D)**

LAT/Bloomberg  

<table>
<thead>
<tr>
<th>Date</th>
<th>Clinton</th>
<th>Edwards</th>
<th>Obama</th>
<th>Richardson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 6-10</td>
<td>28</td>
<td>23</td>
<td>19</td>
<td>10</td>
</tr>
<tr>
<td>Aug. 26-29</td>
<td>28</td>
<td>20</td>
<td>23</td>
<td>13</td>
</tr>
</tbody>
</table>

**N. Hampshire (D)**

Franklin Pierce  

<table>
<thead>
<tr>
<th>Date</th>
<th>Romney</th>
<th>Giuliani</th>
<th>Thompson</th>
<th>McCain</th>
<th>Huckabee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 11-14</td>
<td>39</td>
<td>12</td>
<td>19</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

**South Carolina (D)**

LAT/Bloomberg  

<table>
<thead>
<tr>
<th>Date</th>
<th>Romney</th>
<th>Giuliani</th>
<th>Thompson</th>
<th>McCain</th>
<th>Huckabee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 9-10</td>
<td>45</td>
<td>7</td>
<td>27</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**Michigan (D)**

ARG  

<table>
<thead>
<tr>
<th>Date</th>
<th>Romney</th>
<th>Giuliani</th>
<th>Thompson</th>
<th>McCain</th>
<th>Huckabee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 1-4</td>
<td>43</td>
<td>14</td>
<td>21</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>
Frank Gray, Fort Wayne Journal Gazette
- Not long ago I overheard a couple of men discussing the Bureau of Motor Vehicles. "Have you been in there lately?" one asked. "Yeah," the other said. "It was unbelievable." Oh goody, I thought. Another tale of woe from the BMV. I wondered what they had done now. Tell me more. Instead of an account of yet another debacle at the hands of an unresponsive bureaucracy, I got a story I was totally unprepared for. It was great, both men said. One told of trying to get plates for a car he had just bought. Time was the clerk would gruffly ask where the car was and stomp out to check the vehicle identification number with the car's title. This time, the man was politely told to bring the car to the front door where they would check the VIN and get the paperwork done quickly. He told of how the clerks -- there seem to be more than in the past -- stood at their stations waiting for the next customer to approach. When it was your turn to pay (that's still all you do at the license branch) they didn't just yell, "Next!" Customers weren't required to remember to take a slip of paper and watch a counter on the wall. Instead, the clerk called your name, and when you approached, they smiled. "I've never had such a pleasant time spending $200," the other man said. ✤

Rich James, Post-Tribune - Indianapolis is the largest city in the country that is not on a navigable waterway -- be it a river, lake or ocean. Much of that city's success has to do with Unigov, which was created by Dick Lugar when he was mayor of Indianapolis in the early 1970s. Unigov resulted in the merging of virtually all government in Marion County, with a mayor and city-county council running the show. In other words, limited government. Indiana State University did a study in the 1980s about the possibility of bringing Unigov to Lake County. Judging by the local reaction, you would have thought people were being asked to give up their first born. It was a wonderful idea, but one that never would have worked in Lake County for a host of reasons. What led me to drag Unigov out of the closet was the flurry of stories over the last month about the county, municipalities and schools going through the 2008 budget adoption process. Taxes and more taxes. Let's get real. Does Lake County really need 16 school districts, 16 police departments and seven library districts? Lake County has more towns than common sense. There's nothing magical or even geographical, in most cases, about a town limit. There's no way to know you've driven from Munster into Highland unless you happen to see a sign. The same can be said about Hammond and East Chicago, and Schererville and Dyer. All this government is the biggest reason taxes are so high in Lake County. Short of Unigov -- which would mean breaking up city government that's older than dirt and, in some cases, less clean -- I don't know if there is a simple answer. ✤

Gary Gerard, Warsaw Times-Union - There has been lots of talk about property taxes in Indiana lately, and rightly so. There's talk of repealing the property tax and increasing the sales and income taxes to make up the difference. That idea may have some merit and political traction. Even if that idea doesn't fly, something likely will happen with regard to property taxes because nobody seems to think the status quo is working. So it seems to me big changes are coming in the way we pay taxes. But no matter what the change, the fact is, we taxpayers have a pretty significant burden. At the same time, we hear that local taxing units - schools, cities, towns, townships, cops, firemen - are all telling us they are strapped for cash. In all the debate about taxes, I haven't heard a great deal of talk about these taxing units spending less money. Quite the contrary, we keep coming up with more creative ways to take money from taxpayers - Economic Development Income Taxes, County Option Income Taxes, County Adjusted Gross Income Taxes, Food and Beverage Taxes, Innkeepers Tax, Cigarette Taxes, Fuel Taxes. These are just off the top of my head. Here's an excerpt from a story we did a while back when Warsaw Schools was building its Performing Arts Center.... "The 980-seat auditorium is equipped with a Vortec Rigging System for the curtains and other stage equipment... WCHS is one of only 10 high schools in the country to have the state-of-the-art system." Could we have lived without the 4,200-seat football field? Could we have lived without the $400,000 concession stand? ✤
Hume calls casino sale rules ‘extortion’

INDIANAPOLIS - A bipartisan commission of lawmakers said yesterday that Gov. Mitch Daniels’ administration has gone too far with new rules seeking to reap money or other benefits for the state when casinos and horse tracks change owners (Weidenbener, Louisville Courier-Journal).

“It is on the borderline of extortion,” said Sen. Lindel Hume, D-Princeton, a member of the Administrative Rules Oversight Commission. The oversight commission plans to consider proposals at its next meeting that would recommend legislation to ban the practice, restrict it or develop a new policy about fees that gambling companies must pay when they change owners. The group spent more than two hours questioning Ernie Yelton, the Indiana Gaming Commission’s executive director, about the new ownership rules and the recently approved standards for casino construction. Rep. Scott Pelath, D-Michigan City, chairman of the Oversight Commission, accused the Gaming Commission of taking “liberal interpretations of state laws” rather than more conservative ones.

He said the new construction standards, for example, are allowing Argoys in Lawrenceburg and Horseshoe Hammond in Lake County to build casinos that are more like buildings on barges than boats, even though lawmakers have decided not to allow barge-based gambling. The construction rules mean that the new casinos will be substantially larger than ever envisioned, Pelath said. That’s a decision that should be left to lawmakers, he told Yelton. But Yelton defended the commission’s actions, saying that nothing in state law restricts the size of a casino. He said the new building standards -- which became necessary after the Coast Guard said it would no longer certify new Indiana casinos because they remain docked at all times -- still require the casinos to have propulsion systems. They are not barges, Yelton said.

Former Calumet Trustee Dozier Allen indicted

HAMMOND - Former eight-term Calumet Township Trustee Dozier Allen Jr. and three of his former deputy trustees were indicted by a federal grand jury Thursday for allegedly making illegal payments to themselves out of a Department of Workforce Development grant (Times of Northwest Indiana). The indictment, announced by the U.S. attorney at the Hammond federal courthouse, accuses Allen and former deputy trustees Wanda Joshua, Ann Marie Karras and Albert Young Jr., of taking money from a grant that was intended to help the township train employees. Current Trustee Mary Elgin confirmed last year that documents relating to the grants, totaling up to $170,000, were subpoe naed in late fall and removed by the FBI. She said she was interviewed in the matter by the U.S. Department of Labor’s Office of Inspector General. Allen, Joshua, Karras and Young are accused of illegally pillaging $143,000 of that grant money. “I think they wanted to know what did we do with the money versus what did the Allen administration do,” Elgin said last year. “We put the money into training, they paid the money to themselves.”

BSU students march in support of Jena 6

MUNCIE - About 100 students marched on the campus of Ball State University this morning to show their support for the “Jena 6,” high school students in Jena, La., facing criminal charges in the beating of a white classmate (Muncie Star Press). With individuals holding signs that read “Free Jena 6” and “Don’t let history repeat itself,” the group began the march at 8 a.m. at LaFollette Field.

Madison mayor denies PD strip search of women

MADISON - Mayor Al bert Huntington has denied allegations of police misconduct and an attempted cover-up by officials in connection with strip searches of three young women after a Jan. 19 traffic stop (Associated Press). In a statement dated Tuesday, Huntington said many of the allegations in a lawsuit that the women filed Monday in Jefferson Circuit Court against the city, the mayor and other officials are “unfounded” and “will be denied.” The lawsuit also named five police officers and two firefighters as defendants.