



Bogus bills trick cash-strapped Kentuckians

By Jim Waters

The federal Treasury Department holds more faith in the ability of Americans to identify counterfeit currency than many Frankfort politicians hold in Kentuckians to determine if their hard-earned money gets spent wisely.

Banks start getting the redesigned \$5 bills from the Federal Reserve this week. The bills come with a new color scheme, two watermarks and alternating background patterns. U.S. Treasurer Anna Escobedo Cabral recently said that the new “fiver” allows the public to provide “the first line of defense” against counterfeiters. The Treasury department pulled out of circulation approximately \$120 million in funny money last year.

“It’s a matter of holding up this bill to the light and looking for the two watermarks,” Cabral said.

Now, imagine the benefit that Kentuckians could derive from holding up “to the light” counterfeit bills put into circulation during this legislative session. Imagine how many counterfeiters they could catch and how many bad bills they could pull out of circulation.

The TV commercial would go this way: “Bad spending bills passed into law: millions. Bad spending bills spiked by the public: priceless.”

Maybe the Bluegrass Institute should create a deck of playing cards carrying the faces of “counterfeiters” the way the Bush administration singled out bad guys after the fall of Saddam Hussein.

A Kentuckian drawing the “Ace of Spades” in that deck might turn up House Bill 262. The original bill offered tax relief for lemurs, an endangered species found primarily in Madagascar and its nearby islands.

Kentuckians cannot legally buy or sell an endangered species such as a lemur, yet legislative leaders want to offer someone doing that a tax break.

Even an amateur sleuth quickly realizes this bill uses the lemur as a ruse. The amended version of the bill threatens another endangered-species – Kentuckians who can survive the lack of political and economic leadership that results in high taxes and low personal incomes.

Passage of HB 262, which is being escorted through the Legislature by budget chairman Rep. Harry Moberly Jr. and his collectivist cronies, would result in \$800 million in new taxes for Kentuckians.

It includes a 25-cent per-pack tax increase on cigarettes, raises taxes on other tobacco products, extends the 6-percent sales tax to five additional services, and makes state’s temporary 1.4-cent

gas tax permanent.

Other lawmakers outside of Moberly's big-spending club should hold this bill "up to the light." They could provide a great first line of defense against taxpayers being ripped off by a bogus bill.

Add to that the "Ace of Clubs" – casino gambling.

Despite the well-intentioned beliefs of Gov. Steve Beshear, casino gambling doesn't equate to \$500 million in new money for the state. Instead, it "clubs" low-income and quickly addicted Kentuckians into pouring money into slot machines instead of their families.

In the 1970s, The Chicago Sun-Times bought a rundown bar in order to expose corruption throughout the city's courts and business-inspection offices. They named it "The Mirage Tavern" because it was not what it appeared to be. Enter HB 769 from Rep. Don Pasley.

It would create a Web site that seemingly helps Kentuckians track public spending. But this bill would only require details on expenditures of more than \$100,000.

Shocking? Hardly. Recall that the aforementioned Moberly is a leading architect of Frankfort's secret budget meetings. He serves as a co-sponsor for Pasley's bogus bill. So far, the bill maintains its original signature – to "appear" as an oasis where tax-burdened Kentuckians can see how their money gets spent.

Meanwhile, the "real" government transparency bill comes from Rep. Jim DeCesare. His "Taxpayer Transparency Act," HB 105, requires posting details on any expenditure more than \$5,000. Taxpayers could hold all but the smallest invoices up to the light and determine their legitimacy.

This exemplifies the difference between "accountability" and "counterfeitability."

Jim Waters is the director of policy and communications for the Bluegrass Institute, Kentucky's free-market think tank. You can reach him at jwaters@bipps.org. You can read previously published columns at www.bipps.org.