



The Marshall Constitution

David J. Bennett's book describes Governor's 1911-12 attempt to leave the 19th century behind

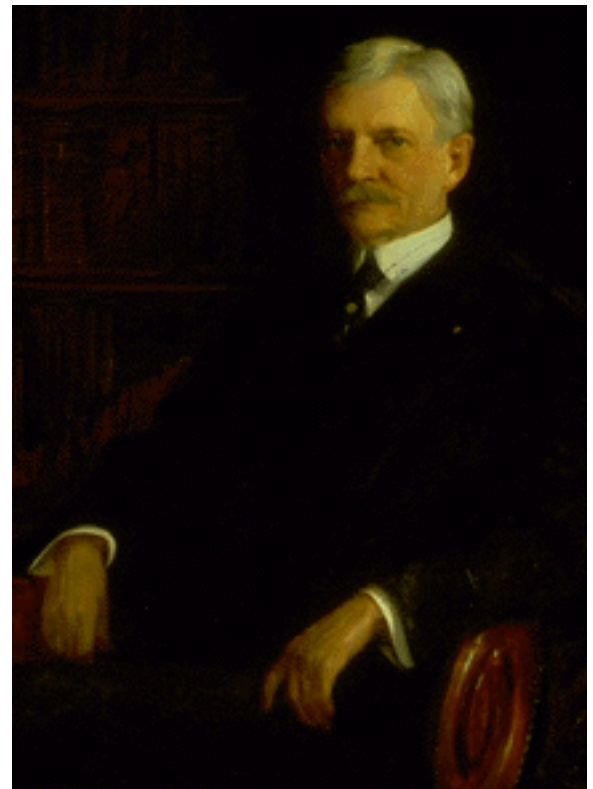
By **BRIAN A. HOWEY**

INDIANAPOLIS - Last week, former Gov. Joe Kernan spoke to the South Bend Rotary Club and brought up the topic of a Constitutional Convention, which, he said, "we've not had in a long, long time."

Kernan, who is co-chair of the Indiana Blue Ribbon Commission on Local Government Reform, then spoke the words proponents of the Con-Con have long used. Indiana is operating off of a 150-year-old blueprint. "There aren't many outfits or organizations that have the same structure they had 150 years ago and are still around," Kernan said.

The last Hoosier who had any success at rewriting the Indiana Constitution was Gov. Thomas Riley Marshall, who was elected in 1908 and, two years later, found his Democratic Party controlling both the House and Senate. And, ultimately, he would fail.

Fort Wayne author David J. Bennett has an excellent new book out on Marshall - "**He Almost Changed the World: The Life and Times of Thomas Riley Marshall**" - that recounts the 1911-12 sequence when he tried to modernize Indiana government. One aspect was particularly interesting. Marshall did not want a Constitu-



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Matt Kelty's stunning fall

By **BRIAN A. HOWEY**

FORT WAYNE - For those of us who know Republican mayoral nominee Matt Kelty, Wednesday was a sad day. There he was ... in a jail mugshot. There were images of Kelty being led away in handcuffs. For anyone who knows

Matt Kelty, these are the last things we ever expected to see. He was a former district director for Sens. Dick Lugar and Dan Coats, two of the squeakiest clean political figures in Indiana.

Kelty knows politics. He worked on Lugar's 1994 re-election campaign and was a grassroots organizer during Lugar's presidential campaign in Iowa a year later. In 2002, Kelty came within 63 votes



Brian Howey's Column



"I think it is very clear what should have happened and it didn't happen and that is why these charges have resulted."

- **Special Prosecutor Dan Sigler of Columbia City, on the indictment of Fort Wayne mayoral nominee Matt Kelty**



of upsetting State Rep. Winfield Moses Jr., knocking on 10,000 doors during a 16-week time span. Coats had appointed him to the Congressional Student Program. He was a precinct worker. As his website says, "Matt has been in politics at all levels."

Which leads us to 2007 and what has become an unmitigated disaster for Kelty, Fort Wayne Republicans and the family advocacy groups so involved in his campaign.

The Right to Life movement has been involved with Kelty's mayoral campaign from its earliest moments. Sources tell me there is a concerted effort by Right to Life and other family organizations to recruit and run candidates of that stripe for city and county offices. These subsequent officeholders will then be poised to move into legislative, congressional and, yes, perhaps even the governor's office after the Daniels era passes. These groups bristled at Gov. Daniels when he suggested just prior to his re-election kickoff that he had little stomach for some of the wedge issues such as the anti-gay marriage amendment (Indiana already has such a law on its books).

If there was ever a poster boy for this ingenious strategy, it was Matt Kelty. Eyebrows were lifting when Right to Life and the Indiana Family Institute became so involved in the Kelty campaign, given the fact that abortion is not a municipal issue. Pornography, massage parlors and violent video games are local issues and, thus, relevant. This turned off some of the "economic" Republicans who defected to Mayor Graham Richard over the past two elections.

But it was the pro-life wing that propelled Kelty to a stunning upset victory last May by a narrow margin when just about every establishment Republican from Senate President Pro Temp David Long, to city councilmen, to U.S. Rep, Mark Souder backed Allen County Commissioner Nelson Peters. Kelty's grassroots organization was energized and effective. And, well, they cheated.

This is where Kelty over-

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reached with catastrophic results. Allen County Right to Life President Fred Rost "personally" loaned him \$140,000. A Zogby poll came out of nowhere in the final weeks of the primary campaign and shattered the illusion of Peters' inevitable ascendancy. No one could tell where the poll came from or who

hours before the complaint hit Republican Prosecutor Karen Richard's desk, Kelty was quoted as saying, "Case closed. Period." In a twist of irony, Richards reached out to Dan Sigler, the attorney who prosecuted Mayor Win Moses in 1985. According to GOP Chairmen Steve Shine and Jim Banks of



Kelty's mugshot, with Sen. Lugar as a staffer, and Rep. Souder's July endorsement where the congressman characterized the grand jury as a political vendetta.

paid for it ... until after the primary election, when Kelty filed a campaign addendum acknowledging the "personal" loans were used for campaign purposes. It mocked campaign finance laws that intended to offer transparency so that money (and polls) don't flit into the public domain out of nowhere in the final days.

Super lawyer Jim Bopp was summoned to the defense. The GOP majority on the Election Board sided with Kelty. In Bopp's wake, Curt Smith of the Indiana Family Institute said, "that takes care of that." Less than 24

Whitley County, Sigler, they said, had an impeccable reputation for fairness.

The most damning element of the nine count indictment handed down by Sigler's grand jury were two counts of felony perjury stemming from the Zogby poll that changed the environment. Kelty, it is alleged, lied to a grand jury. And then last Wednesday: mugshots, perp walks, handcuffs, the exit through a courthouse side door. A courthouse lawn rally took place several hours later when a defiant Kelty insisted he had done "nothing wrong" and declared that "in the meantime we wage



a vigorous campaign. We will win the election in November. In the end, we will prevail."

That is wishful thinking. The Fort Wayne Republican Party is a house divided. Several GOP executive committee members upset by the sneak poll attack on Peters testified before the grand jury, proof the party is probably beyond repair going into an election sequence where they had a real shot at winning in Indiana's second largest city.

A Lugar or Coats campaign would never have pulled

the kind of fast ones that Kelty has allegedly perpetrated in this race. It is a stunning fall for a rising star. He was positioned to become the political poster child for family values and strong moral character while playing by the rules.

Those in the family advocacy circles who protest what they call a vendetta may find themselves walking the fine line between having the credibility of true believers and wanting something so badly they will sell their own political souls. ❖

Marshall Constitution: From page 1

tional Convention. Marshall believed one "would be fraught with great danger and would shake the state into a great passion."

But that didn't prevent Marshall from trying to change Hoosier government. This fascinating period of Hoosier history when Indiana culture, society and politics played a vital role in the American

progressive era, began on Jan. 5, 1911 with Marshall's State of the State Address in the Indiana House. It was then that, as Bennett wrote, Marshall signaled his desire to change Indiana's 1851 Constitution. He told legislators that there were "certain provisions of our constitution that do not meet present conditions." Having said that, Gov. Marshall said he didn't want to see it "radically altered."

Bennett describes what happened a few days later: "Few could have expected the magnitude of his proposal to the legislative session of 1911. Legislators, newspapermen and most of the electorate were stunned by the sweeping magnitude of Marshall's proposal."

Indiana's original 1816 Constitution featured a provision that actually required a ballot question as to whether a Con-Con should be sought every 12 years. According to the **Indiana Historical Bureau**, between 1820 and 1847 Hoosiers attempted 15 times to call a convention for the purpose of revising their constitution; they were successful five times in bringing the matter to a referendum vote. It was not until 1848, however, that Gov. James Whitcomb, members of the General Assembly, and Indiana voters in general united in a call for a Constitutional Convention. It was a fairly long and detailed process from Gov. Whitcomb's call in December 1848 for a convention to the actual convening of the delegates in October 1850. Once the Indiana General Assembly and the

governor approved the legislation in January 1849 to call a convention, they presented the issue to the voters during the statewide elections of August 1849. Of the 138,918 votes cast in the election, 81,500 favored a convention; 57,418 were opposed to the measure.

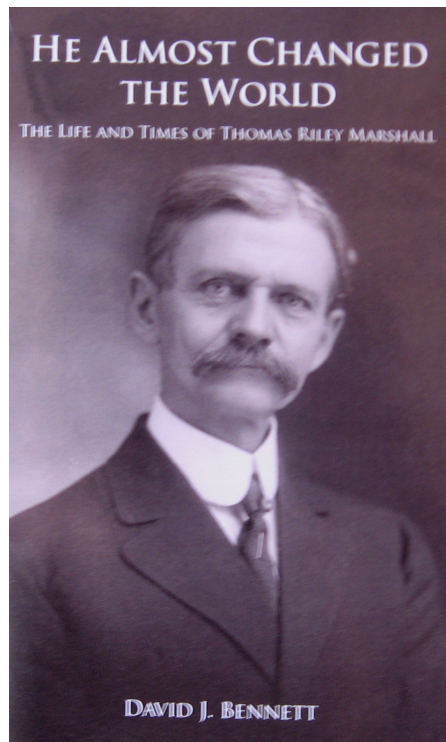
The Internal Improvements Act of 1836 changed everything. In building a network of canals, the program was mismanaged and corrupted, and then the railroads came, resulting in Indiana declaring bankruptcy, which ignited the 1850 Con-Con that paved the way for our current 1851 Constitution. Hoosier voters overwhelmingly approved the new constitution, 113,230 to 27,638, according to the Indiana Historical Bureau. At the same time, voters approved the exclusion of blacks from the state by a vote of 113,828 to 21,873,

As Kernan's counterpart on the current Blue Ribbon Commission, Chief Justice Randall Shepard, noted at the 2005 HPR Forum, the 1851 Constitution prohibited state borrowing except for an emergency. Local governments could not commit to indebtedness in excess of 2 percent of assessed valuation. The only qualification for an attorney to be admitted to the bar was "good moral character."

Marshall feared that a Con-Con would, as Bennett described, provide an opportunity for special interests across the state ranging from prohibitionists to women's suffragists to gain favor through a provision in the new document.

Enter Jacob Piatt Dunn, a former journalist and state librarian, who became one of Gov. Marshall's top aides. It was Dunn who wrote much of the Marshall Constitution. It included issues that are still debated in Indiana.

The hallmark of the 1911 proposal was that it provided two devices that returned power directly to the voters. Language regarding initiative and referendum would allow citizens to propose their own issues and take them directly to voters. It provided the ability to recall any



DAVID J. BENNETT



elected official beyond judges.

It proposed substantial changes in Indiana's three branches of government. It would have strengthened the weak Indiana governor by giving the office a line-item veto and a three-fifths super majority to override vetoes. It would have increased the Indiana House from 100 to 130 members. It proposed increasing the Indiana Supreme Court from five to 11 justices.

There were changes for voters that included men 21 and older. It would have required voters to pay a poll tax. Bennett wrote that "Dunn felt (it) would sharply limit the practice of vote buying." All voters would be required to read English.

Marshall was concerned that immigrants were given too many rights just months after arriving in Indiana. In a letter to Judge Elbert Gary, president of U.S. Steel, Marshall wrote, "I am convinced, by the testimony which was taken after the last election, that more than 2,000 of the employees of your corporation voted at the election when they had only landed in America in February and March of that year. Our state constitution is weak in that it permits the man who has been in America a year upon declaring his intention to become a citizen, at the same time to become a voter."

Republicans opposed

Bennett writes that Republicans were uniformly opposed to the new constitution. But little of the debate focused on the reform proposals within the document. Opponents focused on Marshall's method of adopting a new constitution. Rather than call a Constitutional Convention, which was the commonly accepted method of constitutional adoption, Dunn advised Marshall that the new constitution could be put into effect with a majority vote of the legislature and signature of the governor, followed by voter approval at the next general election.

One Republican senator offered a cynical resolution declaring Gov. Marshall a "committee of one" with the power of adopting a new constitution. He said Marshall would be given the power to: "revise the Lord's Prayer, amend the Declaration of Independence, repeal the Mosaic Law, bring the 39 articles of faith down to date, abridge the Sermon on the Mount, and do all other things as will appear in his infinite wisdom and supreme interest in the welfare of the people, to be fitting and proper."

Despite that opposition, SB407 passed the Senate on Feb. 27, 1911, and the House on March 2. Marshall signed it on March 4, 1911.

A Democratic judge from Marion County granted an

injunction that prohibited the question from appearing on the 1912 ballot. It was appealed to the Indiana Supreme Court. It was the judiciary in Indianapolis and Washington D.C., that would kill the Marshall Constitution.

Stricter qualifications for attorneys were proposed and passed in 1897-99 and placed on the ballot in 1900. They passed 240,031 to 144,072. The problem was that the 240,000 votes for new qualifications were less than half of the more than 500,000 votes cast.

Bennett picks up the story: Since the Constitution of 1851 blocked any further amendments while a decision was still pending before the voters, no additional amendments could be considered until the attorney qualification question was resolved.

On July 5, 1912, the Indiana Supreme Court by 3-2 voted upheld the injunction. The Democratic chief justice wrote that the Indiana General Assembly did not have the power to replace or amend the constitution. A minority opinion expressed that the Indiana Supreme Court overstepped its authority when it voided a measure before it was voted on by the electorate. In the minority opinion, this argument was made: Suppose the General Assembly had enacted a bill and asked a messenger to take the law to the governor for his signature. "Would anyone imagine the progress of the messenger could be

arrested by an injunction?"

Gov. Marshall believed the high court erred: "I think no fair-minded man, now unmoved by the excitement of these times, will dare dispute the logic and the law of the minority opinion. It was never intended by me that in the event of its ratification and adoption at the general election any person, injured in person or property or civic rights thereby, might not raise the question as to whether it had been lawfully or constitutionally enacted, and that when so raised the Supreme Court of the state of Indiana could, if the fact and the law warranted it, declare it unconstitutional and void. But my contention was, is now and ever shall be that there was never a more flagrant interference on the part of the judicial with the rights, privileges and duties of the legislature and executive branches of government than is contained in the majority opinion of the Supreme Court of the State of Indiana."

Gov. Marshall was urged to ignore the ruling. He said, "I did not feel that I could afford to show any disrespect to the majority of the Supreme Court of the State of Indiana, or to lessen the respect in which I was teaching the people to hold the court's opinions, by myself openly flaunting one of its opinions. And so I obeyed the judgment of the court. I had no respect for it and now have a





supreme contempt for it.”

The U.S. Supreme Court refused to hear the case due to a technical error.

The Marshall Constitution was dead, but it captured the attention of Democrats nationally. With former President Theodore Roosevelt splitting with his hand-picked successor, President William Howard Taft, and running as the Bull Moose candidate in 1912, Marshall’s reputation as a reformer catapulted him on the ticket with Woodrow Wilson and, in 1912, the proverbial heartbeat (though not a stroke) away.

Marshall found himself at a Washington dinner party with one of the U.S. Supreme Court justices and pressed him on the high court’s rejection hearing the Marshall Constitution case. Vice President Marshall explained, “I made bold, at a dinner party in Washington, to ask the justice who denied the writ why he did so; why he took advantage of the slight technicality and his answer was: If we had gone into the case we should have been compelled to decide that you were right and that the Supreme Court of Indiana was wrong, and that was a thing we did not care to do unless we had to, it being the invariable policy of the Supreme Court not to interfere, if it can avoid doing so, in any political questions arising in any of the states of the Union.”

In 1913, according to the Indiana Historical Bureau, State Sen. Evan Stotsenburg of New Albany wrote 22 amendments to the 1851 Constitution that copied much of the Marshall Constitution. They passed the General Assembly that year, but they were rejected by the legislature in 1914. Voters also rejected a call for a Constitutional Convention that year. From 1932 to 1968, voters approved 13 amendments. In 1967, the Indiana Constitution Revision Commission that included State Sen. Robert D. Orr, commenced work that resulted in several new amendments. Since 1970, there have been 21 amendments to the Indiana Constitution.

Daniels, Kernan & a Con-Con

When Gov. Daniels announced the appointment of Gov. Kernan and Chief Justice Shepard, he charged them with four main points, the fourth of which reads: What

constitutional, statutory, administrative, or other changes are necessary to achieve significant reforms in the structure and organization of Indiana state government?

Legal sources tell HPR that they have looked into what would be needed to call a Constitutional Convention. They report:

1. Legislation passed in two successive General Assemblies and placed on the next general election ballot amending Article 16 of the 1851 Constitution by providing a mechanism to amend the Constitution by convention, calling a convention, electing delegates, and ratify proposals;

2. Legislation passed in one session creating a mechanism to call a convention and elect delegates. Under this later approach, the convention would simply be advisory and report adopted proposals back to the General Assembly in the form of a resolution. The General Assembly would then have the discretion to act to amend the constitution as provided under Article 16, Sections 1 & 2 and of the current Constitution.

HPR’s legal sources explain, “The second approach would be faster to implement and give the people a voice. However, it would not be binding and there are some questions about how such legislation would conflict with Article 16 as well as whether the ratified proposals would ever be enacted by tGeneral Assembly.

Either method would provide for a key goal Gov. Daniels has long told HPR he favors: providing a useful exercise in democracy while allowing citizens to think about how they want to be governed. The approach depends upon whether the political parties should elect delegates who might have a better appreciation of the ideas up for debate or whether the delegates are elected by the public at large. Gov. Daniels has said he would prefer a wide-spectrum of citizenry to participate as delegates, expressing concerns about the same special interests and legislators who now call the shots.

Our legal source noted, “I think 156 years is a long time and our Jeffersonian document could use some updating. However, there are provisions in there that have been durable and I would hope remain.” ❖



Gov. Daniels (right) with former Gov. Kernan and Chief Justice Shepard in July. (HPR Photo by Brian A. Howey)



Townships under the gun

By **BRIAN A. HOWEY**

INDIANAPOLIS - Griffith Councilman Rick Ryfa has been able to gather 3,000 names on a petition seeking the town's secession from Calumet Township.

The reason? According to the **Times of Northwest Indiana**, Griffith antes up \$3.2 million annually to the township for poor relief and welfare services. The Town Council has said only about 60 Griffith residents receive any aid in return. According to the **Indianapolis Star**, members of the advisory board in Lake County's Calumet Township, which has met just three times this year, will each get a monthly paycheck of \$2,100, or \$25,000 a year.

The **Star** took aim at Center Township in Indianapolis, which is notorious for devoting 66 cents of every dollar of poor relief to "wasteful overhead." It has also accumulated more than \$10 million in real estate, which it continues to hold despite the current tax crisis. Its top administrative officer, Trustee Carl Drummer, is among the highest paid township officials in the state, with an annual salary of \$74,500, about \$21,000 less than what Indianapolis Mayor Bart Peterson is paid.

But the spending doesn't stop there. The township's seven advisory board members, who have met only twice this year, receive salaries of \$5,000 a year, which is almost half of what state legislators are paid to work at least 60 days a year.

The **Star** revealed that former Wayne Township Trustee Dan Gammon awarded a \$30,000 contract to his wife to manage the township's former fire training center. Despite those reports, township government has remained alive and well, apparently because it offers lucrative gigs for those who build the base of support for state and local politicians.

Each member of Warren Township's board, having met five times so far this year, will be paid \$5,300 this year. The township also provides life insurance to board members.

Their colleagues in Perry Township, who met seven times this year, get \$4,000 a year. But they are also eligible for low-cost health insurance similar to what's given full-time workers. They each pay only \$50 a month for themselves and their family, or about half the amount a township firefighter would pay. That benefit costs taxpayers \$10,000 a year for each board member who is on the plan.

Pigeon Township Assessor Paul Hatfield in Vanderburgh County said township-level offices, such as his,

should have been abolished years ago, saying county taxpayers could save \$300,000 to \$400,000 a year (**Evansville Courier & Press**) "I think the general consensus of the population would be (in favor of eliminating the township offices) because it means they're going to get a fair assessment on their property, which in many cases means it would be lower," Hatfield said.

Last July, during State Rep. David Orentlicher's town hall meeting in Carmel, Marion County Assessor Greg Bowes said, "We should have centralized assessing. My handicap is that I have to rely on township assessors to do their jobs."

Marion County Assessor Greg Bowes, a former Pike Township assessor, said, "When you voted for an assessor, did you know who he or she was? Did you know their qualifications?"

That's the kind of dismal coverage township government has been getting in this summer of Hoosier discontent.

Want more? **Times of Northwest Indiana** editorial page editor Doug Ross is calling for spending freezes and supports the Kernan-Shepard Commission "in its efforts to re-examine how government operates in Indiana, in

hopes that streamlining will bring the cost down." Ross added: Plan a constitutional convention to draft a form of government more suited to the 21st century than in 1851, when the current Constitution was written. There's no reason for a single county to have dozens of taxing entities."

Post-Tribune columnist Rich James said in a recent column, "The only way to reduce the cost of local government is to get rid of some of it. Good luck." **Louisville Courier-Journal** columnist Leslie Stedman Weidenbener wrote, "For

the system to work, however, the base values need to be correct. Assessors need to do an equitable job in assigning the values that serve as the base for trending. And there's evidence that's not happening everywhere. Lawmakers are hearing from people all over the state who complain that their assessments don't come close to their homes' market values. Some complain about inequities in their neighborhoods -- one home next door to a similar home assessed for far less."

Throughout the past couple of years, Gov. Mitch Daniels begged local governments to reform themselves before the state gets involved. With Kernan-Shepard, consider the state involved and potentially invasive.

Have the townships heeded the governor's warning?

Nope. ❖



Angry citizens in Carmel in July vented to Rep. David Orentlicher. (HPR Photo by Brian A. Howey)



The property tax repeal is picking up steam

By **BRIAN A. HOWEY**

INDIANAPOLIS - There is growing evidence that Indiana's political and public policy strata are beginning to position themselves for what could be an epochal change in how government is funded.

More and more are coming out in favor of repealing property taxes. Indiana Farm Bureau President Don Villwock isn't a surprise: the IFB has been advocating an end to property taxes for nearly 75 years.

"It is actually gaining traction," Villwock said following his press conference at the Indiana State Fair on Wednesday (Read his op-ed on the subject on page 8). "It's got the attention of nearly everybody in the legislature and it's got the ear of people at the highest level. We've got the ear of the people and legislators are very nervous. The legislature knows that they have to do something meaningful instead of a Band Aid."

As for Gov. Mitch Daniels, Villwock said that early on, he felt that if Indiana could grow economically and increase valuations, the state could have grown out of the crisis. "It was a grand idea, but I think we'll implode before we get to that point," Villwock said. "He's got me convinced that he's looking for real and lasting reform."

Advance America's Eric Miller's latest property tax rally at Madison drew 200 people. Another potential convert is Madison Mayor Al Huntington, who is in a tight re-election battle. Another is State Rep. Dave Cheatham.

"We have a property tax crisis here in Jefferson County and across the state, and because of that your home, your family, your future and your retirement are at risk," Miller said (**Madison Courier**). He was met with resounding applause. Miller said to raise one tax in order to lower another is not practical, although he conceded that additional sales and income tax increases would be necessary for replacement revenue only after the repeal of property taxes. "That is just another Band-Aid to a gaping wound. There is only one permanent solution to protect homeowners, senior citizens, farmers and businesses, and that is to permanently repeal taxes with a constitutional amendment," Miller said, adding that control on state and local spending is also key in successful property tax repeal.

This past week, local governments in Evansville, St. Joseph and Floyd counties, and Fort Wayne Community Schools announced they were either cutting or flat-lining budgets. The state ordered Gary to cut \$11 million from its

budget

Rep. Cheatham said, "A person has a right to own a home and not have to borrow money to pay their property taxes. I have a daughter who purchased a house, and at the time she purchased it her property taxes were \$2,000. She is now facing a property tax bill of \$7,000."

Mayor Huntington said he supports the idea after his own property taxes went up 40 percent. It is the third consecutive year he's seen an increase. But he had concerns. "With the property tax repeal plan we learned about tonight, sales tax would increase from 6 percent to 8 percent," Huntington said. "What I worry will happen is that people will travel to Kentucky to purchase big-ticket items such as cars, and we could have an economic crisis on our hands."

Villwock said that type of thought occurs when Indiana is seen as isolated. But the same types of issues are buffeting other states. "Our neighbors are asking the same questions. Illinois is in a greater crisis than we are,"

he said. "They still don't have a budget."

Therein lies an attraction that Gov. Daniels has longed talked about: Indiana becoming a leader in reshaping its government for the 21st Century. That's why there's the Kernan-Shepard Commission on government reform and talk of a possible Constitutional Convention. If Indiana repealed property taxes, you can bet that Illinois, Ohio, Michigan



and Kentucky will take notice and possibly follow suit.

The Indiana's Commission on State Tax and Financing Policy will examine the feasibility of eliminating property taxes at its fourth meeting of the summer, scheduled for 1 p.m. Monday, Aug. 27, in Room 404 of the Statehouse.

State Sen. Luke Kenley said the commission will not only look at the repeal, but how much replacement revenue would be needed, and experiences of other states efforts to significantly reduce property taxes.

There was ample warning that preserving anything close to the status quo could result in a political obituary.



Franklin Township Assessor Becky Williams, president of the Indiana Assessor's Association, said that Indianapolis taxpayers will be in for a rude surprise when the reassessment is finished. She told **Abdul in the Morning** on WXNT-AM that if all commercial and industrial parcels were increased 20 percent, there would only be a "3 to 4 percent decrease" in residential property taxes. "That ain't gonna

happen," Williams said. "When they get their reconciliation bill next year it's going to be higher than last year. This has been a stall tactic. They are just playing political games. They're going to be pretty mad when this hits again." Williams said that some officials have told her that the legislature will intervene before this happens. ❖

It's time for Indiana to get rid of property taxes

By **DON VILLWOCK**
Indiana Farm Bureau

As individual counties finish the "trending" process and tax bills are mailed out, taxpayers across the state are vocally reacting to the experience of property tax sticker shock. The immediate concern of these taxpayers is, of course, the amount of their tax bills. The fact that property taxes do not reflect the taxpayer's ability to pay has become dramatically clear as individual taxpayers across the state have opened their bills.

But as they examine the property tax system closer, these taxpayers have come to understand the other concerns that Farm Bureau has been voicing for years.

They understand that property taxes bear no relationship at all to the benefits provided by government to the property itself.

They understand that property taxes often tax debt rather than wealth. This is especially true in the case of homeowners with large mortgages.

They understand that property taxes are unpredictable and that quick fixes for political purposes do nothing to address the underlying inequities inherent in the property tax system.

They understand that property taxes penalize citizens who own their own homes and take pride in the maintenance and upkeep of their property.

They understand that the taxes on similar parcels of property vary widely across the state because no matter what the basis of assessment is, the rules will always require a high degree of subjective interpretation by the assessors themselves.

They understand that senior citizens on fixed incomes cannot annually see their property taxes increase.

They understand that wealth that is invested in

intangibles such as stocks, bonds and other securities is completely sheltered from property taxes. The state's message to its financially successful citizens is: Reinvest in Indiana property and you'll be taxed; send your money to Wall Street and we'll give you a pass on property taxes.

They understand that we have devised a property tax system that is so difficult to understand that not only are taxpayers confused by it, but the public officials charged with its administration are also.

They understand that property taxes are expensive to collect and that the assessment process consumes much of the revenue that property taxes generate.

They understand that if it's necessary to grant a property tax abatement to entice a business into our state, there's something fundamentally wrong with the tax itself.

Finally, they now understand what Farm Bureau has been saying for years. It is time for Indiana to get rid of property taxes.

What should replace property taxes? A tax that is based on economic activity, such as an income tax or a sales tax, would, by its very nature, reflect the taxpayer's ability to pay. Such a tax would be understandable; it would be significantly less expensive to administer and collect; it not would require the objective application of difficult standards by 1,100 different elected assessors; and it would

help encourage investment and economic growth throughout the state.

What should we avoid? Another quick fix that quiets those taxpayers who complain the loudest or represent the most votes but leaves the state's antiquated property tax system intact. Short-term solutions such as the elimination of the inventory tax simply redirect the burden of property taxes for political purposes. They exacerbate rather than address the larger problems that are inherent in our property tax system.

The solution is obvious: Call your elected officials and tell them: It is time for Indiana to get rid of property taxes. ❖



Farm Bureau President Don Villwock has made the most cogent case for repealing property taxes with this op-ed. Villwock is shown at a Wednesday presser at the Indiana State Fair. The IFB has collected more than 3,000 signatures on a petition calling for a property tax repeal. (Farm Bureau Photo)



2007 Mayoral

Fort Wayne: Republican: Matthew Kelty. Democrat: Tom Henry. **2003 Results:** Richard (D) 27,251, Buskirk (R) 19,701. **2007 Forecast:** Kelty was to make a preliminary appearance before Superior Court Judge Fran Gull to enter a plea. Allen County Republican precinct officials will meet next week to debate the future of Matt Kelty's mayoral candidacy (**Fort Wayne Journal Gazette**). Steve Shine, Allen County Republican chairman, said Tuesday he called all county precinct chairs and vice chair, including those from outside Fort Wayne, to meet Aug. 23 at Republican headquarters. "This party belongs to the people and not any one individual or candidate," Shine said. He said the meeting would be to discuss how to move forward after Kelty was charged in a nine-count criminal indictment Tuesday. Shine said, "I do not believe under any circumstances that Dan Sigler has a political agenda which would have colored the manner in which he would have acted." The meeting with precinct officials will be closed to the public and media to allow the officials to speak freely, Shine said. He said the precinct officials will direct the conversation. The party, however, would need Kelty's cooperation to remove him from the ballot, even if it wanted to go forward with another candidate. Under no circumstances can a political party remove a primary election winner just because it wants to. The deadline for Kelty to withdraw from the ballot without reason also passed in July. The only way a candidate now can be removed from the fall election is to die, be convicted of a felony or move out of the district where the candidate is seeking office. While speaking Wednesday at an event intended to discuss a safe homes program for Fort Wayne, Henry addressed questions about the nine-count criminal indictment Republican nominee Matt Kelty is facing. "Yesterday (Tuesday) was a very sad day for our community," Henry said. "We were exposed to something our city has never experienced before." Henry said he refuses to take advantage of the situation, however, although he remarked that he felt it would be difficult to balance a mayoral campaign and a legal defense. "Our campaign is not going to change," he said. "Matt Kelty is still my opponent." **Status: SAFE HENRY.**



Indianapolis: Democrat: Mayor Bart Peterson. Republican: Greg Ballard. **2003 Results:** Peterson (D) 92,763, Jordan (R) 55,354. **2007 Forecast:** The property tax crisis has taken a toll on Indianapolis Mayor Bart Peterson's political prospects, according to a new poll by Public Opinion Strategies commissioned by Marion County Republicans. A similar poll in June had Peterson leading Republican Greg Ballard 61-25 percent. But the latest survey conducted on Aug. 1-2 (300 likely, ±5.6%) shows that lead has now sagged to 50-37 percent. The



PETERSON

danger for the Peterson campaign is that Ballard hasn't spent a cent on paid media while the mayor has conducted several extensive TV ad sequences. The poll said that in June, the right/wrong track numbers stood at 42/41 percent, but in the August survey, they are now 26/64 percent. The poll was comprised of 41 percent Democrats and 40 percent Republicans. In June, the party identification was 40 percent Democrat and 35 percent Republican. POS attributes this to the property tax crisis that erupted in late June, as well as the recent \$90 million income tax increase that Mayor Peterson pushed through the City-County Council in July. The survey was taken prior to last Monday's council meeting when Mayor Peterson presented the 1998 city budget while angry citizens were locked out, enduring 90 degree heat. That event has generated some of the most negative news coverage in Peterson's two terms in office. "The significance is the people of Marion County have clearly come to understand the Bart Peterson leadership is not in their interest," said GOP Chairman Tom Johns. "Greg Ballard is clearly poised to make a serious run at the mayor's office." They survey said that Peterson's re-elect numbers stood at 54 percent during the June, with the hard re-elect at 28 percent, but those numbers have sagged to 41 percent. Peterson's favorables stood at 64/28 percent in June and now stand at 52/42 percent. Marion County Democratic Chairman Michael O'Connor "The mayor has weathered some pretty difficult times." **HPR ANALYSIS:** Ballard has a few weeks to show he can raise some money and show traction. He will also have to convince many skeptical people that he is truly qualified to lead this city since he has little political connections. If he can't, Peterson will probably win, though it will be more of an uninspired victory (i.e. Goldsmith over Z. Mae Jimison in 1995), but for now the mayor is in dangerous territory. **Status: LEANS PETERSON.**

2007 Legislative

HD40 Caucus: Wednesday was the deadline to file for the HD40 seat vacated by former State Rep. Matt Whetstone. The list included: James H. Bryant, Jr., Ryan Kelley West, Monica Scott, John W. Timm, David Berryman, Gregory E. Steuerwald, Karl P. Buetow, David W. Fuhrman, Richard B. Enlow, Sr., Zachary Rice, Stephan L. Stanton, Kendall Hendricks, Walter J. Brown and Barbara Quandt. Berryman and Fuhrman had challenged Whetstone in the 2006 Republican primary. West, a former Department of Agriculture employee now with the Soy Bean Council, has been endorsed by former Sen. Dick Thompson. **Status: LEANS WEST.** ❖



THE BOAR'S NEST

Thompson resigns DA role; Hoosiers say 'cheese'

By **BEVERLY PHILLIPS**

Although federal regulations don't apply to cable networks, TNT says it will voluntarily pull episodes of Law & Order featuring **Fred Thompson** (pictured, right) should he run for president. The former Tennessee senator asked NBC to release him from his contract and the network says it will not schedule any more episodes featuring Thompson beyond September 1st. Former actors-turned-politicians **Ronald Reagan** and **Arnold Schwarzenegger** faced similar bans due to FCC equal time regulations for political candidates on public airwaves. Thompson will be in Indianapolis next weekend and is scheduled to speak at the Midwest Republican Leadership Conference.



Indiana courts, cops, cars and cheese make national news

Indiana made national news on a number of topics this week ranging from a court ruling to a multimillionaire's car collecting strategy to cheese sculpting.

Marion Superior Court (Indianapolis) was featured in a **New York Times** article about a judge's ruling dismissing a DUI case because the arresting officer may not have legal arrest powers. Police officers of the newly merged Indianapolis Police Department and Marion County Sheriff's Department were invited to a non-mandatory, swearing in ceremony earlier this year that most did not attend. The issue now goes to the Indiana Court of Appeals for clarification and if upheld, could have far-reaching consequences for criminal cases filed after the merger.

Also making headlines this week is Indianapolis businessman and classic car collector **Tim Durham**. He was featured in a New York Times article on the benefits of leasing high priced autos like his \$1.5 million Bugatti

Veyron, yours too for a mere \$400,000 down and \$20,000 a month lease payments.

Indiana's love of racing made CNN news. On display at the Indiana State Fair, Our Land Pavillion, is a 1,300 pound cheese sculpture depicting a winning Indy 500 driver chugging milk. Ohio artist **Sarah Kaufmann** created the sculpture for the American Dairy Association. The dairy industry ranks as Indiana's fourth largest agricultural concern.

And, of course, our favorite: First Lady **Cheri Daniels** milking a cow Wednesday at the Indiana State Fair.



First Lady Cheri Daniels milks a cow, caught by WRTV on Wednesday. CNN covered the cheese sculpture.

Court of Appeals vacancy

The Indiana Court of Appeals will fill another vacancy in May 2008 when Judge **John T. Sharpnack**, Fifth District, steps down due to mandatory retirement at 75. By law, applicants must reside in the 1st District that roughly covers the southern third of the state. Applications are tentatively due Nov. 1. ❖

Got a tip for the Boar's Nest? Send it to: phillipsgroup@comcast.net



Crooks fears the Hillary effect

A new national poll out shows Rudy Giuliani and Hillary Clinton hanging onto double-digit leads in their respective primaries, and in a dogfight in general election trial heats. The Quinnipiac University poll of 1,545 registered voters taken Aug. 7-13 shows Clinton leading the Democratic field with 36%, followed by Barack Obama, 21%; Al Gore, 15%; John Edwards, 9%; and the rest of the field at 3% or less. On the GOP side, Giuliani takes first place with 28%, followed by Mitt Romney, 15%; Fred Thompson, 12%; John McCain, 11%; Newt Gingrich, 7%; and the rest of the field at 2% or less. That poll came after an Associated Press story that revealed more than 40 Democratic candidates, consultants and party chairs



from all regions of the country were fretting about a Clinton nomination. They pointed internal polls that give Clinton strikingly high unfavorable ratings in places with key congressional and state races.

"I'm not sure it would be fatal in Indiana, but she would be a drag" on many candidates, said Democratic State Rep. Dave Crooks of Washington, Ind.

Unlike Crooks, most Democratic leaders agreed to talk frankly about Clinton's political coattails only if they remained anonymous, fearing reprisals from the New York senator's campaign. They all expressed admiration for Clinton, and some said they would publicly support her fierce fight for the nomination, despite privately held fears. The chairman of a Midwest state party called Clinton a nightmare for congressional and state legislative candidates. ❖

2008 State Presidential Polls

Iowa (R)	Date	Romney	Giuliani	Thompson	McCain	Huckabee
Univ. of Iowa	July 29-Aug.1	27	11	7	3	3
ARG	July 26-30	21	22	13	17	1

New Hampshire (R)

Rasmussen	Aug. 9	32	20	7	11	-
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South Carolina (R)

ARG	July 26-30	7	28	27	10	Gingrich 7
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Iowa (D)

Date	Clinton	Edwards	Obama	Richardson	
Univ. of Iowa	July 29-Aug.1	27	22	22	11
ARG	July 26-30	30	21	15	13

N. Hampshire (D)

Rasmussen	Aug. 9	37	14	24	9
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South Carolina (D)

ARG	July 26-30	29	18	33	2
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Hoosier Support: **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. **Thompson:** U.S. Rep. Steve Buyer, U.S. Rep. Dan Burton, David McIntosh, Mike McDaniel, Rex Early. **Clinton:** Joe Hogsett, Mel Simon, Bren Simon. **Edwards:** Robin Winston, Ann and Ed DeLaney, 9th CD Chair Mike Jones, State Reps. Russ Stilwell, Dennie Oxley, Terri Austin, Terry Goodin, Sheila Klinker, Linda Lawson and Scott Pelath; Robert Kuzman, Greencastle Mayor Nancy Michael, Bill Moreau Jr., Shaw Friedman, Vanderburgh Co. Chairman Mark Owen, 8th CD Vice Chair Mary Lou Terrell, Greg Hahn, Bruce Kehoe. **Obama:** Kip Tew, State Rep. Charlie Brown, Melina Kennedy, State Rep. Mae Dickinson, State Rep. Bill Crawford, State Rep. Jeb Bardone, State Sen. Earline Rogers, Frank Short, Jack Wicks, Andy Miller, John Fernandez, Dennis Lee. ❖



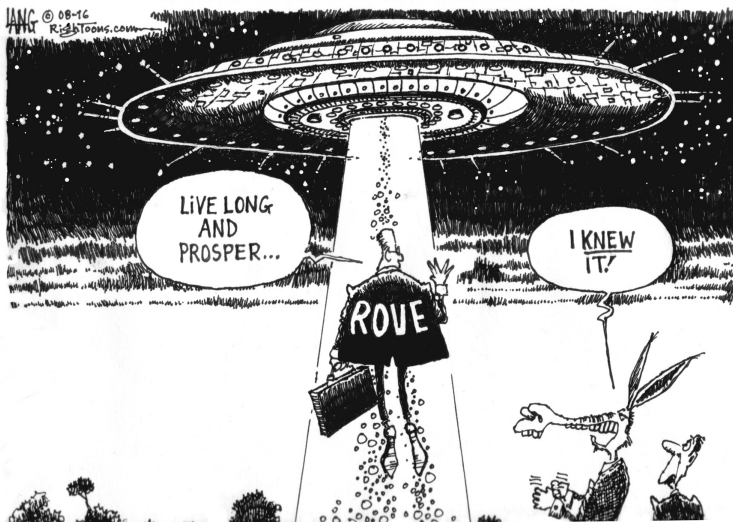
Matt Tully, Indianapolis Star - Mayor Bart Peterson sat with Indianapolis Star reporters and editors earlier this summer and said he wasn't hearing much dissent from the public about his proposed income tax increase. Not hearing dissent? Well, clearly you're not listening, I thought that afternoon, as the mayor provided more evidence to suggest he's not interested in hearing from anyone other than the Kool-Aid drinkers who circle around his administration and feed off the government. It's pretty clear our city's mayor, a man who has so many admirable qualities, has fallen into a second-term bunker filled with loyal aides convinced all the critics are irrational, partisan or out for blood. All of that came bursting into the public consciousness Monday evening, as Peterson delivered a defensive and ineffective 2008 budget speech in a room packed with political supporters while ordinary taxpayers were locked out.

Peterson likes to hear applause when he talks. If you doubt that, go to one of his news conferences. They're usually packed with a posse of aides from various city government agencies. Their job is to smile and clap for the cameras. It makes you wonder why city lawyers, neighborhood liaisons and other taxpayer-funded employees have enough midday free time to play the role of press conference prop. Last week, the mayor wanted supporters on hand as he unveiled his budget plan in front of the City-County Council. He didn't want news coverage to focus on the protesters who have become common at council meetings this summer. But by stacking the room with backers, he got even worse coverage. News stories accurately told the tale of residents locked out by their government. "It's a sad day when we treat citizens like this," Republican Minority Leader Phil Borst said. How right he was. ❖

Gary Gerard, Warsaw Times-Unon
- The Iraq war is polling better these days. In the latest USA Today/Gallup Poll, taken Aug. 3-5, the percentage of those who said the additional troops are "making the situation better" rose from only 22 percent a month ago to 31 percent. A month ago, 51 percent said the "surge" was "not making much difference." That number fell to 41 percent. About the same number - 24 percent then, 25 percent now - said it was making things worse. Enter the

New York Times/CBS poll taken around the same time. It showed that support for going to war in Iraq has risen from 35 percent in May to 42 percent in July. Those thinking it was a bad idea to go to war fell from 61 percent to 54 percent. This is fairly significant in the poll-driven world of big-time U.S. politics. If your a politician seeking election, you don't want to be on the wrong side of public opinion when only 35 percent of the public sees things your way and 61 percent don't. That's why you saw so many defectors from W over the past couple of months. But when the split is 42 to 54, you can live with that. That's close to the margin

of error. You can stick with your position. Sadly, I honestly believe that's the way many politicians stake out their positions - principles be damned. Odd thing about the Times poll, however, is that they didn't believe it. They didn't believe it so much that they didn't publish it right away. Odder still is that the Times admitted they didn't believe it - in print. Janet Elder, the Times's editor of news surveys and election analysis, said the poll was "counter-intuitive" and couldn't "be easily explained." So - in a highly unusual, albeit not unprecedented move - off the Times went a polling again. When the second batch of numbers came in, they were virtually the same. ❖



Abdul Hakim-Shabazz, Indiana Barrister - I'm going to surprise a lot of you today by taking conservatives to task. I have always considered my own politics best summed up as a socially progressive, capitalist pig. In other words, do what you want, just don't ask me to pay for it. And I find it offensive when elected officials use morality as a ploy to get ahead in politics, but when you look at the skeletons in their closet you'll find they have swords and shields. Just go down the list, U.S. Senator David Vitter, evangelist Ted Haggard, Indiana Republican activist Glen Murphy and now Ft. Wayne Mayoral candidate Matt Kelty. Each of these individuals made a political living pointing out the flaws in the moral characters of others and now, with the exception of Murphy, found themselves on the receiving end (insert joke here) of scandal. I accept scandals and politics. However, I like most voters, can't stand hypocrisy. If you're going to run on a platform of family values, it would be nice if you actually had some and left me and mine alone. ❖



Monticello Mayor Fox cops plea deal

MONTICELLO - Five months after his arrest on 39 felony counts of theft and a subsequent Primary Election win, Monticello Mayor Robert Fox (D) entered into a plea agreement Tuesday. Fox's preliminary admission of guilt comes on the heels of an inten-



sive investigation by the Indiana State Police regarding allegedly falsified mileage claims, dating from July 2004 to December 2006 (**Monticello Herald Journal**). After a search warrant was executed in Fox's city hall office in February, expense reports filed by both Fox and his assistant Kim Burns were confiscated by Indiana State Police Sgt. Tim Miller - reports including the mileage claims submitted by Fox to Monticello Clerk/Treasurer Rennatta Berkshire. Republican Mayoral nominee Jason Thompson said, "Hopefully, today's events begin to close this chapter for the people of Monticello, Mayor Fox, his family and friends. Many will always remember Bob as a good public servant and good family man - a career Indiana State Trooper, a local banker and businessman, a husband, father and grandfather. As a community, we cannot change what's happened, but we can work together in a bipartisan way to prevent it from happening again. Accountable leadership, spending and investment have always been key components of my 2007 mayoral campaign to move Monticello forward." As for whether he will resign, Fox said, ""It's up to the court. ... I'm still working every day. I'm still doing my job. I will continue to do my job so long as I'm allowed" (**Lafayette Journal & Courier**).

FSSA ends chaplain job

INDIANAPOLIS - The Rev.

Michael Latham of Fort Wayne is recuperating from an unspecified illness, and he's out of a job (Fort Wayne Journal Gazette). That's because the Family and Social Services Administration decided Aug. 1 to eliminate Latham's position as the agency's chaplain. He also was charged with creating a volunteer network of clergy to assist state employees with the stress of their job. "We decided the program was not living up to its goals," FSSA spokesman Marcus Barlow said.

State sends tax bill help to Clark County

EVANSVILLE - In a move to ease tension with local property-tax officials, two state officials came from Indianapolis to Clark County yesterday to discuss the county's compliance with new reassessment and billing requirements (**Louisville Courier-Journal**). The visit by Peter Miller, deputy director of the Government Efficiency and Financial Planning Office, and Dan Kramer, director of the department of management in the Indiana Finance Authority, was their first aimed at helping a county get its property-tax bills issued.

Logansport GI killed in Iraq crossfire

LOGANSPORT - Army Pfc. Shawn Hensel, 20, of Logansport died Tuesday in Baghdad of his wounds, the Defense Department said. Hensel's family said that Army representatives told them that he was caught in crossfire. "It's still hitting us," said David Hensel, the soldier's father.

Abdullah to resign

INDIANAPOLIS - **Advance Indiana** was the first to report last week on questions surrounding whether City-County Councilor Patricia Abdullallah (D) is a resident of his district. Abdullallah told the Indianapolis Star he would resign his seat due to the residency question. Abdul in the Morning on WXNT reported that Clerk

Beth White knew Abdullallah did not live in the district he represents. Up until a few months ago, Abdullallah has claimed an address at 937 N. Sheffield Avenue, which is in the 15th District, as his residence; however, his address on the council's website changed in recent months to show his address as 1144 N. Warman Avenue, which is located in Counselor Marilyn Pfisterer's 14th District. WXNT's Shabazz reports that the statement of candidacy Abdullallah filed to run for his CCC district this year lists the Warman Avenue address as his residence. That makes his candidacy invalid on its face and that has prompted an investigation by the state according to Hakim-Shabazz. It also raises questions, as Hakim-Shabazz notes, whether Mayor Peterson's \$90 million, 65% increase in the county option income tax is valid because the ordinance was adopted by a single vote with Abdullallah's vote in support of it.

McKillip, Bopp can't explain check

KOKOMO - A \$500 check from one of Kokomo Mayor Matt McKillip's biggest critics apparently wasn't reported properly on a McKillip campaign finance form, but that's about all the Howard County Election Board managed to establish at a formal hearing Wednesday (**Kokomo Tribune**). McKillip, under oath, said he recalled receiving the check from Kokomo dentist Tom Grider at a Grider-hosted dinner party in 2003. But he could not explain why the check did not appear on the campaign finance forms shown to him during the hearing. McKillip's attorney, James Bopp Jr., Terre Haute, said the apparent oversight was a simple matter, most likely made when donation records were transferred from a computerized database to the campaign finance form. "This can be taken care of with an amended [campaign finance] filing," Bopp said. "This kind of thing happens all the time."

