

# OTOC calls on People to Vote Against Initiative 423

In November a proposed constitutional amendment, Initiative 423, will be on the ballot in Nebraska. It would place a rigid spending limit on all state expenses. Last summer an army of paid petitioners, financed by people outside Nebraska, garnered enough signatures to place this initiative on the ballot. This proposed amendment would use a formula to limit increases in state spending each year to the rate of inflation and/or an increase in population. In 1992 similar measure was passed in Colorado under the name “Taxpayer Bill of Rights” (or TABOR). After careful research of the proposal, OTOC leaders call for opposition to it for these reasons:

1. INITIATIVE 423 will hurt homeowners of every income level. In recent years the property taxes in Omaha have been raised either through rate increases or increased valuation of property. Arbitrary limits to state spending will make further increases in property taxes more likely. Limits to state spending will likely result in cuts to state aid to public schools, counties and municipalities. Further increases in property taxes would be necessary to make up the shortfall. Had INITIATIVE 423 been in place during the last 10 years, it could have shifted \$831 million onto the backs of property owners of the state, according to the Center for Rural Affairs.
2. Limiting state spending based on the rate of inflation does not reflect the real world demands of state government. The inflation rate is based on an increase in prices of a “market basket” of consumer goods such as: food and beverages, housing, apparel, transportation, medical care, recreation, education and communication and other goods and services (tobacco and smoking products, haircuts and other personal services, funeral expenses). State spending does not reflect the same priorities as a household. For instance, the percentage of spending on health care is much higher for the state than it is for a family. Also, the State of Nebraska (and any other state) has expenditures not reflected in this consumer “market basket” such as construction of roads, funding public education, providing for the security of citizens.
3. Spending by the state can and must be regulated by the real world political negotiations among and between its citizens. There is no magic formula that can replace the responsible participation of citizens, residents and elected officials.
4. INITIATIVE 423 would hurt our seniors, one of the fastest growing segments of our population who depend on many public services—such as home health care and Meals on Wheels—services that would be reduced by INITIATIVE 423. Initiative 423 would also affect Medicaid and could reduce access to nursing homes and affordable prescription drugs.
5. TABOR is a proven failure in Colorado—the only state where it exists. Coloradans voted to suspend TABOR in 2005 because it forced a reduction in the state’s homestead exemption, as well as cuts in health care, economic development and education.
6. The new Learning Community concept depends on increases in state aid for all the school districts in the Omaha metro. Passage of INITIATIVE 423 makes it very likely that state aid would be cut and force more funding of public education onto an already burdened property tax rate.

For more information about why this proposal is bad for Nebraska, please visit  
[www.NotInNebraska.com](http://www.NotInNebraska.com)

# Who is AGAINST Initiative 423 ?

Members of the non-partisan coalition **Nebraskans Against 423** (as of 10/3/06):

American Association of Retired Persons Nebraska	Nebraska Library Association
American Council of Engineering Companies/ Nebr	Nebraska Medical Association
Associated General Contractors Nebraska Chapter	Nebraska Professional Fire Fighters Association
Building Strong Families Foundation	Nebraska PTA
Catholic Charities	Nebraska Rural Community Schools Association
Center for Rural Affairs	Nebraska Rural Health Association
Center for People in Need	Nebraska Speech Language and Hearing Association
Epworth Village, Inc	Nebraska State Education Association
League of Nebraska Municipalities	Nebraska State Volunteer Firefighter's Association
League of Women Voters of Nebraska	Nebraskans for Research
Lincoln Firefighters Association – Local 644	NOVA Therapeutic Community
National Alliance on Mental Illness, Nebraska Chapter	Omaha Together One Community (OTOC)
Nebraska AFL-CIO	Service Employees IU #226
Nebraska Assisted Living Association	Sierra Club Nebraska Chapter
Nebraska Association of Behavioral Health Organizations	State Troopers Association of Nebraska
Nebraska Association of County Officials	UNO – American Assoc. of University Professors
Nebraska Association of Public Employees Local 251	Voices for Children in Nebraska
Nebraska Association of Public Employees Local 61	YMCA of Greater Omaha
Nebraska Association of Retired School Personnel	
Nebraska Association of School Boards	<b>OTHERS WHO OPPOSE INITIATIVE 423</b>
Nebraska Assisted Living Association	Nebraska Farm Bureau
Nebraska Chapter National Assoc. of Social Workers	Nebraska State Chamber of Commerce & Industry
Nebraska City Management Association	Nebraska Telephone Association
Nebraska Council of School Administrators	Nebraska Board of Regents
Nebraska Comm. College Assoc. Council of Presidents	Nebraska Realtors Association
Nebraska Farmers Union	Nebraska State Board of Education
Nebraska Fraternal Order of Police	Nebraska State Home Builders
Nebraska Health Care Association	Omaha Chamber of Commerce
Nebraska Hospital Association	Governor Dave Heineman (R)
Nebraska Iowa Primary Care Association	Nominee for Governor, David Hahn (D)

## Who is behind Initiative 423 ?

- **Two out-of-state organizations sponsored** and financed the Nebraska petition campaign. Americans for Limited Government, Glenview, IL., put its name on the petition filing. America at its Best, located in Boise, ID, poured more than \$800,000 into the effort to push this constitutional change, and paid out-of-state headhunters up to \$10 and more per signature to qualify the issue for the ballot.
- **Neither organization has stated publicly their interest in changing Nebraska's Constitution.** However, the campaign in Nebraska and at least six other states has been linked to Howard Rich, a billionaire New York City real estate investor. Rich isn't tipping his hand, either, as to motives for tinkering with our Nebraska Constitution.
- **Fronting the spending lid campaign in Nebraska** are North Platte tax activist Mike Groene and failed gubernatorial candidate Dave Nabity.
- **Similar spending lids are on the ballot in Oklahoma, Montana, Nevada, Oregon and Maine.** Meanwhile, a similar petition campaign in Missouri was ruled invalid because of fraud; and fraud allegations have cropped up in Montana, Michigan and elsewhere.
- **Campaign analysts expect the lid supporters, led by Rich, to spend as much as \$2 million** or more in the campaign to pass the ballot issue in Nebraska.