

States rewriting the book on sales tax



April 18, 2005

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Top Story

When it comes to taxing Internet sales, states, retailers and consumers have long been confused by the complexities of the tax code. Now states are coming together to make the process simpler and more efficient.

SNCJ Spotlight

States betwixt on sales tax project

When do forty-two states battle over the definition of a Twix bar?

When it's part of the Streamlined Sales Tax Project, an effort by 42 states and the District of Columbia to conform their tax definitions, rates and practices so that companies clearly know how to apply taxes to the sale of goods and services in 7,000-8,000 separate overlapping jurisdictions across the country.

The project's opponents call the effort "tax and spend politicians [trying] to tax people who can't vote for or against them," says Grover Norquist, President of Americans For Tax Reform. "Trying to export taxes is a politician's dream going back to the days of ancient Rome, when you could sack your neighbors."

Leaders of the states-based effort disagree. "That is the biggest bunch of hogwash I've ever heard. Now I'm mad," says TENNESSEE Tax Commissioner Loren Chumley. "The Streamlined Sales Tax Project allows the state to administer the taxes that are currently on their books. As for taxation without representation, the citizens of, say, ALABAMA need to deal with the Alabama legislature if they have qualms about people collecting Alabama tax."

The source of confusion is a 1992 Supreme Court decision (*Quill vs. North Dakota*) that said if a business doesn't have a "nexus," or physical presence, in the state of the purchaser, it doesn't have to collect sales tax from the purchaser. This seemed to leave the eBays and Amazons off the hook, but many state tax administrators disagree.

"Everything sold over the Internet is taxable today," says Chumley. "If the sales tax is not collected by the seller, the purchaser has the obligation to remit the use tax to the state."

In theory, such a purchaser would file a use tax return in their state, but in practice that seldom happens.

The stakes are high. In 2003, the states collectively lost between \$15.5-16.1 billion in uncollected sales and use tax, according to a study by Dr. Bill Fox, an economist and director of the University of Tennessee Center for Business and Economic Research.

For a state like Tennessee, which has no state income tax, sales and use tax losses could be a budget buster. According to the study, Tennessee state and local combined losses were \$436.3-454.7 million in 2003, and are projected to reach \$612.5-957.9 million by 2008.

"With such a heavy reliance on sales tax, if we are going to put all the eggs into the sales tax basket, we've got to make sure there aren't any holes in it," says Chumley.

The Week in Session

States in Regular Session:

AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IN, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NV, NY, OK, OR, PA, SC, TN, TX, US, VT, WA, WI, WV

States in Special Session:

CA "a", ME "a"

States in Skeleton Session: OH

States in Recess: KS, RI

Currently Prefiling:

LA (Drafts for 2005)

States Projected to Adjourn:

AR, AZ, WA

States Adjourned in 2005:

DC "z", GA, IL "z", KY, MA "z", MD, MS, NM, NY "z", SD, UT, VA, WV, WY

States in Special Session

Adjourned in 2005:

DE "c", FL "a", MD "a", MS "a", WI "a", WV "a"

Letters indicate special/extraordinary sessions

Source: State Net, 4/15/05

With 42 of the 45 states (and D.C.) that currently have sales taxes participating in some way in this project, it is close to reaching its goal of totally transforming how states and businesses formulate and administer those assessments, both internally and between other states.

Businesses begged for reform. "For our members, the business of sales tax compliance has gotten out of control," says Stephen Kranz, Tax Counsel for the Council on State Taxation (COST), a trade association that represents 600 of the Fortune 1,000 companies. "There are 7,000-8,000 local tax jurisdictions, each with different definitions, rules, audit authority. Some of our members file over 60,000 sales tax returns a year. They have the obligation to keep track of the laws in all the jurisdictions. [In some areas] state, county and city all define food three separate ways."

The two-year tortured tale of the Twix bar is typical. At issue is whether a Twix is candy or chocolate-covered cookies. While this is an issue normally only pondered by pastry chefs and nine-year-olds, because the answer will determine how, when or even if the product will be taxed, this time the debaters are a slew of tax regulators.

The Streamlined Sales Tax Project seeks to eliminate such imponderables. According to its web site, the project has seven major elements:

* Uniform definitions within tax laws. Local legislatures choose what is taxable or exempt in their state. Participating states will agree to use the common def-

Bird's eye view



Taxation made easy?

Since March of 2000, the Streamlined Sales Tax Project (SSTP), a combined effort consisting of 42 state and numerous local governments and the private sector, has been working to simplify and modernize sales and use tax collection and administration. (See *SNCJ Spotlight* in this issue.) The SSTP's primary goals are to reduce excessive complexity in state tax laws, make routine administrative procedures more efficient, and use cutting edge technologies to drastically ease the sometimes overwhelming burden of state-to-state tax collection. The accompanying map shows which states are currently participating and which are merely observers. For more information, please visit the SSTP Web site at <http://www.streamlinedsalestax.org/>



initions for key items in the tax base and will not deviate from these definitions.

* Rate simplification. States will be allowed one state rate and a second state rate in limited circumstances (such as food and drugs). Each local jurisdiction will be allowed one local rate. A state or local government may not choose to tax telecommunications services, for example, at one rate and all other items of tangible personal property or taxable services at another rate. (If each state had just one rate, it would increase taxes in about half of the local jurisdictions.)

* State level tax administration of all state and local sales and use taxes. Businesses will no longer file tax returns with each local government within which it conducts business. Each state will provide a central point of administration for all state and local sales and use taxes and the distribution of the local taxes to the local governments.

* Uniform sourcing rules. The states will have uniform and simple rules for how they will source transactions to state and local governments. “One of the hurdles for UTAH, OHIO, KANSAS and TENNESSEE is a uniform rule on the way you source a transaction. Where does the point of sale for that transaction occur?” says Chumley. [Streamline mandates that where an item is delivered (not where it is sold) dictates the tax rate.]

* Simplified exemption administration for use- and entity-based exemptions. Sellers are relieved of the “good faith” requirements that exist in current law and will not be liable for uncollected tax. Purchasers will be responsible for paying the tax, interest and penalties.

* Uniform audit procedures. Sellers who participate in one of the certified Streamlined Sales Tax System technology models will either not be audited or will have limited scope audits, depending on the technology model used. The states may conduct joint audits of large multi-state businesses.

* State funding of the system. To reduce the financial burdens on sellers, states will assume responsibility for funding some of the technology models. The states are also participating in a joint business–government study of the costs of collection on sellers.

Upcoming Elections

(04/13/2005 - 04/27/2005)

04/26/2005 Alabama
special primary runoff
House Seats Plus 046

Budget & taxes

S LOTS DEAD IN MD UNTIL '07: For the third year in a row, the effort to bring legalized slot machine gambling to MARYLAND has gone bust. When the 2005 session of the General Assembly came to a close last week, slot machines were still illegal in the Old Line State. The passage of a slots bill by the House of Delegates for the first time this session had given supporters hope. But Gov. Robert L. Ehrlich Jr. (R) and Senate President Thomas V. Mike Miller Jr. (D) weren't satisfied with the House bill, which among other things would have allowed only 9,500 slot machines in four counties instead of the 15,500 machines across the state they were seeking. Miller, in fact, implied the House proposal was just a ruse, "a bad bill...crafted by people opposed" to gambling. For his part, House Speaker Michael E. Busch (D) flatly refused to negotiate, saying the slots bill had barely squeaked through his chamber and any changes would guarantee its failure. The Senate responded by scrapping the House measure and amending it to look just like the bill passed by the upper house earlier in the session, further aggravating House delegates and virtually assuring the demise of slots for the year. "For three years they've been telling us to give them a bill, and when we finally do, they turn their backs on it," said Del. Sheila E. Hixson (D). Ehrlich indicated he might call a special session to try to broker a deal, noting that if a slots bill doesn't happen now, it likely won't happen until after the 2006 gubernatorial race. "It's been made very clear to me that the Democratic leadership will not allow a slots referendum and my name to be on the ballot in the same year," the governor said. "In their view, that would guarantee my re-election." (BALTIMORE SUN, WASHINGTON POST)

AL SOLE STATE TO TAX POOR: ALABAMA is about to acquire the dubious distinction of being the only state in the nation to tax families whose income is less than half the federal poverty level, according to a report released last week. The Heart of Dixie has shared the title for some time with KENTUCKY, but that state just passed a low-income tax credit that will raise its income threshold for collecting income taxes above the federal poverty level. The report, produced by the Washington D.C.-based Center on Budget and Policy Priorities, indicated that Alabama has the highest or nearly the highest tax rate for families below, at or just above poverty. "It really comes down to no matter how you slice it, Alabama's tax treatment of poor families is among the worst in the country, no doubt about that," said Robert Zahradnik, one of the report's



authors. Alabama Gov. Bob Riley (R) has called his state's income threshold — \$4,600, less than a third of the poverty line of \$19,311 — “immoral,” but in 2003 the state's voters rejected his plan to overhaul the tax code, which would have raised the threshold to around \$20,000. Zahradnik noted that the report made a point of indicating Kentucky's change of tax policy “to show that something can be done. Kentucky had a low threshold for a very long time, but they finally recognized the struggle for low-income families.” (BIRMINGHAM NEWS)

FEDS FAULT STATES' MEDICAID ACCOUNTING: Last week, Bush administration officials accused 15 states of using improper accounting practices to obtain federal Medicaid funding. The feds claimed the states — ALABAMA, ALASKA, CALIFORNIA, GEORGIA, IDAHO, ILLINOIS, IOWA, MASSACHUSETTS, MINNESOTA, MISSISSIPPI, NORTH CAROLINA, NORTH DAKOTA, TENNESSEE, VIRGINIA and WASHINGTON — have been “recycling” federal Medicaid dollars instead of paying their full share of the program's costs. Under this scheme, the administration contends, states make payments to city or county hospitals or nursing homes that substantially exceed the cost of care for Medicaid patients. The local governments return a large portion of that money to the states, creating the impression that they are spending more on Medicaid than is actually the case and allowing them to obtain more federal matching dollars than they should receive. State officials rejected the claims, stating that there aren't any regulations prohibiting “recycling” and that in some cases their funding arrangements had been explicitly approved by federal officials. The feds said the issue would probably be resolved through negotiations with each state. But U.S. Senate Finance Committee Chairman Charles E. Grassley (R-Iowa) said federal Medicaid officials “should issue a clear policy so we can be sure that state A is not being treated any different from state B.” (NEW YORK TIMES)

BUDGETS IN BRIEF: NEW YORK Gov. George E. Pataki (R) and legislative leaders reached an 11th-hour deal last week to complete the state budget and avoid dozens of vetoes the governor had threatened. Pataki got additional health care cuts that will help him close the state budget gap and secure \$1.5 billion in federal Medicaid funding over the next three years, while legislative leaders received \$1.1 billion for social services programs, \$150 million for environmental projects, \$150 million for private college construction and \$38 million for new voting systems. Unlike the rest of the budget, which lawmakers passed two weeks ago, the final deal was worked out the traditional way, with the state's Big Three — Pataki, Assembly Speaker Sheldon Silver (D) and Senate Majority Leader Joseph



L. Bruno (R) — meeting behind closed doors (NEW YORK TIMES, TIMES UNION [ALBANY]). • Members of **PENNSYLVANIA**’s House of Representatives submitted 350 changes to Gov. Ed Rendell’s (D) \$23.8 billion budget proposal by last week’s amendment deadline. Many viewed the process “as an exercise in futility,” because, traditionally, every amendment made by the House is stripped out by the Senate (PITTSBURGH POST-GAZETTE). • **ILLINOIS** homeowners paid hundreds more in property taxes each year than they were led to believe when they authorized school tax increases over the past five years, according to an analysis by a suburban Chicago newspaper. The voter-approved levies evidently allowed school districts to raise property tax rates — which had dropped under the state’s tax cap law passed in the 1990s — to their legal maximums before tacking on the approved increases (DAILY HERALD [ARLINGTON]). • **KANSAS** tax officials say they’ve received \$344,000 in voluntarily-reported use taxes on out-of-state purchases so far this year. While they concede that’s not much in the overall scheme of Sunflower State tax collections, it’s more than they expected, given that this was the first year a line for use taxes appeared on the state income tax form (LAWRENCE JOURNAL-WORLD). • The **SOUTH CAROLINA** Supreme Court ruled that a state law allowing counties to place limits on the amount property taxes can increase is unconstitutional. The court said laws governing property taxes had to apply evenly across the entire state (ASSOCIATED PRESS, STATE [COLUMBIA]).

— *Compiled by KOREY CLARK*

Politics & leadership

POWER SHIFT EQUALS PRIORITY SHIFT IN CO: This year, the Democrats took control of both houses of COLORADO’s General Assembly for the first time since 1962. And that major shift in power has been accompanied by a seismic shift in priorities. One of the Legislature’s new priorities appears to be taking on the pharmaceutical industry. Among the legislation currently under consideration is a trio of bills that would allow Colorado to join a multistate prescription drug purchasing pool, an issue that wasn’t too high on the Republicans’ agenda when they were in charge, according to House Majority Leader Alice Madden (D). “The state Legislature was the last deep pocket for the pharmaceutical industry,” she said. The Dems have also taken on landlords — introducing a measure (HB 1061) that would reduce the

amount of time they could hold on to a tenant's security deposit from 60 days to 30 days — as well as business owners, proposing one bill (HB 1239) that would require employers who lock out workers to pay them unemployment insurance and another that would require owners to grant employees 40 days of unpaid emergency family leave. What's more, only a handful of bills passed so far this session would save the state money. One of them, HB 1311, provides for the recycling of unused, still-packaged drugs for use by health clinics and the poor. It was sponsored by a Republican, Rep. Mark Cloer. But Cloer suggested that his fellow lawmakers on either side of the aisle might want to consider following his lead. "There can be creative solutions when both sides don't get political...The solutions can be pro-business and help the working poor at the same time." (ROCKY MOUNTAIN NEWS [DENVER])

Upcoming Stories

Here are some of the stories you will see in the upcoming issues of the State Net Capitol Journal:

The push to force insurance fee disclosures

The spread of CALIFORNIA's strict new emissions laws

How states are dealing with right-to-die laws after Terry Schiavo

State efforts to stop credit card solicitation on college campuses

And many more...

SINE DIE: GEORGIA's first Republican-controlled Legislature in 130 years brought sweeping changes to the Peach State this session. Right out of the gate, the GOP pushed new congressional districts through the House and Senate, which will likely cement the party's dominance over the state's delegation to Congress. Republicans also passed the nation's toughest voter identification bill over the loud protest of Democrats, particularly black Democrats, who contend the voter ID bill would disenfranchise minority voters. The Legislature also enacted a waiting period for abortion and nearly passed one for divorce; capped pain and suffering awards in medical malpractice suits at \$350,000; and revised the corporate income tax code with the aim of lowering taxes for Georgia businesses by \$1 billion over the next ten years. The session wasn't all champagne and roses for the GOP, however. Democrats derailed Gov. Sonny Perdue's (R) initiative to provide public funding for religious charitable organizations. And Republicans almost derailed the entire session with their own intraparty clashes over the issue of ethics reform, before finally passing legislation imposing a one-year cooling-off period on lawmakers-turned-lobbyists. The GOP even managed time for some lighter fare, including providing for new "NASCAR" and "Share the Road" (with bicyclists) license plates and legalizing sparklers on Independence Day. All of the changes prompted one member of the new Republican House leadership to remark, "We've kind of had issues bottled up for years and years." The new minority party didn't see it quite the same way, one Democratic representative



Civil rights leader Jesse Jackson has asked **GEORGIA**'s Legislative Black Caucus to help his organization, the Rainbow/PUSH Coalition, organize a national march to protest the state's controversial new voter ID bill. Rev. Jackson said the Georgia bill — HB 244 — underscores the need to ensure that Congress renews provisions of the Voting Rights Act that are due to expire in 2007. "Your fight here is part of a bigger move to deny voters rights and voter access," he said (ATLANTA JOURNAL-CONSTITUTION).

— *Compiled by KOREY CLARK*

Governors

GOVNS PUSH FOR WIDER ETHANOL USE: Governors from 33 states announced their support last week for a proposed federal mandate for greater use of ethanol as a vehicle-fuel additive. The Governors' Ethanol Coalition released a report that calls for federal ethanol production requirements of at least eight billion gallons annually by 2012, and they also want federal energy officials to offer incentives for making at least 10 percent of that total from cornstalks, wheat and rice straw and other farm wastes. Ethanol makers currently produce only about 3.7 billion gallons annually, 95 percent of that from corn. The Coalition says such production levels would lessen our "vulnerability to oil price spikes or potential supply disruptions." The proposal is drawing positive reaction in the Senate, where 21 members have already signed on to support the idea. It received a much less enthusiastic reaction in the House, however, where many members of the Energy and Commerce Committee come from oil-producing states. The oil industry wants Congress to stick to a five-billion-gallon mandate it settled on last year during negotiations on a national energy bill. Ed Murphy, a director for the American Petroleum Institute, which represents the oil industry, promised they will fight to keep the ethanol mandate at five billion gallons, saying "We think that's adequate. After that, it's up to them to prove they can compete with other fuels." Even if the higher levels go into effect, ethanol would still make up less than 5 percent of the nation's fuel supply. (WALL STREET JOURNAL)

EHRlich TIGHT-LIPPED AS SESSION ENDS: The strain of a long, bitter session placed a damper on the usually upbeat session wrap-up mood in MARYLAND last week. Although surrounded by numerous bill sponsors, lobbyists and others who had come to get their photo taken with him as he signed 91 bills into law, Gov. Robert Ehrlich Jr. was clearly not in a festive mood for the cer-



emony. The governor didn't have much to say to Senate President Thomas Miller (D) or House Speaker Michael Busch (D) before or during the ceremony, and he was also fairly tight-lipped with the press, noting only that he had "nothing particularly insightful to say" before taking his pen in hand. Ehrlich loosened up a bit afterward, saying he had not yet decided whether to sign bills that would raise the Old Line State minimum wage by \$1 per hour and allow unmarried couples to make medical decisions for one another. He also promised to veto a bill that would require large employers — specifically Wal-Mart — to spend a percentage of their payroll on workers' health insurance or pay a tax to make up the difference. Legislators have vowed an override of that veto. (BALTIMORE SUN)

WA ELECTION GETS NEW REVIEW: Elections officials in WASHINGTON announced they will have a 10-member panel of outside observers review the troubled King County election department. The panel will be made up of legal experts, university presidents, civic leaders and election officials from two other states. The agency has come under increasing criticism for how it has handled the vote count from the November 2004 gubernatorial election, which was the closest in state history. Recent discoveries of previously uncounted votes have reinforced a Republican challenge to the election results, which gave Democrat Christine Gregoire a 129-vote win after two previous counts showed Republican Dino Rossi with a similarly thin victory. (SEATTLE POST-INTELLIGENCER)

GOVERNORS IN BRIEF: Two ILLINOIS pharmacists have filed suit against Gov. Rod Blagojevich (D) over his order requiring druggists to fill prescriptions for emergency contraceptives even if doing so would violate their religious beliefs. Blagojevich earlier in the week warned the Illinois Pharmacists

Quote...

"And so with the extraordinary opportunity we have this spring, I want to make sure that the agenda is clear and understood by the public and legislators on both sides of the aisle."

—MASSACHUSETTS Gov. Mitt Romney (R) explaining why he is running a series of radio ads extolling the need for him and lawmakers to work together.

Association that he would impose "significant penalties" on any pharmacy that did not adhere to the order (CHICAGO SUN-TIMES). • WISCONSIN Gov. Jim Doyle (D) dismissed the possibility of the Badger State adopting laws that would allow hunters to kill feral cats. Doyle said a proposed law that would allow shooting any free roaming cat was making Wisconsin "a state that everybody is kind of laughing at right now" (LA CROSSE TRIBUNE). • MASSACHUSETTS Gov. Mitt Romney (R) issued new radio ads that highlight what he says he and Democratic lawmakers can accomplish if they

work together. The ads are seen as Romney's olive branch to Dems after more than a month of often-nasty rhetoric between the parties. The ads feature Romney discussing numerous issues, including health care, education reform and job creation (BOSTON GLOBE). • **NEBRASKA** Gov. Dave Heineman (R) announced that he would seek a full four-year term in 2006. Heineman ascended to the office from his position as Lt. Governor earlier this year when then-Gov. Mike Johanns (R) became the new U.S. Secy. Of Agriculture (LINCOLN JOURNAL-STAR). • **CONNECTICUT** Gov. M. Jodi Rell (R) announced that she will sign a bill authorizing civil unions in the Constitution State, but only if lawmakers include a provision defining marriage as only being between one man and one woman. The Senate has already rejected such an amendment, although it did approve legislation authorizing civil unions. The House later approved the civil union measure...with the marriage amendment intact. The Senate is expected to take another look at the measure this week (HARTFORD COURANT). • **OREGON** Gov. Ted Kulongoski (D) said last week he will push for similar civil union legislation in the Beaver State (ASSOCIATED PRESS).

... unquote

"None of [his] positions fit the state well, so he and his advisers are thrashing about, trying to settle on an approach that will work for him politically. One would have to be very naive to believe that he is sincere about what he says in the end."

— *Philip W. Johnston, Massachusetts state Democratic Chairman, responding to Romney's campaign. (BOSTON GLOBE)*

— *Compiled by RICH EHISEN*

Hot issues

BUSINESS: The **MARYLAND** Legislature overrides the veto by Gov. Robert Ehrlich Jr. (R) of a bill that withdraws the Old Line State from the Central American Free Trade Agreement and also caps the amount of state business that can be outsourced to foreign countries (WASHINGTON POST). • **NEW JERSEY** Gov. Richard Codey (D) signs legislation that increases the Garden State minimum age by \$1 an hour in each of the next two years. The measure takes effect in October (TIMES [TRENTON]). • The **NORTH DAKOTA** House gets on board with a bill that bars insurance companies from using data collected from vehicle "black boxes" to set drivers' policy rates. The bill moves to Gov. John Hoeven (R) for review (BISMARCK TRIBUNE).



CRIME & PUNISHMENT: The **ARIZONA** House approves SB 1040, which puts spousal rape on the same footing as other sexual assaults. The measure would impose a minimum of 5 1/2 years in jail for those convicted of such a crime. It heads back to the Senate (**ARIZONA REPUBLIC [PHOENIX]**). • The **NEVADA** Assembly endorses AB 295, which would create the crime of misdemeanor vehicular manslaughter in the Silver State. The charge would pertain to drivers who cannot be charged with DUI or other felony driving offenses after a fatal collision. It goes to the Senate (**LAS VEGAS REVIEW- JOURNAL**). • Citing security concerns, corrections officials in **MASSACHUSETTS** deny permission for two male prisoners to marry. The Bay State is the only one in the nation to allow gays and lesbians to wed (**BOSTON GLOBE**). • A Federal court upholds a 160-year-old **FLORIDA** law that imposes a lifetime ban on voting for convicted felons. At least 14 other states have similar lifetime bans (**LOS ANGELES TIMES**). • The **CALIFORNIA** Supreme Court blocks the Internet release of personnel files for 117 priests accused of sexually molesting children. The high court sent the case back to the appeals court that originally gave the okay to release the information (**SAN DIEGO UNION TRIBUNE**). • **GEORGIA** Gov. Sonny Perdue (R) signed HB 172, a bill that holds a juvenile offender's parents liable for restitution to crime victims if it is found they should have known their child had a propensity for criminal acts (**ATLANTA JOURNAL-CONSTITUTION**).

EDUCATION: A **FLORIDA** House committee unanimously approves HB 119, which would allow certain children of illegal immigrants to qualify for in-state college tuition. The measure would pertain only to the top 2,000 high school finishers among immigrant children. It goes to the full House (**PALM BEACH POST**). • Just a week after killing it, the **ARIZONA** House reverses itself and approves a measure that would allow community colleges to offer four-year degrees. SB 1009 now graduates to the Senate (**ARIZONA REPUBLIC [PHOE-**

In the Hopper

State Net's database tracks tens of thousands of bills in all 50 states at any given time. Here's a snapshot of what's in the legislative works:

Number of 2005 prefiles last week: 713

Number of 2005 Intros last week: 2,288

Number of bills enacted/adopted last week: 1,828

Number of 2005 prefiles to date: 30,742

Number of 2005 Intros to date: 130,329

Number of enacted/adopted overall in 2005: 15,315

— Compiled By GINA HUMMELL
(Measures current as of 4/14/05)
Source: State Net

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Once around the statehouse lightly

MUZZLED. The VIRGINIA House of Delegates was honored last week by the Thomas Jefferson Center for the Protection of Free Expression, which bestowed a “Jefferson Muzzle” on the lower house. That’s the award, notes the *Richmond Times-Dispatch*, given to those who commit “egregious affronts to free speech.” The affront? Two, actually — a bill requiring public libraries to install filters on all library computers and a snorter that would have criminalized the teenage practice of wearing low-riding pants that expose underwear. The latter was dubbed the “droopy-drawers bill.”

OUT-LANDISH. A new rule in the COLORADO state House of Representatives requires that all reporters, from this day forth, wear name tags. Still to be decided — how to enforce the rule. According to *The Denver Post*, the Legislature does not issue press credentials, nor do many media outlets. The rationale? In the past, political operatives have passed themselves off as — egad — reporters, while some lawmakers want to know who is interviewing them. Lawmakers hope reporters will comply.

WILL THE SCHIZOPHRENIA END? It was the most hotly debated and controversial bill of the year in INDIANA, but last week, the House finally approved it and sent it along to the Senate. Approval of same-sex marriage, you ask? Extension of the death penalty to jaywalking? A declaration of war against OHIO? Not even close. Think about it. The state’s 92 counties currently observe three different ways to tell time. So, what kind of bill might be so controversial? You guessed it — legislation that imposes daylight savings time and also begs the federal government to put the Hoosier State in one time zone and leave it there. As *The Indianapolis Star* reports, 77 counties remain on Eastern Standard Time the year around. On the other hand, five counties in the southeast part of the state switch to Eastern *Daylight* Time come April. And just to roil things a bit more, 10 northwestern and southwestern counties in the Central Time Zone also observe daylight savings time. So, this time of year, when it’s noon in Ft. Wayne, it’s 1:00 PM along parts of the Ohio River but also noon in Gary. Come December, it still will be noon in Ft. Wayne and now also noon along the Ohio but 11:00 AM in Gary. The last year a similar bill reached the Senate was 1983, where it lost 46-4. Proponents



Editor: Rich Ehisen — capj@statenet.com

Associate Editor: Korey Clark — capj@statenet.com

Contributing Editor: A.G. Block — capj@statenet.com

Editorial Advisor: Lou Cannon

Correspondents: Richard Cox (CA), Steve Karas (CA),
Bruce McKeeman (CA), Linda Mendenhall (IL),
Lauren King (MA) and Ben Livingood (PA)

Graphic Design: Richard Hansen, Heather Conway

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