

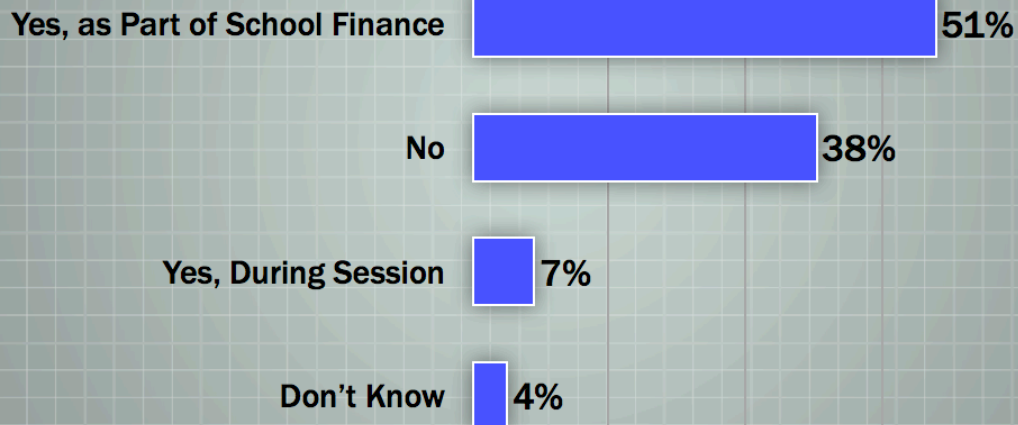
“INSIDE” INTELLIGENCE

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*The Texas Weekly/Texas Tribune insider poll
for the week of March 18*

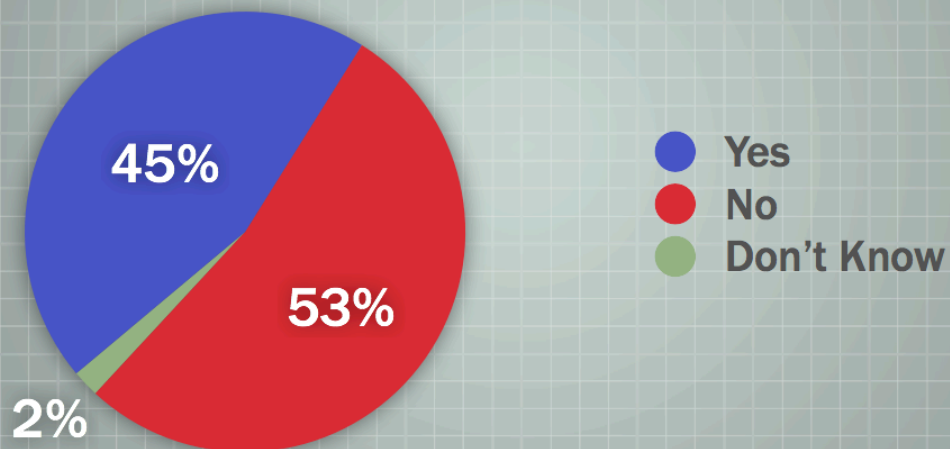
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Will lawmakers make major tax revisions?



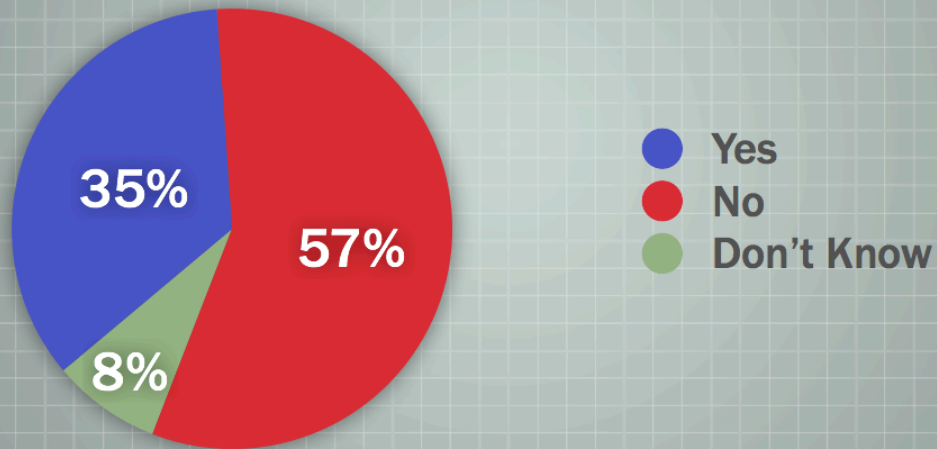
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Should the state control whether local schools grant tax exemptions?



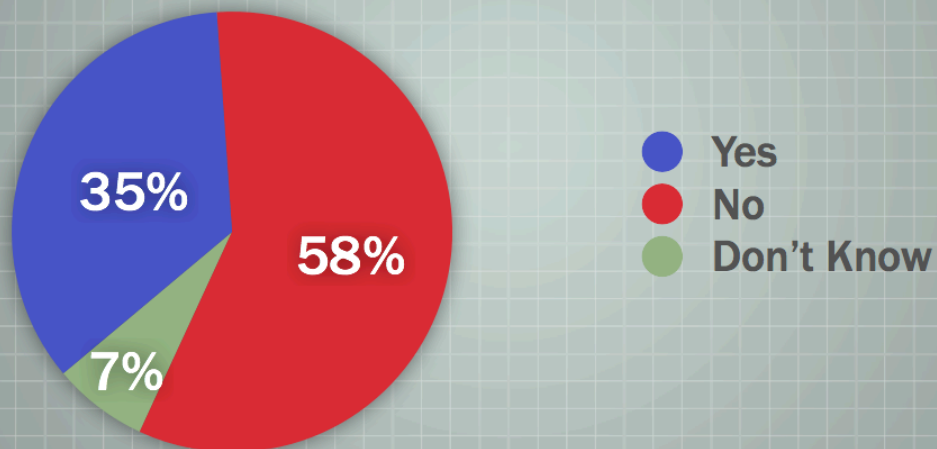
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Will John Cornyn have a serious primary challenger in 2014?



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Is Cornyn's political future at risk?



Should the state control whether local school districts grant property tax exemptions for economic development and other purposes?

- "The state should not control but nor should they make up the difference to the district"
- "This should be a local decision."
- "On one hand it's hard to argue for more local control than local school districts. Additionally, just as a one-size-fits-all approach from DC does NOT work, a similar approach emanating from Austin also fails. What's good for Amarillo might not be good for Brownsville. On the other hand, when it comes to the economic vitality of the state, we need a cooperative approach to ensure we don't lose out on opportunities. Texas first."
- "The state should not control local school district property tax exemptions and the state should not replace the district's property tax loss with state funds. Better local decisions would be made if economic development projects had to produce at least enough local revenue to replace the property tax loss."
- "Purely a local choice for local taxpayers."
- "As long as we are in this unwieldy 'recapture' system, and exemption in Tyler ISD screws up the numbers for everyone. Once we fix this, with a statewide property tax or other revenue option, this will not be an issue."
- "It's difficult to come down hard on one side or the other because the state, or the other school districts, will eventually have to make up the money that the district exempts for economic development."
- "But the state will need to make up the difference in lost revenue."
- "The reality of local control of school district finances died after Edgewood II. We're just pretending now. The state runs finances, and should be able to grant whatever tax incentives are necessary for competitiveness."
- "In a perfect world, school districts would have local control of this decision and we wouldn't have a broken funding model that invariably has subsidizing school districts questioning the activities of subsidized districts."
- "There should be some boundaries set by the state, but control should still primarily rest with local school districts."
- "Has to as long as property values and property taxes drive public school funding."
- "The state is paying (through the school-finance system), so the state should control. But who will guard the guardians? The State Auditor needs to look into the weak job the Comptroller has done in supervising school tax abatements so far, before giving her any more control. And the Lege needs to limit the abatements to a very few worthwhile mega-projects, like Toyota, instead of the 125+ handed out so far."

- "We have way too many property tax give always and the only ones being stuck are homeowners."
- "The state can't take care of its own business."
- "So long as the state provides funding, they may tug the strings."
- "Or, it should let school districts grant tax breaks, but not make up for the revenue they give away (i.e., they do it on their 'own dime', not the state's)."
- "If the ISD wants to eat the cost of an exemption, that's not the state's issue; but if the state is equalizing funding to the lower property values, then the state should have approval authority"
- "Local decisions should remain LOCAL."
- "So long as the schools are receiving state funds- then the state should have some responsibility in the overall effort to attract economic development"
- "State and other ISDs shouldn't have to pay for decision by school district to grant property tax exemption."
- "State should set limits within which the districts may operate for exemptions."
- "School districts are simply the agents that the state employs to deliver education."
- "There is no state property tax, only local property tax. Thus the state should keep their hands off. The state's constant attempt to control property tax exemptions for development comes from a pervasive elitist belief that when it comes to politicians - locals are yokels."
- "However, the state should factor in that decision when calculating redistribution of funding."
- "Tax exemptions on almost every level are out of control.... corporations are flummoxing government officials. It's an unfair fight."
- "As long as the state is on the hook for funding public education, they should get a say in what property is and is not taxed for that purpose."
- "Can't wait until Mayor Castro is buying ads in DFW a la Rick Perry in California!"
- "Making local government compete against each other is as stupid as states competing against each other to 'grow' their economies through poaching, but giving Texas state government more power over local governments is rarely a good idea."
- "Someone has to review this. Go back and review the checkered past of municipal tax abatements."

Will legislators make major revisions to state and local taxes?

- "'Major' is in the eye of the beholder. They will amend the franchise tax but not repeal it. They need to leave it in place as the bottom floor to potentially address school finance and ad valorem taxes next session."
- "Minor tweaks this session. Major overhaul after the TXSC is done, assuming they uphold the district court's findings. If they reverse course, then all is well and nothing to see here."
- "Maybe during a special after courts force tough decisions."
- "Tax cuts are likely during the regular session. Tax increases are likely during the special."
- "Some interest group is going to win the tax relief prize the Governor dangled during his State of the State address. The only question is: who?"
- "Eltife, Hildebrand and others seem to be laying the groundwork for additions and subtract ions."
- "The small-business exemption is a slam-dunk. Some changes in Chapter 313 are likely -- hopefully shrinking the program, which the Comptroller has let run totally amok. R&D tax credits are way too expensive. And swapping property taxes for sales taxes works only in TPPF and Debra Medina's dreams."
- "They lack the stones to pay the tab on schools, and lack the morality to accept free money for poor kids and seniors. No way they can tackle taxes in a meaningful way."
- "Depends on what you mean by 'major'"
- "The court case re-enforces the case against major revisions."
- "Tax INCREASES are reasons to UNELECT officials before, during or after a session."
- "Only major tax changes will be those forced by the courts"
- "If they need more money, they'll wait until they know the final amount before voting. They don't want to have to vote twice on taxes. Of course, with Combs doing the estimating, they might have to do a dozen votes before they get the numbers right..."
- "Why anger the folks back home when you can wait until after the 2014 primaries to address 2010's woes?"
- "Tax bills = MQS = scared legislators. Ergo tax bills = scared legislators"
- "Damn cowards. Absent Republican primaries, they'd deal with it now."

Will U.S. Sen. John Cornyn face a serious challenger in 2014's Republican primary?

- "The Wack-A-Doodle tea party will put up a challenger to Cornyn but he/she will not get serious traction in a regularly scheduled primary and in an off election year."
- "Define 'serious.'"
- "Cornyn seems to think he will. Otherwise, he wouldn't be saying 'me, too' to everything Ted Cruz says. After all, who's the senior senator here?"
- "With Senators Paul, Cruz and Lee making so many headlines and chipping away at the Obama administration, someone is going to try to replicate Cruz's victory in Texas."
- "KBH never faced a serious primary opponent and Big John ain't no KBH!"
- "Between his fundraising and his Cruz-clone behavior of late, Cornyn is probably pretty safe from a primary challenge."
- "He'll have a strong record he can defend against any primary opposition and he'll work hard to do so."
- "He certainly doesn't deserve one. Senator Cornyn is a serious conservative who gets things done in DC. He is also one beat away from being the GOP leader in the Senate."
- "It depends on what your definition of 'serious' is. No reasonable person would have considered Cruz serious two years ago."
- "You can always move to the right in the Republican Party in Texas."
- "Cornyn will crush anyone that comes against him. He is popular and has money to tell his story."
- "Too many folks are looking to think it won't happen."
- "Some right-wing nut job for sure."
- "Not since he started playing it smart by not straying to far from Ted Cruz."
- "As Texas's junior senator, John Cornyn is doing an excellent job of following the lead of his mentor Ted Cruz."
- "He's fortunate, because there is no Cruz-quality challenger for him on the horizon."
- "Too early to tell but it is very possible"
- "Cruz inspired every amateur right winger to run for the top of the ballot"
- "These days it's hard to take any candidate as really 'serious!'"
- "Cornyn is the most articulate and well-liked leader in Texas and one of the best campaigners. He has a strong record standing up to the president and has not given any Republican a reason to challenge him. Whatever hapless Democrat they put up against him will be lucky to pull 40%."
- "Cruz gave the base hope."

- "But keep your eye on Dan Patrick"

Is Cornyn politically at risk, given the current mood of Republican voters?

- "Cornyn has proven conservative credentials, is the incumbent, and the timing is not good for a challenger (regular primary and off election year)."
- "Cornyn has been a conservative stalwart since his days on the Texas Supreme Court, as Texas Attorney General, and as U.S. Senator. If anyone thinks otherwise, they're either new to Texas politics or have short memories."
- "Cornyn would have been at risk in the previous two cycles of rabid idiocy. Calm seems to have come to the majority who want a competent class in elected office. You may not like Cornyn, but incompetent he is not."
- "Senator Cruz has already pulled him to the right in some cases, but I don't think the Taliban wing of the party is going to believe it."
- "Senator Cornyn votes correctly on those issues most important to Texas Republican primary voters -- taxes; defense; foreign policy; judges; and families."
- "While he is somewhat worried, as his recent voting behavior demonstrates, there doesn't seem to be strong groundswell of dissatisfaction with Cornyn the way some of his Republican colleagues experienced in 2010 and 2012."
- ""He has to be careful. Is he following public opinion or is he willing to lead public opinion? He has to avoid the mistakes of Dewhurst. The Bush types got him elected. If he runs toward the Cruz types, he gets vulnerable."
- "Senator Cornyn has a solid conservative record long before Cruz's arrival. The only difference between the two is that Senator Cornyn is less obnoxious when articulating those principles."
- "He's moving right as fast as he can."
- "Not really. Seriously are conservatives really thinking he is not conservative enough? If any serious conservative thinks it they are just out of it."
- "I don't think so but given the current party's propensity to eat its young, keep the red wine handy."
- "The Cruzquester was a perfect storm. No such candidate or circumstance exists in this upcoming primary."
- "Me too politics is NOT Texan. It's good to follow Senator Cruz' leadership, but it reveals Cornyn's experience useless."
- "Not in a March primary."

- "Any statewide official is at risk - provided they don't have the wherewithal to lead on their own. Dewhurst ran a bad campaign b/c he's not a strong leader. Cornyn's strong enough that he should be fine."

- "See above."

- "No, he's already following the lead of our junior senator when it comes to courting primary voters."

- "Texans are so angry at Washington that some theater from elected representatives is required, but Cornyn is virtually incapable of political stagecraft. His ham-handed machinations to avoid a primary challenge have made him a laughingstock."

- "Cornyn doesn't know what segment of the part he belongs to. Obviously, he is trending Tea Party for the sole purpose of avoiding a primary opponent. I don't he has bought into the voodoo of the right

wings wackos. Shouldn't he do so, Texas will be the laughing stock of the US senate."

- "Ted Cruz lit a flame in the hearts of reactionaries across the realm. Perhaps I could be the next great Texas hope..."

- "His vote for the bank bailout and the perception of him as an establishment Republican makes him vulnerable to a well-funded primary challenge."

- "Anyone is at risk."

- "While every Republican incumbent should be worried about challenges, Sen. Cornyn seems have gotten the message of 2012."

- "He'd help his chances if he'd move to the middle. His inclination is to move to the right, but he'd capture more independents and moderate Ds if he'd hold the course."

Our thanks to this week's participants: Gene Acuna, Cathie Adams, Brandon Aghamalian, Jenny Aghamalian, Victor Alcorta, Clyde Alexander, George Allen, Doc Arnold, Jay Arnold, Charles Bailey, Dave Beckwith, Andrew Biar, Allen Blakemore, Tom Blanton, Chris Britton, David Cabrales, Raif Calvert, Lydia Camarillo, Kerry Cammack, Thure Cannon, Snapper Carr, Janis Carter, William Chapman, Elizabeth Christian, Elna Christopher, Rick Cofer, Harold Cook, Beth Cubriel, Randy Cubriel, Curtis Culwell, Denise Davis, Hector De Leon, Eva De Luna-Castro, June Deadrick, Tom Duffy, David Dunn, Richard Dyer, Jeff Eller, Jack Erskine, John Esparza, Jon Fisher, Wil Galloway, Neftali Garcia, Dominic Giarratani, Bruce Gibson, Stephanie Gibson, Eric Glenn, Kinnan Golemon, Jim Grace, Wayne Hamilton, Bill Hammond, Adam Haynes, John Heasley, Jim Henson, Ken Hodges, Steve Holzheuser, Laura Huffman, Deborah Ingersoll, Jason Johnson, Bill Jones, Mark Jones, Robert Jones, Lisa Kaufman, Richard Khouri, Tom Kleinworth, Ramey Ko, Sandy Kress, Dale Laine, Pete Laney, Dick Lavine, James LeBas, Donald Lee, Luke Legate, Leslie Lemon, Ruben Longoria, Vilma Luna, Matt Mackowiak, Phillip Martin, Dan McClung, Parker McCollough, Debra Medina, Robert Miller, Bee Moorhead, Mike Moses, Steve Murdock, Nelson Nease, Keats Norfleet, Pat Nugent, Sylvia Nugent, Gardner

Pate, Robert Peeler, Jerry Philips, Tom Phillips, Wayne Pierce, Allen Place, Royce Poinsett, Kraege Polan, Gary Polland, Jay Propes, Ted Melina Raab, Bill Ratliff, Tim Reeves, Patrick Reinhart, Kim Ross, Jason Sabo, Andy Sansom, Jim Sartwelle, Stan Schlueter, Bruce Scott, Robert Scott, Ben Sebree, Bradford Shields, Jason Skaggs, Ed Small, Martha Smiley, Todd Smith, Larry Soward, Dennis Speight, Bryan Sperry, Jason Stanford, Bill Stevens, Bob Strauser, Colin Strother, Charles Stuart, Michael Quinn Sullivan, Sherry Sylvester, Trey Trainor, Vicki Truitt, Ware Wendell, Ken Whalen, Darren Whitehurst, Seth Winick, Peck Young, Angelo Zottarelli.