



# The Permanent Solution

## THE PERMANENT SOLUTION

Please Join the Showdown at the  
TAXPAYER OK CORRAL

The only way to permanently solve the existing financial crises at the federal, state and local governments is to create a TAXPAYER OK CORRAL around our elected officials by revising our laws at each level to tell our elected officials in no uncertain terms:

1. How much money they can take from us, spend and borrow (financial caps).
2. How long they can stay in office (term limits).
3. How they must behave while in office (ethics and campaign finance).

We say this because elected officials and the party in power come and go and things continue to get worse, not better. The politicians become increasingly more self-serving and entrenched.

This has resulted in not only the well-chronicled federal financial crisis but also in financial crises at the state and local levels. For example, please read the March 15, 2010 Barron's Magazine article, "The \$2 Trillion Hole" by Johnathan R. Lang ([CLICK](#)).

California, New York and Illinois are prime state crisis examples. Read their audited financial statements and weep for their taxpayers. Many other states are beginning to go down the same eventually bankrupting path.

The City of Houston, that bastion of free enterprise "can do" spirit, is a prime example of how an unbelievable financial crisis can occur even in a supposedly prosperous city. Page 203 ([CLICK](#)) of the City of Houston's 2011 Comprehensive Annual Financial Report (CAFR) shows that it had audited operating losses ("change in net assets", in government accounting jargon) totaling \$2.4 BILLION for fiscal years June 30, 2003-2011, with \$1.5 BILLION of the \$2.4 BILLION in operating losses occurring before the Great Recession hit Houston late in 2008. This happened to the City of Houston even though it had record revenues from property taxes (2003-2010) and sales taxes (2004-2009) during 2003-2010.

And all of this happened even though City of Houston elected officials, all principal local media outlets, and the principal local business organization were repeatedly forewarned of the coming financial disaster. Please read the Houston Experience page on this website for the rest of the sad Houston story.

**This website lays out the TAXPAYER OK CORRAL solution in two parts, the Federal Solvency Solution and the State and Local Solvency Solution.**

**Federal Solvency Solution. Please go to this website's Federal Solvency Solution page [\(CLICK\)](#) to read the suggested specific long-term and near-term procedures for solving the federal fiscal crisis by placing a TAXPAYER OK CORRAL around our elected federal officials.**

**The Federal Solvency Solution centers on achieving: (a) a US Constitution Convention to appropriately amend the US Constitution; and (b) a cabinet-level Federal Solvency Department.**

**State and Local Solvency Solution. In order to totally accomplish a TAXPAYER OK CORRAL at the state or local level** your state constitution obviously must eventually permit Initiative and Referendum (I & R), i. e., the right to petition. According to the Initiative and Referendum Institute, website [www.iandrinstitute.org](http://www.iandrinstitute.org), 24 of the 50 states have I & R.

Please note the Institute's website discloses that city petitioning is not only allowed in some of the states which allow state level petitioning, city petitioning also is allowed in some states that do not allow petitioning at the state level.

Please consider that the First Amendment to the US Constitution provides for the right of all Americans "to petition the Government for a redress of grievances". Looming financial insolvency would certainly qualify as a "grievance" at any level of government, and thus reason for voter petitioning at any level of government.

**We recommend that, even though your state or city does not currently allow legalizing the results of petitioning, you should still consider TAXPAYER OK CORRAL petitioning at both your state and city levels.** These preferential results could eventually force your state to commence allowing petitioning.

**Very importantly, it could also cause your state legislature to agree to participate in the petitioning by state legislatures to the US Congress for calling a US Constitutional Convention. See the Federal Solvency Solution page on this website.**

The Institute's website has a great deal of excellent historic facts regarding each state's I & R situation. For example, both major political parties expressed interest in Texas having I & R, but neither party accomplished getting I & R in Texas. The Institute asserts that George W. Bush put the final nail in the Texas state I & R coffin when he became governor.

But the Texas constitution has had I & R for home rule cities (basically those with 5,000 or more inhabitants) ever since a 1913 state constitutional amendment.

**Accordingly, we herein furnish you a proven effective game plan to get the laws changed at the city level in Texas, using already written boilerplate petitions for city charter changes for each of the three above objectives.** For most Texas cities, you will need only substitute in the petition your city's name, MSA area, etc.

**Although the sample petitions are written for Texas cities, we assume that they can be readily adapted to meet the local government codes of most if not all the other states.** Even if your state constitution does not provide for I & R, achieving a large number of signatures on preferential petitions in the major cities of your state should create real momentum toward ultimately achieving I & R in your state and, very importantly,

getting your state legislature to participate in the US constitutional amendment upward movement described in the **Federal Solvency Solution** page [\(CLICK\)](#).

**If you wish to join this showdown at the TAXPAYER OK CORRAL city level, please [\(CLICK\)](#) [HERE](#) to find **how to achieve your city charter amendments** and tell your elected city officials:**

- 1. How much money they can take from you, spend, and borrow!**
- 2. How long they can stay in office!**
- 3. How they have to behave while in office!**

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**This is a non-partisan movement. Please do not permit it to be co-opted by a political party.**

**This movement for a TAXPAYER OK CORRAL should have very strong appeal to the entire electorate, regardless of political persuasion.** Following are some illustrative reasons.

Eight of the ten largest US cities, Democrat-controlled, have term limits. The subsequently dishonored Republican national “Contract with America” in 1996 provided for term limits and not-so-distant Texas Republican Party platforms called for term limits and I&R.

In 1978, Texas Democrats controlled the governor’s office and the state legislature. That legislature put before the voters a ballot measure that most Texans apparently thought put into the state constitution a voter control over state spending. Texans approved that ballot measure by an overwhelming 4 to 1 margin, obviously a very bipartisan approval. Unfortunately, the state legislature totally neutered the voter-approved measure upon translating it into law. And both Democrat and Republican legislatures have ignored and actually violated even the neutered version of the measure ever since its 1978 passage.

In its last two primaries, the Texas Republican Party has asked a preferential question as whether the state and local governments should have an inflation and population growth cap on spending. Republicans responded with a whopping 9 to 1 YES. Republicans now have the governor’s office and a huge majority in the Texas legislature. But there has yet to be a ballot measure approved by the state legislature to permit Texans to vote on a constitutional amendment to enact a population and inflation growth cap on all Texas governments. Fact of the matter is the measure actually should be greatly expanded to determine whether Texans should have I & R (right to petition) at every level of government.

In November 2004, Houstonians approved a citizen-petition-initiated City Charter amendment whereby the City’s revenues (vis-à-vis spending) would be capped by the combined growth rate of population and inflation. The amendment was approved in every city council district and by every political and demographic group. This was so even though the measure was vigorously opposed by perhaps the most popular mayor in recent Houston history. The mayor subsequently refused to enforce the voter-approved city charter amendment, even though an appellate court forced him to actually put it into the city charter. A voter lawsuit to force the city to enforce the officially recorded charter change went to the Texas Supreme Court apparently solely on the specious defense issue that the voter plaintiffs supposedly had no standing to sue for enforcement. Very surprisingly, on August 26, 2011, the Texas Supreme Court declined to accept the appeal because the case was not “ripe”, in other words it had not been shown that the taxpayers had been harmed. See Texas Supreme Court Case 08-0658. (Quite a novel legal concept, that even though a law has been approved by the voters

and is in the governing city charter, elected officials don't have to follow that law unless a citizen files a lawsuit and conclusively proves to the court that there have been actual damages as a result of the law not having been followed.) Although not in evidence as a part of the suit, the City and its audit firm had both been shown, by the principal author of the proposition, that the City, in fact, had a significant unrecorded liability to the taxpayers. The City and the audit firm refused to recognize the proposition principal author's fact-based assertion. Even though the city charter requires the City's audit firm to furnish public written positive assurance as to whether the City complied with the voter-approved financial cap, and if not by how much, the City's audit firm apparently has not yet complied with this legal requirement. The courts could have easily ascertained, from simply reading the charter amendment in question, that no one could yet assume whether the case was "ripe" or not because the arbiter (in effect), the independent audit firm, has yet to positively opine in writing whether the City has a liability to the taxpayers.

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In summary, clearly the electorate, **regardless of political persuasion**, wants a TAXPAYER OK CORRAL, but the entrenched career politicians, **regardless of political party**, wish to retain the status quo, even in the face of the severe decline in American economic health. **Thus we must absolutely ensure that this TAXPAYER OK CORRAL movement is NOT co-opted by ANY political party.**