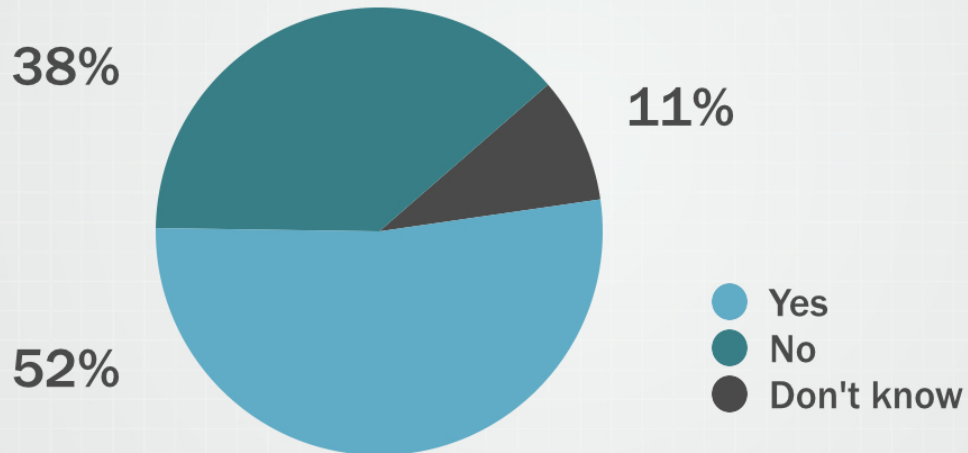


“INSIDE” INTELLIGENCE

*The Texas Weekly/Texas Tribune insider poll
for the week of 6 March 2015*

INSIDE INTELLIGENCE

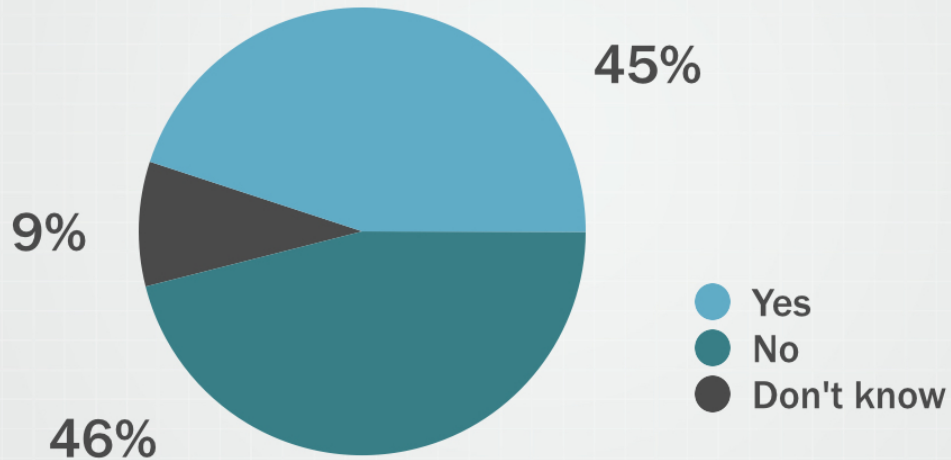
TAX RELIEF SURVIVES FUTURE LEGE DECISIONS?



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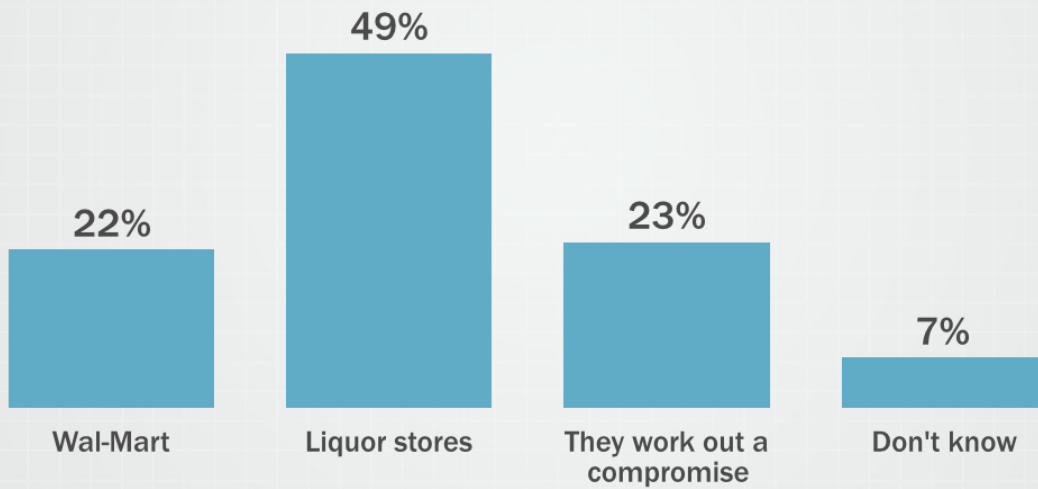
TAX RELIEF DIVERTED TO OTHER PRIORITIES?



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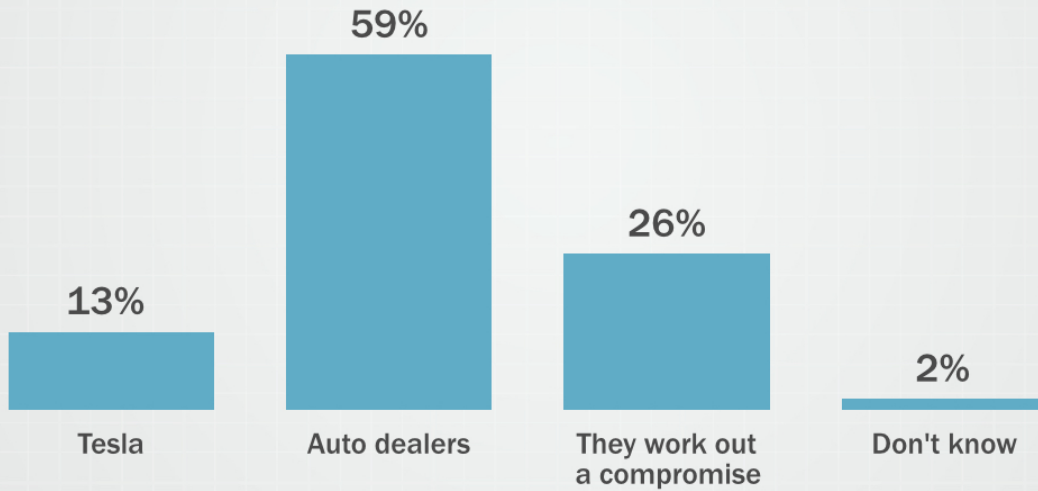
WAL-MART VS. LIQUOR STORES



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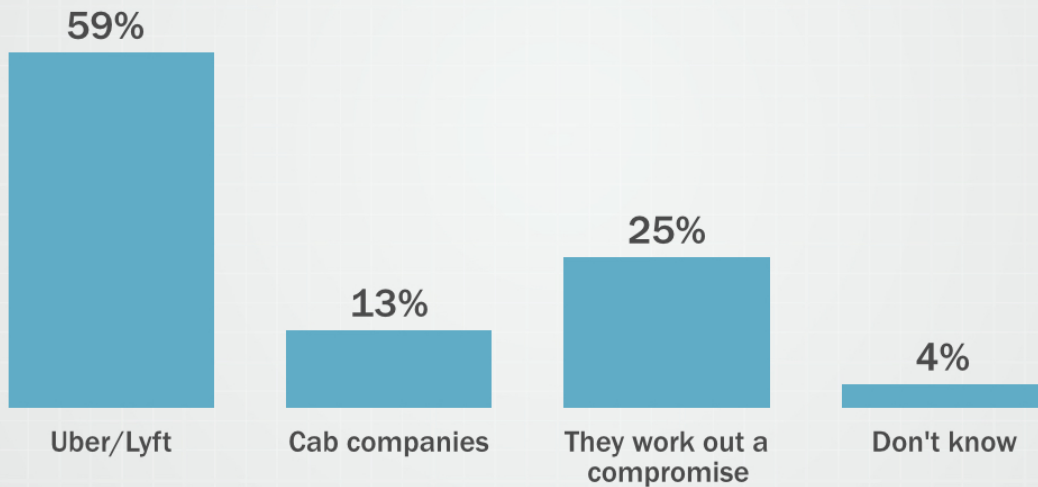
TESLA VS. AUTO DEALERS



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UBER/LYFT VS. CAB COMPANIES



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Will tax relief granted to businesses this session via changes to the margins tax survive a future public school funding fix?

- "Money doesn't fix education. Look at the INCREASE in school funding and show the taxpayers the results. The education investment is NOT producing better educational results."
- "Probably, but here's a better question: 1) will tax relief granted to property owners this session be noticed by property owners, and 2) will that relief survive a future public school funding fix?"
- "Tax cuts are political and have nothing to do with rational thinking or good stewardship of the public trust."

We forget the OTHER side of the tax question — what we BUY with our tax money. I'd rather buy good schools, good roads, and water than get an \$18 a month average tax cut. In the end, not paying down the state's \$40+ billion debt is going to cost our children an awful lot in the future just so the family can have one more meal a month at Burger King today."

- "If they need more money to satisfy the Supreme Court, watch for a sales tax increase."

- "The state is shifting its burden to the business community and local taxpayers. Any judge could see that a mile away."
- "You're assuming that tax changes will actually pass. The two chambers are miles apart on this. Only Abbott might be able to pull them together."
- "Tax cut won't survive, but it's like Vitamin B shot that'll help keep the patient, whose economy is getting hammered with energy shutdowns, healthy."
- "These are politicians they can always work around judges butting into policy which might I add is not the job of judges. They can and will if they really want to. The question is do they have the courage to stand up to judges butting in."
- "Take 4.6 Billion and build some roads!"

Will lawmakers scale back on tax relief to address lowering the state's debt burden or catch up on deferred maintenance on state buildings and other infrastructure?

- "Members will want to claim they lowered taxes. Debt and deferred maintenance are out of sight and therefore out of mind for most."
- "The money is there, but the bureaucracies are infamous for doing a poor job of appropriating it."
- "This is one of the great train wrecks waiting to happen. Clearly most senators want to provide tax relief, whereas most of the adults in the House would rather address the state's debt(s) and catch up on deferred maintenance. Who will blink first? I mean, who will react to MQS's faux-grassroots?"
- "Issues not mutually exclusive. Tax relief priority No. 1; slight tinkering with debt; significant, though not complete catch up on maintenance."
- "Yes, but not by much."
- "This will be a demand of the House."
- "Marginally."
- "Tax cuts to a Republican are like a flame to him. Even if they know it will destroy them, they cannot resist."
- "This isn't a tough decision - school children shouldn't be exposed to rodents, and drivers shouldn't fear traveling over bridges. The fiscal conservative moniker is tired and poorly applied."
- "They will maneuver so that the cost of the tax cuts don't count against the spending limit, then do little or nothing on catching up - except maybe a bit for paying off debt and starting to deal with pension costs."
- "A state employee had to get a rabies shot because she was bitten by a bat at

WORK? We MUST catch up on our maintenance!"

- "The tea party wrote the check the state won't be able to cash because of a campaign promise. Typical politicians."
- "We can only hope!"
- "Surely at some point the adults will assume control of the playground."
- "Compound question — can't answer 'yes/no.'"

Who wins in the Capitol showdown between Wal-Mart and existing liquor stores?

- "The liquor stores win this round, but their prospects in the long run are bleak."
- "It doesn't matter who wins in the Capitol, what matters is who wins at the Courthouse. And when Wal-Mart wins at the Courthouse, everybody wins."
- "You mean in the courts? Or under the dome?"
- "Hard to say. Unlike the car dealers, the liquor industry distribution has become so concentrated in just a few hands they do not have the constituent muscle of previous legislative fights."
- "Can you say Tesla?"
- "Nobody beats the beer boys!"
- "The Walton Family"
- "Republicans like open market except in certain situations ... automobiles, liquor, and beer..."

- "Yes, Comptroller Hegar and AG Paxton are smart to make office furniture for state bureaucracies their priority."
- "No ... they will force a vote on busting the spending cap tied to tax relief."
- "Probably a little of both."
- "No rest for the wicked, or better known as Sen. Watson's constituents."

- "Liquor lobby wins this session, compromise possible next session."
- "Would appear that Wal-Mart's filing of a constitutional attack on the law in federal court pretty much amounts to a waving a legislative white flag. Can't imagine how they could seriously pursue a bill while that lawsuit is pending."
- "Easier to kill a bill than to pass one. Stakes are way, way higher for the package stores."
- ""Wal-Mart will win in the courts."
- "How strong is Wal-Mart's argument in the lawsuit? That will determine the bargaining strength of the parties and the possibility of a legislative compromise."
- "Alice Walton must be so proud to be the future biggest member of the MOD Squad (merchant of death)."

- "Wal-Mart wins. Because they always do."
- "Liquor store, my friend. All politics is local. Crude analogy, but think of them like school boards. Everyone goes to the liquor store. Yes, even, wait, especially the Baptists."
- "Lawsuit shots over the bow are not well received by the Legislature."
- "I miss Butch Sparks."

Who wins in the Capitol showdown between Tesla and the auto dealers?

- "100 years of car dealer community and political activism in communities all over the state trumps 'I want to sell my \$200,000 cars differently from everybody else.'"
- "Tesla. Texans will come down on the side of jobs."
- "They might work out a compromise, but it won't happen this session. Auto dealers have the clout and legislative know-how to stop it today. But eventually..."
- "Not even a fight. Every member of the Lege has multiple car dealer supporters/constituents that have helped them win elections. A carpet bagger from California doesn't stand a chance."
- "Can you say Wal-Mart?"
- "Sen. Fraser"
- "Tesla will be the only exception to the law. But it may take more time than one session. Auto dealers have very long roots in Texas."
- "No contest here. Elon and his posse are out of their league."
- "Shouldn't Tesla drivers agree to a usage tax or just pay the gas tax?"
- "Tesla wins because all it takes is a lawmaker riding in that fantastic car. And I don't work for them."
- "The dealers have lost their clout. Tesla is in the midst of a classic capitalist process of market disruption just like Uber and others."

Who wins in the Capitol showdown between Uber/Lyft and the cab companies?

- "This is about FREEDOM! That's what members will say, anyway."
- "Texans love liberty."
- "This war is over. Increasingly, more and more members who try Uber love it — it jives with their free markets beliefs and principles and it's good for

consumers. It might need a little taxing or light regulation, but Uber's here to stay."

- "Can't stop progress; you can only slow it down. Ultimately, the future always arrives."
- "All of these issues relate to free enterprise. It will be interesting to see if the 'conservative' legislator is really committed to capitalism or preserving and protecting out-of-date statutes that limit business growth."
- "Since Uber arrived in Austin I have NOT taken a cab! It is the way of the future! No more smelly cabs with drivers talking on the phone the entire trip and attempting to take you the 'short cut' to the Capitol from the airport."
- "Who cares?"

• "'An Uber Lyft? Is that some sort of medical procedure?' It's important to remember the audience on this one..."

- "And Uber/Lyft will agree to assume the load of being regulated."
- "Buggy ships are gone. Cab companies are buggy whips. If I am Uber, I make videos showing someone quickly getting an Uber ride and someone waiting forever for the horse and buggy to show up with their whip in hand again market disruption. Been a compromise is a win for Uber and Lyft."
- "The turd in the punchbowl will be insurance companies who won't pay out when you have an accident and they learn that 'Uber' drivers used a personal vehicle for a business venture."

Our thanks to this week's participants: Gene Acuna, Cathie Adams, Clyde Alexander, George Allen, Jay Arnold, Amy Beneski, Andrew Biar, Allen Blakemore, Tom Blanton, Chris Britton, Raif Calvert, Lydia Camarillo, Kerry Cammack, Thure Cannon, Corbin Casteel, William Chapman, Elna Christopher, Harold Cook, Kevin Cooper, Randy Cubriel, Denise Davis, Eva De Luna-Castro, June Deadrick, Nora Del Bosque, Tom Duffy, David Dunn, Jack Erskine, John Esparza, Jon Fisher, Tom Forbes, Bruce Gibson, Kinnan Golemon, Daniel Gonzalez, Jim Grace, John Greytok, Clint Hackney, Wayne Hamilton, Bill Hammond, Ken Hodges, Steve Holzheuser, Mark Jones, Robert Kepple, Richard Khouri, Tom Kleinworth, Dale Laine, Nick Lampson, Pete Laney, Dick Lavine, James LeBas, Luke Legate, Ruben Longoria, Matt Mackowiak, Mike McKinney, Steve Minick, Mike Moses, Nelson Nease, Pat Nugent, Todd Olsen, Nef Partida, Gardner Pate, Jerry Philips, Tom Phillips, Wayne Pierce, Richard Pineda, Allen Place, Gary Polland, Jay Pritchard, Jay Propes, Karen Reagan, Tim Reeves, Patrick Reinhart, David Reynolds, Carl Richie, Grant Ruckel, Tyler Ruud, Jason Sabo, Andy Sansom, Barbara Schlieff, Stan Schlueter, Bruce Scott, Robert Scott, Ben Sebree, Nancy Sims, Jason Skaggs, Ed Small, Martha Smiley, Larry Soward, Leonard Spearman, Dennis Speight, Tom Spilman, Bob Strauser, Colin Strother, Tom

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