

Senate Committee on Transportation & Homeland Security
w/ House Committee on Transportation

February 1, 2010

Testimony | Adrian David Heath

Americans For Prosperity Montgomery County Chapter

I am an immigrant from West Australia who came here legally in 1983. I have been privileged to live in Texas since 1990 where I have established and raised a family. When granted citizenship I was required to take an oath to uphold and defend the Constitution of the United States.

Money talks – It says goodbye.

In fiscal 2009 the state's total debt outstanding increased 9.9% to \$34.08 billion compared to \$31.03 billion in fiscal 2008 and \$26.37 billion in fiscal 2007. Our elected officials from the Governor on down can take pride in the fact that in spite of the ongoing financial crisis Texas is running lean and mean and does not face the same financial nightmare as the other states.

That is, they could if it were TRUE. It is not. The Texas Bond Review Board 2009 Annual Tells a grim story about Texas debt.

In 2000, Texas ranked ninth in state debt outstanding. In local debt outstanding for the preceding year, Texas ranked third among these same states. For combined state and local debt, Texas ranked seventh. In 2000 State debt amounted to a huge \$20.8 billion and local was a shocking \$80.9 billion. This meant that Texas was carrying \$4804 per capita debt of which 81% was secured by Texans real estate at the local level like a huge credit card.

State	FY2000 Total State and Local Debt				State Debt				Local Debt			
	Pop. (000's)	Per Capita Rank	Amount (millions)	Per Capita Amount	Per Capita Rank	Amount (millions)	% of Total Debt	Per Capita Amount	Per Capita Rank	Amount (millions)	% of Total Debt	Per Capita Amount
New York	18,976	1	\$177,550	\$9,357	1	\$78,616	44.3%	\$4,143	1	\$98,934	55.7%	\$5,214
New Jersey	8,414	2	50,315	5,980	2	28,938	57.5%	3,439	9	21,376	42.5%	2,541
Pennsylvania	12,281	3	73,325	5,971	7	18,595	25.4%	1,514	2	54,730	74.6%	4,456
Illinois	12,419	4	67,573	5,441	3	28,828	42.7%	2,321	6	38,745	57.3%	3,120
California	33,872	5	177,920	5,253	5	57,170	32.1%	1,688	5	120,750	67.9%	3,565
Florida	15,982	6	78,495	4,911	8	18,181	23.2%	1,138	4	60,314	76.8%	3,774
TEXAS	20,852	7	100,175	4,804	9	19,228	19.2%	922	3	80,947	80.8%	3,882
Michigan	9,938	8	47,195	4,749	4	19,445	41.2%	1,957	8	27,750	58.8%	2,792
Ohio	11,353	9	42,087	3,707	6	18,087	43.0%	1,593	10	24,000	57.0%	2,114
Georgia	8,186	10	29,948	3,658	10	7,086	23.7%	866	7	22,862	76.3%	2,793
MEAN			\$84,458	\$5,383		\$29,417	35.2%	\$1,958		\$55,041	64.8%	\$3,425

<http://www.brb.state.tx.us/pub/bfo/Debt%20Primer%202002.doc>

The latest BRB Annual report tells a different story. In 2007 Texas had moved up the debt ranks to # 3 in total whole dollars but to be fair we only qualified at # 5 behind California who owes \$9,032 per capita compared with Texas who owed \$189.3 billion or \$7922 per capita. However in that year we had actually advance to # 2 position for local debt per capita right behind New York and earned #1 rank for the honor of the State with the highest % of local debt in the nation – probably the world.

Table 1.6
TOTAL STATE AND LOCAL DEBT OUTSTANDING: TEN MOST POPULOUS STATES

State	Total State and Local Debt				State Debt				Local Debt			
	Population (thousands)	Per Capita Rank	Amount (millions)	Per Capita Amount	Per Capita Rank	Amount (millions)	% of Total Debt	Per Capita Amount	Per Capita Rank	Amount (millions)	% of Total Debt	Per Capita Amount
New York	19,298	1	\$259,518	\$13,448	1	\$110,085	42.4%	\$5,704	1	\$149,433	57.6%	\$7,743
Illinois	12,853	2	116,471	9,062	2	54,535	46.8%	4,243	6	61,936	53.2%	4,819
Pennsylvania	12,433	3	112,378	9,039	4	37,125	33.0%	2,986	3	75,253	67.0%	6,053
California	36,553	4	330,150	9,032	3	114,702	34.7%	3,138	4	215,448	65.3%	5,894
Texas	23,904	5	189,371	7,922	10	23,909	12.6%	1,000	2	165,462	87.4%	6,922
Florida	18,251	6	133,954	7,340	8	36,483	27.2%	1,999	5	97,471	72.8%	5,341
Michigan	10,072	7	72,807	7,229	5	28,522	39.2%	2,832	7	44,285	60.8%	4,397
Ohio	11,467	8	68,162	5,944	6	26,065	38.2%	2,273	9	42,097	61.8%	3,671
North Carolina	9,061	9	50,155	5,535	7	19,246	38.4%	2,124	10	30,909	61.6%	3,411
Georgia	9,545	10	48,463	5,077	9	11,370	23.5%	1,191	8	37,093	76.5%	3,886
MEAN			\$138,143	\$7,963		\$46,204	33.6%	\$2,749		\$91,939	66.4%	\$5,214

Note: Detail may not add to total due to rounding.
Source: U.S. Census Bureau, *State and Local Government Finance by Level of Government and by State 2006-2007*, the most recent data available.

<http://www.brb.state.tx.us/pub/bfo/AR/AR2009.pdf>

And the street of the city was pure gold
Revelation 21:21

Much of the debt we have in Montgomery County is School debt. School revenue exceeds \$8 K per student. Some say \$10K and yet my school district has encumbered us with \$1 billion in bond debt. And they are still asking for more money. Our County commissioners have managed to amass over \$500 million in bond debt of which about \$170 million is for roads. They have formed Montgomery County Toll Road Authority and are working on a bond election for \$325 million. Most of this spending so pleased TxDot in 2007 our County Judge received the incredible honor of the ROAD KING award. Now we hear TxDOT has dusted of their crystal ball through which they can see the certainties and realities of their world and the unavoidable need for a further \$300 billion in future expenditures. We already know of the many creative methods they have devised to structure financing of roads. Many involve Other Peoples Money – they all involve Taxpayer property.

This past weekend I took my family to hear Dave Ramsey talk about financial freedom.

Some of the audience of 8000 at the Reliant Arena texted in their total outstanding debt to Dave's staff who estimated the average debt of the crowd was \$91 K and the total debt was \$728 million.

Dave's message was this – The Borrower is Slave to the Lender – live within your means and avoid debt so you can have freedom in your future.

Show Me The Money

Here's the problem with TxDot and our elected officials in Washington, Austin and at home.

Washington is Broke, Social security is broke, Medicare is broke, FDIC is on its knees and the Federal debt is \$12 trillion. Texas debt went up from \$24 billion to \$34 billion so we can guess that the State and local debt has already in the \$200 billion –240 billion range and yet the existing crop of incumbent politicians continue to mock the taxpayers by actually asking for more money. No one is really making a fuss about the whole thing. We are pressed on every side by Federal mandates (funded and unfunded) calling for expenditures in education, transportation, medicine, agriculture, law, elections, energy, finance and on and on.

Locally, taxes are up. Crime is up. Insecurity is up. Unemployment is Up Government regulation of our families is up. Oh yes, Debt is up too – in fact the big borrowers the school districts have been playing games with the bond salesmen and set up hundreds of millions of dollars of debt with significant interest and principal deferrals – one \$50 million dollar bond has deferred principal for 32 years. If the counties begin to do those kind of tricks on us to build roads taxpayers will be the ones paved over by TxDOT.

TxDot and all the others are addicted to plunder and pork. Only, they keep putting a Kosher stamp on that pork and expect us to swallow it. Someone needs to say something – there is no such thing as kosher pork. Stop the Plunder - you are killing us.

All elected officials today would do well to cancel their next junket and instead attend a Dave Ramsey event. If the people know they need to get their house in financial order and live within their means then its obvious that their government must do the same.

Support Your Local Sheriff and or County Judge

What am I going to do about it?

I'm glad you asked. I recently learned of the case Mack / Printz vs. United States

In that June 27, 1997 decision Justice Scalia said this of state and local government.

We held in *New York v. United States* that Congress cannot compel the States to enact or enforce a federal regulatory program. Today we hold that Congress cannot circumvent that prohibition by conscripting the State's officers directly. The Federal Government may neither issue directives requiring the States to address particular problems, nor command the States'

officers, or those of their political subdivisions, to administer or enforce a federal regulatory program. It matters not whether policymaking is involved, and no case by case weighing of the burdens or benefits is necessary; such commands are fundamentally incompatible with our constitutional system of dual sovereignty.

So I reckon Texans are overtaxed, over-regulated, and over borrowed by the very ones who pretend to defend their Life, Liberty and Property. TxDot is a threat to private property and must be stopped. We must recognize that to suggest encumbering taxpayers with such debt is irrational. We need a state and local debt clock in every county and city across Texas.

We need to take Texas back from the incumbent Politicians who countenance such ludicrous proposals County by County. I am running for County Judge as an independent. If by God's grace I win I will resist every attack on the Life, Liberty and Property of the people of Montgomery County. I will use the office of County Judge as a bully pulpit to influence my fellows and elected officials across the county to do likewise. Each and every time we are faced with an unconstitutional mandate from Washington or Austin we will challenge it in the courts. I will encourage 253 other County Judges and commissioners courts to do likewise. We already have a nucleus of patriots, attorney's an activists in Montgomery County who will work to implement a law abiding revolution in Texas in accordance with the Texas Constitution of 1876 which states in part -

“The faith of the people of Texas stands pledged to the preservation of a republican form of government, and, subject to this limitation only, they have at all times the inalienable right to alter, reform or abolish their government in such manner as they may think expedient.”

It is not in my opinion, time to talk of succession nor is it needful. However, It is time to reform our government. If you can visualize government in America today as an inverted pyramid, where all the power and money is on the top and the federal government is huge and all the weight of government is pressing down on the pathetic struggling taxpayer. Now we need to put the upside down pyramid of plunder right side up. We have the tools – the rule of law at our disposal. All we need to do is take them up.

Self-government under God
County rights
Cut taxes
Resist Washington
Use the courts

I have good company, Texas State Reps Creighton, Berman & Eissler have signed the Tenth Amendment pledge listed below.

<http://www.law.cornell.edu/supct/html/95-1478.ZC1.html>
<http://www.brb.state.tx.us/pub/bfo/DAS2009.pdf>
<http://pledge.tenthamentcenter.com/the-state-pledge/>