

April 19, 2010



Treading Lightly

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The next issue of Capitol Journal will be available on May 3rd.

Top Story

Health care reform supporters are basking in their success at getting a massive bill through Congress. But cash-strapped states are warily hoping the new law won't be terminal to their financial health.

SNCJ Spotlight

States pick their way through the minefield of Obamacare

Speaking at the University of Iowa soon after he signed the Patient Protection and Care Act into law, President Barack Obama told an amused audience that he hadn't seen any asteroids falling from the heavens. It was his way of saying that the sky won't collapse because the United States has finally joined the long list of industrialized democracies providing

A Cannon Perspective



With Lou Cannon

near-universal health care coverage. Considering the political obstacles he overcame to obtain a health care bill, it is understandable that the president is using a time-worn tactic of ridiculing the more extreme claims of the opposition to divert attention from what may be legitimate objections.

Obama has had particular fun with the contention of the radio talk-show crowd that the new measure is an exercise in “socialized medicine.” As *The Economist*, an unreconstructed apostle of free markets, observed, “The basic planks of Obamacare — compelling citizens to buy private insurance and subsidizing those who cannot afford it — are hardly Marxist.” Indeed, the only feature of the original House bill that might have deserved a “socialist” label — the public option — never stood a chance. In

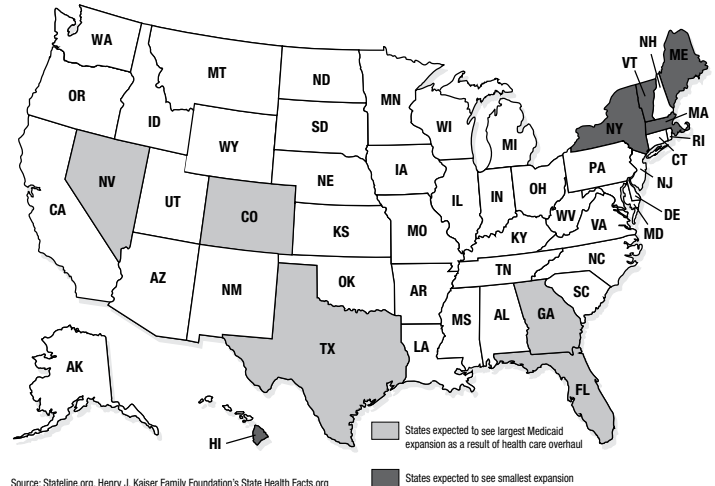
a bow to the left wing of his party, Obama said he favored the option but discarded it in virtually the same breath. The Senate never even considered it. Indeed, one of the striking features of the Patient Protection and Care Act is its reliance on market solutions. Although the president in his speeches has made insurance companies the whipping boy for soaring health care costs, mandated coverage will provide

some 32 million new customers for these same companies. Conservatives won the public option debate even if they cannot take yes for an answer.

But whether Obamacare will contain costs or prove as much as a boon for states as it is for

insurance companies are open questions. There are 2,700 pages in the new law, and state officials are just beginning to digest them. According to the National Conference of State Legislatures (NCSL) at least 39 states have proposed legislation to limit or alter the federal bill, with the mandate requiring individuals to purchase health

Bird's eye view



Medicaid programs could balloon under health reform law

The federal health care overhaul will require states to reset their Medicaid eligibility level to 133 percent of the federal poverty level — about \$29,000 for a family of four — for all residents, including adults without children, by 2014.



The potential impact of that mandate varies widely by state. MASSACHUSETTS, which already has a form of universal health care coverage, would have to expand its Medicaid program by about 13 percent if every currently uninsured resident below the 133-percent mark were to enroll. NEVADA's program, however, would grow by nearly 107 percent.

“Conservatives won the public option debate even if they cannot take yes for an answer.”



insurance drawing the most fire. Although the mandate and most major provisions of Obamacare do not take effect until 2014, states face immediate and difficult decisions. The first choice arrives on April 30, when states must notify the federal Department of Health and Human Services (HHS) if they intend to operate their own programs to cover people who are presently deemed “medically uninsurable.” Thirty-five states already have high-risk pools to insure such individuals, although some of them may not meet the new federal standards. GEORGIA, the first state to decide under the new law, has announced it will not operate a high-risk program, which means that the federal government will establish an alternative program for uninsurable Georgians.

States eventually will also have to decide if they want to operate new marketplaces, known as exchanges, to provide affordable health insurance for persons not covered by employer-provided plans. States fought for this alternative as the legislation wended its way through Congress, but it’s not clear how many will take advantage of it. In separate interviews, William Pound, executive director of NCSL, and Scott Pattison, executive director of the National Association of State Budget Officers, said that the watchword for states is caution.

“At this point, the questions about the health care bill exceed the answers,” Pound said.

Many of the questions involve Medicaid, the matching federal-state program that insures low income Americans. Medicaid has surged during the Great Recession, as the working poor lost health insurance along with their jobs. The Medicaid rolls have swollen to 62 million — one in five Americans — and are likely to remain near this level until unemployment diminishes. One of the most beneficial features of the 2009 stimulus bill for states was a provision that increased the federal share of Medicaid. This formula is due to expire at the end of 2010; a bill that would extend it another six months languishes in a House-Senate conference committee while Congress tries to find a way to pay for it.

The Patient Protection and Care Act emerged from Congress as a partisan achievement (or catastrophe, depending upon one’s point of view.) Democrats overwhelmingly voted for it; Republicans solidly opposed a bill that much resembled their own alternative to the failed health care proposal of the Clinton administration. This partisanship was reflected in the first response of a dozen Republican state attorneys general, joined by one Democrat, who announced a long-shot legal challenge to the constitutionality of requiring individuals to buy health insurance. But partisan considerations are now taking a back seat as states face up to the practical questions of implementing Obamacare. For Democrats and Republicans alike, the new bill contains several potential minefields that all states are likely to have difficulty negotiating.

“At this point, the questions about the health care bill exceed the answers.”



As your columnist interviewed the usual informed suspects in an attempt to evaluate what the new health care bill will mean for the states, I was struck by the extent of their uncertainty. It is still a backburner issue for state politicians, many of whom are trying to balance this year's budget at a time when the tax revenues trail behind the first signs of economic recovery. Even so, there is concern over various provisions of the health care bill, one of which will give states a huge federal bonus in paying the bills of primary-care doctors. But this provision does not kick in until 2013, and it will expire two years later.

“What do states do then?” asks Joy Wilson, the point person in Washington for NCSL on health care legislation. “If the states continue to pay for this subsidy, it could mean cutting other programs.”

All of this seems distant, but the locomotive of health care reform is already speeding down the tracks. This month the Centers for Medicare and Medicaid Services in HHS sent out a letter to the states saying that they could phase in the new federal aid for Medicaid patients that begins in 2014. Whether it is wise for states to do this requires some thorny fiscal guesstimates, and states have only until June 30 to decide.

Under the pull-and-tug of the American system of federalism, states often seek additional fiscal aid from the federal government, which in turn tries to pass off as many costs as it can to states and local communities. In the case of Obamacare this struggle is likely to reach a climax in mid-decade when the federal government will be under political pressure to reduce public debt. Whether there will be money in the till to help the states at this point depends in part upon the accuracy of the Obama administration and the Congressional Budget Office in forecasting that the health care bill will reduce the deficit. This is impossible to predict with any certainty, but it would seem on the face of it that Republican concerns about the cost of Obamacare are more justified than their spurious claims about socialist medicine. The rosy scenario of deficit reduction is dependent upon Congress reducing Medicare payments to doctors, which it has backed away from doing in the past. It also depends on Congress deciding — in 2018! — to tax the high-end health insurance (“Cadillac”) plans negotiated between employers and unions that represent their workforces. The unions, of course, oppose it. Perhaps the Democrats, dependent on the fundraising and support of organized labor, will somehow muster the courage to stand up to this constituency six years from now, but one wouldn't want to bet on it.

In the hopper

At any given time, State Net tracks tens of thousands of bills in all 50 states, the US Congress and the District of Columbia. Here's a snapshot of what's in the legislative works:

Number of Prefiles last week: 95

Number of Intros last week: 1,567

Number of Enacted/Adopted last week: 2,157

Number of 2010 Session Prefiles to date: 17,813

Number of 2010 Intros to date: 73,469

Number of 2010 Session Enacted/Adopted overall to date: 14,832

Number of 2009-10 bills currently in State Net Database: 172,995

— Compiled By JAMES ROSS
(measures current as of 4/15/2010)
Source: State Net database



For most Americans, the real test of Obamacare will be whether it reduces health care premiums. This is also unknowable, but the few auguries of state experience do not inspire confidence. Mandated health care has been a qualified success in MASSACHUSETTS, despite some grumbling about longer waiting lines. Premiums are high but in line with states that lack universal coverage. The cautionary example is NEW YORK, which in 1992 required insurers to accept all applicants, a ballyhooed feature of the new federal law. When he signed the law, Gov. Mario Cuomo (D) predicted it would reduce costs and be a national “forerunner.” Annual health insurance premiums in NEW YORK now cost \$9,000, among the highest in the nation. The NEW YORK law allowed people to obtain health insurance on the way to the hospital and drop it whenever they wished. The White House insists that the Patient Care and Protection Act will have a different outcome because people will be required to keep their coverage. That’s all well and good, but what happens if the mandate is unenforceable or if the insurance recipients can’t pay? We don’t yet know the answers. There are no asteroids falling, to be sure, but the health care skies are cloudy in the states.

—Lou Cannon

Budget & taxes

THE NEW SIN TAXES? For the past two years, NEW YORK Gov. David Paterson (D) has been pushing for a penny-per-ounce tax — on top of the state’s 4-percent sales tax — on sugary drinks. Paterson argues the new tax would not only pour \$1 billion into the state’s empty coffers but also discourage people from drinking the sodas and other drinks many experts believe contribute to obesity.

Paterson’s plan has plenty of critics. Anti-tax activists say it’s a money grab by a state government that is really the one with the weight problem. Libertarians see it as Big Brother trying to tell them what they can drink. And the soda industry contends it unfairly targets one of a multitude of products that can make people fat when consumed in excess.

“We understand that governments are facing tough budget challenges,” said Susan K. Neely, president and CEO of the American Beverage Association. “But singling out one item for taxation completely misses the mark in having an effect on the national challenge of obesity.”

But Paterson’s soda-tax push is part of a growing movement among states to treat unhealthy foods as vices to be discouraged through the tax code just like alcohol and tobacco. ILLINOIS recently expanded its sales tax to cover chocolate bars and other candy. Starting next month, COLORADO’s 2.9 percent sales tax will begin applying



to candy and soda sold from vending machines. And the governors of MASSACHUSETTS and WASHINGTON have proposed extending their sales taxes to candy and sugary drinks as well.

COLORADO expects to generate \$3.6 million in revenue per year from taxing soda and candy sales. MASSACHUSETTS projects it would raise \$51 million from its proposed sales tax extension. And The Center for Science in the Public Interest estimates that states could bring in \$10 billion a year if they all imposed a 7-cent-per-can tax on soda. The organization actually created a Liquid Candy Calculator that allows states to see how much revenue they could generate from sales or excise taxes on sugary beverages.

Research on the efficacy of the new wave of sin taxes is somewhat conflicting, however. Analysts at Yale University projected that a 10-percent increase in the price of soda could lead to a drop in soda consumption of 8 to 10 percent. But a study by the non-profit research organization RAND Corp. concluded that small sales tax increases on soft drinks aren't enough to significantly reduce soda consumption or obesity among children.

"If the goal is to noticeably reduce soda consumption among children, then it would have to be a very substantial tax" said Roland Sturm, the study's lead author. (STATELINE.ORG)

TAX RATES MAY CONTRIBUTE TO POPULATION SHIFTS: An argument often heard when a new tax is proposed is that it will drive taxpayers out of whatever region happens to be considering it. Recent research suggests the argument might be valid.

Between 2000 and 2008, eight of the nine states that don't levy an income tax — ALASKA, FLORIDA, NEVADA, NEW HAMPSHIRE, SOUTH DAKOTA, TENNESSEE, TEXAS, WASHINGTON and WYOMING — had net population gains, according to the Empire Center for New York State Policy. (ALASKA was the exception.)

In contrast, eight of the states that had the largest population outflows over the same period — CALIFORNIA, ILLINOIS, LOUISIANA, MASSACHUSETTS, MICHIGAN, NEW JERSEY, NEW YORK and RHODE ISLAND — have higher-than-average tax rates. Three of those states, CALIFORNIA, NEW JERSEY and NEW YORK, have so-called "millionaires' taxes." MASSACHUSETTS ranks 10th

Upcoming elections

4/15/2010 - 5/6/2010

05/01/2010

Louisiana Special Election

House District 63

Louisiana Special Primary

House District 93

05/04/2010

Indiana Primary Election

House (All)

Senate 1, 4, 6, 11, 14, 15, 17, 19, 21, 22, 23, 25, 26, 27, 29, 31, 38, 39, 41, 43, 45, 46, 47, 48, 49

US House (All)

US Senate (Class 3 - Evan Bayh)

North Carolina Primary Election

House (All)

Senate (All)

US House (All)

US Senate (Class 3 - Richard Burr)

Ohio Primary Election

House (All)

Senate (Odd)

Constitutional Officers:

Governor, Lieutenant Governor,

Secretary of State,

Treasurer, Attorney General, Auditor

US House (All)

US Senate (Class 3 - George V. Voinovich)

in total tax burden per person, according to the Federation of Tax Administrators. And RHODE ISLAND ranks high relative to other states in corporate, sales, and property taxes, according to the Tax Foundation.

The financial impact of such migration can be significant. A Boston College study found that NEW JERSEY lost \$168 billion in revenue from 2004 to 2008. (CHRISTIAN SCIENCE MONITOR)

INSURER PRESCRIBES MEDICAID COPING STRATEGIES FOR STATES: UnitedHealth Group Inc., which operates the nation’s largest Medicaid managed-care unit, AmeriChoice, released a report last week describing a variety of strategies to help states cover the costs of caring for the roughly 16 million new people expected to be eligible for Medicaid under the new federal health care law. Among other things, the report estimates that \$93 billion could be saved by adopting coordinated-care techniques that cut down on drug interactions and reduce the number of emergency room patients; \$140 billion could be saved by better coordinating long-term care and moving elderly patients out of nursing homes and into home-based care; and \$133 billion could be saved through technological and infrastructure improvements in Medicaid that reduce administrative expenses.

UnitedHealth Executive Vice President Simon Stevens said the paper was not intended to generate new business for AmeriChoice, but the company acknowledged it would benefit from states adopting the report’s recommendations.

“Two-thirds of the costs identified in the paper are things AmeriChoice and UnitedHealth have the capabilities to help states attack,” said Rick Jelinek, chief executive of AmeriChoice. (WALL STREET JOURNAL)

BUDGETS IN BRIEF: Last week, a MASSACHUSETTS court ruled against health insurers seeking to go ahead with premium increases blocked three weeks ago by state Insurance Commissioner Joseph G. Murphy. (See HEALTH INSURANCE SHOWDOWN COMING TO MA in last week’s issue of *SNCJ*.) The court affirmed that the state has the authority to oversee the insurance industry (CHRISTIAN SCIENCE MONITOR). • Also in MASSACHUSETTS, state officials announced last week they will move \$243 million in state investments out of some of the nation’s largest banks in protest of the banks’ credit card interest rates. State Treasurer Timothy Cahill said it could take up to six months to divest the funds from Bank of America, Citi and Wells Fargo, which will also be removed from a list of institutions approved for new state investments (WASHINGTON POST). • CALIFORNIA officials took bids last week on an estimated \$2 billion worth of state office buildings they are seeking to sell to help reduce the budget deficit. The 11 properties include the massive East End complex and Attorney General Building in downtown Sacramento (SACRAMENTO BEE). • NEW YORK Gov. David Paterson’s (D) top budget aide warned last week that the \$3.4 billion remaining in the state’s “rainy day” fund could be depleted — and actually go \$1 billion in the hole — by June (NEW YORK POST).

— Compiled by KOREY CLARK



transparency — which he’s seen in a startup news service in his own state, Missouri News Horizon — is a “red flag.”

“I can’t recall in 40 years that there’s been an organization that has come here and asked for recognition as a news organization that hid its financial background,” he said.

But Hoffman counters that donors to organizations like his “have been harassed, they have been criticized, they’ve been vilified.”

“We choose not to subject our donors to that, unless they choose to be subjected to that.”

There’s no denying that Hoffman’s site has been successful on multiple levels. He said some of the site’s stories have been picked up by mainstream media and news blogs, statehouse reporters and lawmakers have come to rely on it for developments and page views have quintupled — to about 1,000 per day — since the site’s launch in January.

Jason Stverak, a former North Dakota Republican Party director who runs the Franklin Center for Government and Public Integrity in Bismarck and advises news outlets like Hoffman’s and Brouillette’s, said the rise of the sites is connected to that of another national movement.

“You can draw a parallel between the explosion in the Tea Party and the rapid increase in the amount of new news organizations,” he said.

Stverak said the trend is also illustrative of the way technological advances and citizen reporting are changing the face of journalism.

“If you have a laptop, a wireless card and a flip cam, you’re as powerful as *The New York Times*,” he said. (ASSOCIATED PRESS, YAHOO NEWS)

POLITICS IN BRIEF: The two **ALABAMA** state senators who said two weeks ago that a Montgomery lobbyist offered them substantial campaign contributions for committing to support bingo legislation (see **AL SENATORS ALLEGE BINGO BRIBE** in April 12 issue of *SNCJ*) reportedly agreed to wear wires to eavesdrop on conversations with fellow lawmakers, lobbyists and others interested in passage of that legislation. The electronic bingo bill passed by the Senate this month (SB 380) is still awaiting action in the House (**BIRMINGHAM NEWS**). • Backers of an initiative in **CALIFORNIA** to repeal Proposition 8, which banned same-sex marriage in the state, failed to gather enough signatures to qualify the measure for the November ballot. The backers said they will try again in 2012 (**LOS ANGELES TIMES**).

— Compiled by **KOREY CLARK**

Upcoming stories

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

- **State food stamp struggles**
- **Texting and sexting**
- **Pension reform**

Governors

MANCHIN PUSHES NEW WV MINING REGULATIONS: Gov. Joe Manchin (D) told an emergency meeting of the WEST VIRGINIA Mine Health and Safety Board last week that state coal mine inspectors should have the power to shut down mines that violate rules designed to prevent the buildup of explosive gas and dust. Manchin's proposal came in response to an explosion at the Upper Big Branch Mine near Charleston on April 5th that killed 29 miners. The governor ordered Mountain State inspectors to begin reexamining mines, particularly those with past violations that carry the greatest risk of a similar explosion.

"Mine health and safety laws are in place to protect our coal miners, but it's clear that a breakdown occurred and we lost 29 miners who should be with us today," Manchin said in a statement.

The governor also called on all underground mines in the state to observe a one-day halt in production last Friday. The down time, he said, was both to honor those killed and injured in the accident and for mining operations to review their safety policies.

The mining board supported Manchin's proposal, but some members also cautioned against implementing significant changes in policy before inspectors know what caused the explosion at Upper Big Branch. Manchin also drew criticism from

observers who noted the accident was the third major mining disaster while he has been in office, including a 2006 explosion that took 12 lives at a Sago, WEST VIRGINIA mine.

"Gov. Manchin said after the Sago disaster that no stone would be unturned, but it seemed to me like there were plenty of stones that were never looked under after

"Mine health and safety laws are in place to protect our coal miners, but it's clear that a breakdown occurred and we lost 29 miners who should be with us today."

Sago," said Tony Opegard, a Kentucky plaintiff's lawyer and former mine regulator.

State regulators also contend that current state and federal mine safety rules focus more on helping miners to survive accidents rather than on preventing them. Enforcement of rules already on the books has also been lax, they say, noting that federal inspectors had cited the Upper Big Branch mine 57 times with no significant penalties.

That, Manchin said, was unacceptable. He vowed to move quickly on changing the state's mining regulations to ensure those with poor safety habits are shut down before another tragedy occurs.

"We're going to move quicker than the feds," he said. "I don't want to wait."
(CHARLESTON DAILY MAIL, WASHINGTON POST)



GRANHOLM ON SUPREME COURT SHORT

LIST: MICHIGAN Gov. Jennifer Granholm (D) was among 10 candidates — including six women — reportedly on President Barack Obama’s short list of possible replacements for retiring Supreme Court Justice John Paul Stevens. Granholm, a former federal prosecutor, was previously considered to replace Justice David Souter. That position went to Justice Sonya Sotomayor in 2009. Former ARIZONA Gov. Janet Napolitano (D) is also reportedly under consideration. Neither is considered a frontrunner for the post. (DETROIT FREE PRESS, ABC NEWS)

In case you missed it

Animal rights activists have long railed against so-called “puppy mills,” which typically breed hundreds of dogs at a time, often in deplorable conditions. Now states are slowly moving to rein in what has become a multi-billion dollar industry.

In case you missed it, the article can be found on our Web site at

http://www.statenet.com/capitol_journal/04-12-2010/html

DEM GOVS CHALLENGE GOP AGS OVER HEALTH CARE LAWSUIT:

A quartet of Democratic governors — WASHINGTON’s Christine Gregoire, PENNSYLVANIA’s Ed Rendell, COLORADO’s Bill Ritter and MICHIGAN’s Jennifer Granholm — say they will hire their own legal counsel to represent them in countering a lawsuit by Republican attorneys general in their states seeking to invalidate the new federal health care law. Karina Shagren, a spokesperson for Gregoire, said the group’s plan is “to use existing resources as much as possible, and find an attorney able to represent all four governors that understands the states involved can’t afford to pay large legal fees.” (SEATTLE TIMES)

GOVERNORS IN BRIEF: A group of parents and students ended an eight-day

occupation of HAWAII Gov. Linda Lingle’s (R) office last Wednesday. The group was protesting the state’s ongoing school furloughs that have left the Aloha State with the fewest number of instruction days in the nation. Police made four arrests and issued 33 trespassing citations during the occupation (HONOLULU ADVERTISER).

• **NEBRASKA** Gov. Dave Heineman (R) said he is willing to go to court to defend two anti-abortion bills he signed into law last week (see Hot Issues). Heineman said the two measures “represent the values and beliefs of most Nebraskans” (OMAHA WORLD-HERALD). • **MARYLAND** Gov. Martin O’Malley (D) signed a measure that will make the Old Line State the only one in the country to redraw districts by counting prisoners in their home towns instead of their cells. The law was enacted to take advantage of the 2010 Census. Opponents called the move a blatant power grab that would favor large urban areas like Baltimore at the expense of smaller rural areas (WASHINGTON POST).

— *Compiled by RICH EHISEN*

Hot issues

B **USINESS:** The 9th U.S. Circuit Court of Appeals rules that an **ARIZONA** law allowing wineries anywhere that produce less than 20,000 gallons a year to ship their product directly to consumers and retailers is constitutional. The court rejected a claim by a **MICHIGAN** winery that the law discriminates against larger out-of-state operations, which must go through a wholesaler (**ARIZONA DALY STAR [TUCSON]**). • The **WISCONSIN** Senate endorses SB 530, which would limit payday loans to no more than \$1,500 or 35 percent of the borrower's monthly income, whichever is less. The measure would allow borrowers to renew their loan only once and bar lenders from operating within 1,500 feet of each other. It moves to the House (**MILWAUKEE JOURNAL-SENTINEL**). • The **LOUISIANA** House unanimously approves HB 173, which would bar Pelican State retailers from selling a series of specified herbs and plants that are bundled and sold as incense. The measure, which would make it a crime to possess or sell the herbs, moves to the Senate (**THE ADVOCATE [BATON ROUGE]**). • **ILLINOIS** Gov. Pat Quinn (D) signs SB 1578, which will allow small businesses with 50 or fewer employees to apply for a \$2,500 tax credit for each full-time employee they hire. The law goes into effect July 1 (**CHICAGO TRIBUNE**). • **MARYLAND** Gov. Martin O'Malley (D) signs SB 213, legislation that bars the use of the chemical bisphenol-A (BPA) in baby bottles. BPA has been linked to health problems in some infants (**BALTIMORE SUN**). • Still in **MARYLAND**, O'Malley also signs HB 1267, a bill that requires anyone purchasing four or more units of secondary plastic packaging, such as a plastic crate or shell used for bulk transport of consumer goods, to verify the seller's identity and legal ability to sell the products. The buyer must keep that information on file for at least one year (**STATE NET**).

CRIME & PUNISHMENT: The **WISCONSIN** Senate endorses SB 631, legislation that would permit judges to order ex-convicts to submit a DNA sample to Badger State authorities. The measure, which would apply only to former prisoners that have not already supplied a DNA sample, moves to the Assembly (**LA CROSSE TRIBUNE**). • The **GEORGIA** Senate unanimously endorses HB 1322, which would allow police to withhold graphic crime scene photos from public disclosure for five years. The measure, which also would bar police or 911 agencies from releasing audio and video recordings of victims, returns to the House for confirmation of changes made in the Senate (**ATHENS BANNER-HERALD**). • The **SOUTH CAROLINA** Senate overrides Gov. Mark Sanford's (R) veto of SB 191, which would allow Palmetto State police to search people on probation or parole without a warrant. The veto proposal moves to the House (**SPARTANBURG HERALD-JOURNAL**).

had not yet exhausted their administrative appeals (CHRISTIAN SCIENCE MONITOR). • **WEST VIRGINIA** Gov. Joe Manchin (D) signs SB 230, legislation that allows Mountain State optometrists to greatly expand their scope of practice, including the right to administer certain injections, order diagnostic lab tests and prescribe more medications (CHARLESTON DAILY MAIL). • **NEBRASKA** Gov. Dave Heineman (R) signs LB 999, which enacts a two-year moratorium on issuing licenses to build new hospitals in the Cornhusker State (LINCOLN JOURNAL STAR). • **MARYLAND** Gov. Martin O'Malley (D) signs SB 279, which creates civil penalties for anyone filing false Medicaid claims and allows people with knowledge of fraudulent claims to file a lawsuit and share a percentage of damages (BALTIMORE SUN).

IMMIGRATION: The **ARIZONA** House endorses SB 1070, a sweeping bill that would, among other things, make it a misdemeanor to be in the country illegally and bar Grand Canyon State cities from designating themselves as “sanctuary” sites for illegal immigrants. The measure would also require police to attempt to determine a suspect’s immigration status, allow police to arrest suspected illegal immigrants without a warrant, require business owners to use the federal E-verify database to confirm their workers’ work eligibility and bar day laborers from soliciting work along roadways. The measure moves back to the Senate for confirmation of changes made in the House (ARIZONA REPUBLIC [PHOENIX]).

SOCIAL POLICY: The **ARIZONA** Legislature approves SB 1304, a bill that would set into law current state regulations requiring confidential reports by abortion providers on individual abortions and circumstances without names of the women involved. The measure, which would also require the court system to report how many times judges bypass parental consent requirements, moves to Gov. Jan Brewer (R) for review (ARIZONA DAILY SUN [FLAGSTAFF]). • **MISSISSIPPI** Gov. Haley Barbour (R) signs SB 3004, which removes the phrase “mental retardation” from all Magnolia State civil code. Under the measure, that phrase will be replaced by the term “intellectual disability” (CLARION LEDGER [JACKSON]). •

The week in session

States in Regular Session: AK, AL, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IL, LA, MA, MI, MN, MO, MS, NH, NY, OH, OK, PA, PR, RI, SC, TN, US, VT, WI

States in Recess: KS, RI

States in Special Session: CA “f”

Upcoming Special Sessions: FL (TBA - Public Corruption), KY (TBA May - Budget), PA (TBA - Transportation Funding), VT (TBA July - Budget Reduction Review)

States in Budget Hearings: NJ

States Currently Prefiling or Drafting for 2011: MT, ND

States Projected to Adjourn: AK(04/18/2010), AL(04/22/2010)

States Adjourned in 2010: AR, IA, ID, IN, KY, MD, ME, NE, NM, SD, UT, VA, WA, WV, WY

State Special Sessions Adjourned in 2010: AZ “a”, AZ “b”, CA “e”, CA “h”, NM “a”, NV “b”, OR “a”, TN “a”, WA “a”, WI “b”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 4/9/2010)
Source: State Net database



NEBRASKA Gov. Dave Heineman (R) signs LB 594, which requires women seeking an abortion to first undergo an extensive physical and mental health screening process. Heineman also signs LB 1103, which bars doctors from performing an abortion at 20 weeks after conception (OMAHA WORLD HERALD).

POTPOURRI: The **WISCONSIN** Senate approves AB 496, which would bar Badger State drivers from sending or receiving cell phone text messages while behind the wheel. The measure returns to the Assembly (MILWAUKEE JOURNAL-SENTINEL). • Still in **WISCONSIN**, the Senate also endorses SB 25, which would bar schools from using a Native American name, nickname, mascot or logo unless it can show in a hearing that the depictions do not promote discrimination, student harassment or stereotyping. It moves to the Assembly (MILWAUKEE JOURNAL-SENTINEL). • **NEBRASKA** Gov. Dave Heineman (R) signs LB 945, which bars drivers from sending or receiving cell phone text messages. Violators face fines up to \$500. It goes into effect in July (LINCOLN JOURNAL STAR). • The **MARYLAND** House endorses SB 321, which would bar Old Line State drivers from talking on a cell phone while operating a car unless they are using a hands-free device. It is now with Gov. Martin O’Malley (D), who is expected to sign it into law (THE GAZETTE [GAITHERSBURG]). • The **NEW HAMPSHIRE** Senate endorses HB 630, which would bar live dog racing in the Granite State. The state’s two remaining dog tracks have already stopped live races, offering only simulcasts of races held in other states. The bill returns to the House for confirmation of changes made in the Senate (FOSTER’S DAILY DEMOCRAT).

— Compiled by RICH EHISEN

Once around the statehouse lightly

LEADING THE WRONG RACE: Former eBay CEO Meg Whitman and CALIFORNIA Insurance Commissioner Steve Poizner, the two GOP candidates vying for a shot to replace termed-out Gov. Arnold Schwarzenegger, have a lot in common. Both are former high-powered Silicone Valley business leaders. Both are also billionaires. And, each is also now an author with freshly-minted tomes out on the market meant to curry favor with voters. In this particular “war of words,” the advantage has so far gone to Poizner, whose memoir of his time teaching at an impoverished Bay Area school has hit No. 5 on the *New York Times* best-seller list. As the *San Francisco Chronicle* reports, that is far and



away better than the results for Whitman's 288-page recollection of her time at eBay. Whitman, however, will likely end up with the last laugh. Polls show her currently leading Poizner by almost 50 points.

CALL IN BOB WOODWARD: Since abruptly quitting as ALASKA governor, Sarah Palin has allegedly earned \$100,000-a-pop traveling the country to weigh in on conservative issues. But as the *Washington Post* reports, an impending appearance at a CALIFORNIA university has one Golden State lawmaker up in arms. Sen. Leland Yee wants California State University, Stanislaus to reveal what the failed VP candidate charges to share her worldview, and if any public funds are being spent on the event. The school has refused but says the speech is privately financed. Last week, Yee held a news conference to showcase pieces of Palin's speaker contract, which a pair of dumpster diving students had dug out of the trash after school officials had it shredded. An indignant Yee called the incident "our little Watergate." Apparently 'tis the season for hyperbole.

TEA FOR TWO: The Tea Party movement is hot these days. So hot, in fact, anxious suitors are scrambling to claim it for their own. As the Associated Press reports, a federal court has agreed to hear a suit between competing FLORIDA political activists over who can officially lay claim to the moniker. The hubbub started last August when a Sunshine State lawyer and anti-tax crusader named Fred O'Neal registered the "Tea Party" as a state political party. That sent a horde of folks into a spin, with all sides claiming to be the "true" Tea Party and each accusing the other of plotting all kinds of nefarious skullduggery. The trial is set to begin in December, though it seems the litigants have pretty much already figured out how to act just like the two parties we already have.

DID YOU HEAR THE ONE ABOUT? Most folks in the public eye these days know to be very careful about the text messages, Facebook photos and off-color e-mails they share with even their close friends. NEW YORK gubernatorial candidate Carl Paladino, however, must have missed that memo. As the *Buffalo News* reports, Paladino, a Republican who has also garnered strong support from the Tea Party movement, came under fire last week after he admitted to forwarding a series of sexually explicit and racist e-mails, many of which took pot shots at President Obama. Paladino apologized for the messages and, in a classic case of understatement, noted that he is "not politically correct." He also said he had no plans to drop his campaign.

— By RICH EHISEN

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