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Interest groups: Texas may need new taxes

From Caller-Times wire services

AUSTIN — A coalition of public interest groups on Monday took an unusual message to the road: Texas may need new taxes.

The "Real Budget Project" is an effort the groups say is needed to educate Texans about how much it really costs to run a state of 22 million people. The group laid out a state income tax as a possible solution.

The coalition said that instead of focusing on budget cuts to deal with a \$9.9 billion shortfall through 2005, lawmakers ought to consider changing the state's complex tax laws that exempt billions from sales taxes and prohibit state income or property taxes.

"Texans believe the prisons are guarded, the children are educated, our water systems are tested and government is doing what is necessary. But the state budget shortchanges these and other programs. As with anything else, you get what you pay for," said Bee Morehead, director of Texas Impact, an interfaith policy group.

The Texas Citizens Action Network, Texas Citizens for a Sound Economy and Texas Public Policy Foundation were quick to speak up against a state income tax.

"Now is not the time to look at tax increases or dramatically changing our system. It's time to examine how our tax dollars are being spent," said Peggy Venable, director of Texas Citizens for a Sound Economy.

Official wants state to pay for ill kids awaiting care

Rep. Garnet Coleman, D-Houston, renewed his calls Monday for the state to pay for chronically ill children waiting for health care.

His call came after the uncovering of a Texas Department of Health memo that recommends removing youngsters from a waiting list for the Children with Special Health Care Needs program.

The department has repeatedly blamed budget constraints and rules for not serving the children. But in December, it determined that millions of dollars were available and recommended the money be spent, accord-

ing to documents obtained last week by the *San Antonio Express-News*.

Last week, the department got legislative approval to use \$2.5 million to remove 150 of the 1,300 children from the list. The more than \$10 million remaining would be used to help the current budget shortfall.

Coleman and advocates want all the money used immediately. He says the documents show the department wanted to do so before calls from Gov. Rick Perry and other GOP leaders to cut state spending.

"At best, this is borrowing. At worst, it's stealing the children's money," Coleman said.

Legislation would help tackle corporate scandal

The attorney general's office would serve as a clearinghouse in handling corporate fraud cases and investigations in Texas under proposed legislation intended to crack down on a recent wave of corporate scandals.

The legislation aims to make addressing corporate fraud more efficient by focusing enforcement and investigation duties in a Corporate Integrity Office within the attorney general's office.

The new office would assist district attorneys, county attorneys and state agencies in investigating and prosecuting corporate fraud.

The package of bills also would create an "Open Corporations Law," requiring companies with state contracts to immediately report any financial irregularities relating to the contract or the company's financial position. Annual audits would be required of operations and use of state funds. Violations would be punishable with a \$10,000 fine.

Senator: Company shouldn't be worker's beneficiary

Sen. Ron Wilson, D-Houston, wants to ban companies from naming themselves as the beneficiary on life insurance policies of lower-level employees, such as janitors or clerks.

He said that not only do the companies get inexpensive labor, they also, for a small benefit, reap large benefits when the worker dies.