

May 2, 2005

A federal issue?



Budget & taxes	
Gas tax spikes in WA	5
Politics & leadership	
AL senators play political hooky	6
Governors	
Govs battle Congress over medicaid	8
Bird's eye view	3
Hot issues	10
Once around the statehouse lightly	13

Top Story

*A rash of mega-scandals in recent years has led critics to urge Congress to regulate the insurance industry. But states, which have long held that power, aren't eager to give it up without a fight.*

## SNCJ Spotlight

### States battle to keep control of insurance industry

**I**n March, Maurice R. "Hank" Greenberg stepped down from his longtime position as chief executive of American International Group Inc. (AIG), one of the world's largest insurance companies. Mr. Greenberg's departure came only six months after the resignation of his son Jeffrey W. Greenberg, who just happened to be chairman and CEO of one of the world's biggest insurance brokerage firms, Marsh & McLennan Cos. And the junior Greenberg wasn't Marsh & McLennan-

nan's only significant loss; the company also paid \$850 million to settle a civil lawsuit filed against it back in October. The ignominious developments for the Greenberg family and for their respective employers were prompted by state and federal probes into the business practices of the insurance industry, an industry some regulators say has had it far too easy for far too long, and one that could soon see big changes.

As strange as it may seem, the insurance industry crackdown is largely being led by the Securities and Exchange Commission. The reason for that is also a bit odd: the federal government has very little latitude when it comes to regulating the insurance industry. Due to a law passed in 1945 to settle jurisdictional disputes between federal and state regulators, known as the McCarran-Ferguson Act, states have primacy in regulating insurers, in sharp contrast to the banking and telecommunication industries, where the federal government is king.

So, using its authority as an enforcer of accounting regulations, the SEC is scrutinizing the practices of several major insurers, including General Re Corp., a division of insurer Berkshire Hathaway; ACE Ltd.; Chubb Corp.; and Swiss Reinsurance Co., along with AIG. One of the focal points of the SEC investigation is the companies' use of a type of insurance known as "finite-risk." These policies allow insurers to cover themselves against big losses on the policies they sell to individuals and businesses by entering into contracts with reinsurance firms. SEC regulators don't have a problem with finite-risk insurance itself, but they do have a problem when companies structure their policies to improve their financial statements, which is what occurred at AIG. And those regulators don't believe AIG is the only company guilty of that practice.

But even the SEC's power is limited; it can only police publicly-traded securities, which places some of the largest U.S. insurers, such as privately-held State Farm, out of reach. Some observers say that restriction precludes the SEC from being able to effectively regulate the industry. "The SEC is aggressive enough to do the job, but lacks the broad jurisdiction necessary to clean up

## *The Week in Session*

### States in Regular Session:

AK, AL, CA, CO, CT, DC, DE, IL, KS, LA, MA, MI, MN, MO, NC, NE, NH, NJ, NV, NY, OH, OK, OR, PA, RI, SC, TN, TX, US, WI

### States in Special Session:

CA "a", ME "a"

### States Projected to Adjourn:

AZ, FI, HI, IA, IN, VT

### States Adjourned in 2005:

AR, DC "z", GA, ID, IL "z", KY, MA "z", MD, ME, MS, MT, ND, NM, NY "z", SD, UT, VA, WA, WV, WY

### States in Special Session

Adjourned in 2005: DE "c", FL "a", MD "a", MS "a", UT "a", WI "a", WV "a", WV "b"

Letters indicate special/extraordinary sessions

Source: State Net, 4/29/05

the insurance sector,” says Kevin Henosy, an insurance historian and publisher of an industry newsletter.

But the recent revelations have spurred new calls for the federal government to take over that job. And no one has said so more forcefully than NEW YORK Attorney General — and 2006 gubernatorial hopeful — Eliot Spitzer. Last year, Spitzer called on Congress to address the insurance industry’s “Pandora’s box” of problems. “It is clear that the federal government’s hands-off policy with regard to insurance, combined with uneven state regulation, has not entirely worked,” Spitzer said, adding that “Many state regulators have not been sufficiently aggressive in terms of supervising this industry.” Spitzer, himself, could hardly be accused of that. He brought the civil suit last year against Marsh & McLennan, accusing it of collecting “placement fees” for steering business to insurers that paid it the highest commissions. He’s also played a key role in the AIG probe.

But Spitzer isn’t alone in his call for greater federal oversight; even some within the industry itself back the idea. Dennis Kelly, a spokesman for the American Insurance Association, which represents property-casualty insurers, has stated, “We definitely see a federal regulator as being more effective, as long as it’s operating in an effective regulatory system.”

The sort of system the AIA and a number of insurers favor is a dual state-federal regulatory scheme, similar to the one used to govern the banking industry.

## Bird’s eye view



Source: Associated Press, AARP ■ States without laws protecting IRAs

### Retirement off limits in bankruptcy

Declaring bankruptcy does not mean having to relinquish retirement savings, according to a recent ruling from the U.S. Supreme Court. The high court decided Individual Retirement Accounts are in the same class as pensions, 401(k)'s, Social Security and other age-based benefits protected by federal bankruptcy laws. That decision does more than offer bankrupt Americans another layer of financial protection, it also codifies that safeguard for the 16 states and the District of Columbia that do not have their own laws protecting IRAs. Several of the 34 states which do have statutes protecting retirement accounts in bankruptcy cases, including NEW YORK and CALIFORNIA, have laws that mirror the federal standard. The accompanying map show those states affected by the court's ruling.



Under such a system, insurers would be allowed to incorporate under either a state or federal charter. Smaller companies would be able to choose to continue to be regulated by their home state, while larger companies with operations in multiple states could opt to be regulated only at the federal level.

Some state officials and insurance brokers, however, oppose any form of federal preemption of insurance regulation. They contend that while a federal, one-size-fits-all approach might work for consolidated industries, insurance is very local; the sale of hurricane coverage in the Southeast and earthquake insurance in CALIFORNIA, they say, can be more effectively supervised by local officials.

Legislation with the pro-states camp in mind could be taken up by Congress this year. Introduction of the State Modernization and Regulatory Transparency Act, or SMART, drafted by Rep. Michael Oxley (R-OHIO), chairman of the House Financial Services Committee, and Rep. Richard Baker (R-LOUISIANA), is awaiting a compromise with the National Association of Insurance Commissioners, which represents state regulators. Agreement on the specifics of the measure, however, has been somewhat elusive. A spokesman for Oxley commented, "Creating a new federal regulator out of whole cloth in an area that has been traditionally regulated by the states is not the easiest task." In fact, there have been repeated attempts in Washington over the years to overhaul the way the industry is regulated, but they've never managed to gain much traction.

States aren't just waiting around idly to see if this time's the charm. Twenty-five states have introduced over 50 bills this year pertaining to insurance reform, with 13 of those measures already approved in their house of origin and awaiting action in the opposite chamber. A few, such as ARKANSAS Senate Bill 233 and SOUTH DAKOTA Senate Bill 49 have already been enacted and, as of press time, GEORGIA House Bill 407 is awaiting Gov. Sonny Perdue's (R) signature. Most of the active bills concern reporting requirements for compensation paid to insurance brokers, one of the major issues driving the current industry investigation. Attorneys general in states other than New York, such as CONNECTICUT and MINNESOTA, are also getting into the act, actively pushing for legislative reform.

And state activity hasn't been limited just to legislation. CALIFORNIA, NEVADA, OHIO, OREGON and TENNESSEE have proposed new administrative rules for the industry, while insurance commissioners in 15 other states have sent out notices to resident insurers detailing state policy regarding compensation. Some of the commissioners are going as far as requiring insurers to certify that they are not engaging in price fixing.

## *Upcoming Elections*

*(04/29/2005 - 05/09/2005)*

**No elections scheduled**



Some insurers say that if the activities of the SEC, Spitzer and other regulators continue to generate splashy headlines about industry wrongdoing, it will create more pressure for the feds to step in. But even if inertia prevails in Washington, states appear to be ready to take up the cause. (WALL STREET JOURNAL, NEW YORK TIMES, STATENET.COM)

— *Compiled by KOREY CLARK*

---

# Budget & taxes

**GAS TAX SPIKES IN WA:** The WASHINGTON Legislature ended its session last week with a bang, passing an \$8.5 billion transportation package that includes a 9.5-cent-per-gallon hike in the gas tax over the next four years — the largest increase in state history. The tax will be used to fund a number of major construction projects, including a \$2-billion repair of the earthquake-damaged Alaskan Way Viaduct in Seattle. The transportation package, which passed the Senate two weeks ago, actually looked to have died in the House last Saturday after a bitter partisan fight that ended with the chamber voting the plan down by a vote of 54-43. But the following day, Gov. Christine Gregoire (D) stepped in to keep negotiations going. She told legislative leaders, “I want to see a transportation package come out. If that viaduct falls down and peoples’ lives are lost, I’m not going to stand here and say we lost it because we couldn’t take the vote to get it done.” On top of that, she threatened to haul the Legislature into special session if it didn’t pass the transportation plan. Evidently, her tactics worked. Later in the day, the House passed the plan by the same 54-43 margin they’d rejected it with the day before. And with the heavy lifting out of the way, both chambers quickly passed the state operating budget and adjourned the session. Then Democrats and Republicans, despite all of their heated confrontations over the last 105 days, exchanged congratulatory back slaps, hugs and heartfelt thank-you’s. “Yeah, we tangled, but we got the job done,” said House Speaker Frank Chopp (D). (SEATTLE TIMES, SEATTLE POST-INTELLIGENCER)

**BUDGETS IN BRIEF:** A TEXAS House committee approved legislation that would make the Lone Star State the first in the nation to sell lottery tickets online. One Democratic House member who supports the bill said its chances in the full chamber were about 50-50 (HOUSTON CHRONICLE). • A proposal to



limit budget growth in **NEVADA**, modeled after **COLORADO**'s Taxpayer's Bill of Rights (TABOR) amendment, was voted down by a Senate committee last week. Opponents of the measure said that placing arbitrary limits on the amount of revenue the state is allowed to take in can create major problems, and they pointed to Colorado's current budget difficulties and the state's move to suspend its TABOR measure as proof (ASSOCIATED PRESS, NEVADA APPEAL [CARSON CITY]). • **TENNESSEE** Gov. Phil Bredesen (D) announced a "compromise agreement" last Tuesday that would spare 97,000 of the Volunteer State's sickest residents from the governor's planned cuts to TennCare. But the Tennessee Justice Center, which is representing the state's 1.3 million TennCare participants in federal court, opposes the plan because it would give state bureaucrats control over medical decisions for the enrollees who remained in the program (TENNESSEAN [NASHVILLE]). • The **ALABAMA** House of Representatives passed a bill that would reduce state regulation of landline telephone companies and also allow the companies to automatically raise their rates for basic phone service each year. The legislation is aimed at leveling the playing field between landline phone companies and cable and cell phone companies that aren't regulated by the state (BIRMINGHAM NEWS).

— *Compiled by KOREY CLARK*

---

# Politics & leadership

**A** **LABAMA SENATORS PLAY POLITICAL HOOKY:** Over half of **ALABAMA**'s senators failed to show up for work last week, forcing an automatic one-day adjournment with only four work days left in the legislative session and plenty of state budget work still to be done. The truancies cut across party lines, with all 10 of the chamber's Republicans and eight of its 25 Democrats absent when roll was taken just after 1 p.m. last Tuesday. What appeared to be a bipartisan boycott, however, was actually two separate efforts occurring simultaneously. Republicans were stalling to try to give Gov. Bob Riley (R) more leverage to revise the education and operating budgets, while Democrats were stalling in an attempt to obtain more money for higher education. There were also a few senators who said they missed roll simply because they were delayed. While the intentional truants claimed they were using a legitimate tactic to try to influence the budget process, Lt. Gov. Lucy Baxley (D), who presides over debate in the chamber, remarked, "The taxpayers got cheated today." (BIRMINGHAM NEWS)



**WASHINGTON PASSES ELECTION REFORMS:** Spurred by a chaotic 2004 gubernatorial race that featured multiple recounts, lost ballots, votes cast by convicted felons and dead people, and a historic 129-vote victory for Democrat Christine Gregoire — which is still being contested in court — WASHINGTON’s Democrat-controlled Legislature passed a slew of bills directed at improving the state’s election system. But election officials say the changes will do little to prevent a repeat of last year’s spectacle. The most significant bills passed by the Legislature will require voters to show proof of residency at the polls and mandate paper trails for electronic voting machines. Some lawmakers weren’t overly impressed even with those measures. Sen. Pam Roach, the top Republican on the Senate Government and Elections Committee, thought the voter identification bill didn’t go far enough. “You can give them a utility bill,” she said. “I think it’s outrageous.” For others, a more significant shortcoming of the election reforms is their failure to move the primary from September to August, which would have given election officials more time to get absentee ballots to residents serving in the military overseas. That omission, and the overall approach lawmakers took to election reform prompted David Olson, a political science professor at the University of Washington, to remark, “When I look at what the Legislature did, it had considerable accomplishments on the small things and shied away from the big issues.” And Secretary of State Sam Reed conceded that while the new laws will resolve many problems, they probably would not have prevented the 2004 race from being contested if they’d been in place then. “[In] that close of an election, we’re always going to have warts and glitches,” he said. (SEATTLE TIMES)

**POLITICS IN BRIEF: FLORIDA’S** Republican-controlled House passed an election measure last week that, among other things, would force voters without ID to vote by provisional ballot and force groups that bring election lawsuits to pay all legal costs if they lose the case. Democrats’ criticism of the legislation focused on what it failed to do: require a paper trail for touch-screen voting machines and provide a means to ease the long lines at polling places during early voting (MIAMI HERALD). • The Archdiocese of Boston ordered a priest to stop demonstrating outside the home of **MASSACHUSETTS** Senate President Robert E. Travaglini (D). The priest and some of his parishioners had been holding forth out in front of Travaglini’s duplex to protest the lawmaker’s support of embryonic stem cell research (LOS ANGELES TIMES). • An **ALASKA** lawmaker has introduced a bill that would allow cities and boroughs with more than 30,000 residents to compete to host the Last Frontier State Capitol. Based



on that requirement, both Anchorage and Fairbanks would be eligible, along with the current capital city of Juneau (JUNEAU EMPIRE).

— *Compiled by KOREY CLARK*

---

# Governors

**G**OVNS BATTLE CONGRESS OVER MEDICAID: A host of governors expressed frustration last week over what they say are Congressional efforts to use some of their unfinished proposals for reforming Medicaid as leverage for making massive spending cuts to the state-federal healthcare program that provides healthcare coverage to more than 53 million Americans. Congress is currently considering a Bush administration proposal to cut spending growth on the \$330 billion-a-year program by as much as \$45 billion over the next decade. That is devastating news for states already facing a \$1.1 billion cut in matching federal Medicaid funds over the next two years due to a recalculation of the formula those funds are based on. That reduction means state coffers will receive millions of dollars less in 2006-07, placing a heavy fiscal burden on shaky state budgets. Some states will be hit particularly hard — PENNSYLVANIA, for instance, will absorb a \$198 million cut in 2007 while NEW MEXICO will see an \$81 million drop in 2006. The possibility of even greater cuts has governors scrambling to devise cost saving plans that will convince federal lawmakers to hold off on the Bush proposal. Some reported suggestions being floated around include higher co-pays for Medicaid recipients, higher state spending and tax credits for long-term care insurance. Governors are also considering possible savings through greater efficiency, such as more use of electronic medical records and state purchasing pools. But while all of those suggestions are still in the formulation stage, governors say some Congressional lawmakers are reacting as if they were written in stone, proposing those and other specific program cuts as they work out the federal budget. That has led some governors to accuse Congress of “cherry-picking” their ideas as a way to enact cuts and avoid negotiating long-term reforms with the governors. “I feel, as a governor, a bit used,” said IOWA Gov. Tom Vilsack (D). That sentiment riled up Congressional House Budget Committee Chairman Jim Nussle (R), also of Iowa, who claimed that his chamber is only doing what governors themselves are doing — looking for a way to slash Medicaid costs. “I have got proposals here that add up to \$8.6 billion of ideas that the governors have already agreed to as a

starting point,” Nussle said. Not true, governors say, noting that no governor or governor’s organization has presented any formal proposal to Congress. A Nussle spokesman later admitted that he drew his conclusions based on public comments on the issue made by VIRGINIA Gov. Mark Warner (D) as well as Congressional Budget Office figures drawn from President Bush’s budget. ARKANSAS Gov. Mike Huckabee (R) says that is the problem — Congress is looking at Medicaid as a budget issue rather than as a healthcare problem. “They’ve done exactly what we feared they might. They’re looking at a budget number. We’re looking at people.” (BOSTON GLOBE, USA TODAY, STATELINE.ORG)

## *Upcoming Stories*

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

The spread of CALIFORNIA’s strict new emissions laws

Opting out - the battle over No Child Left Behind

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...

**BATTLEGROUND VIRGINIA:** Republicans and Democrats are already gearing up for the VIRGINIA governor’s race this fall, with all signs pointing to a no-holds-barred battle for a state many see as key to both parties. Last week, the Republican Governors Association (RGA) officially announced its endorsement of former state Attorney General Jerry Kilgore, while Democrats have thrown their support to current Lt. Gov. Timothy M. Kaine. The RGA also created a political action committee to help finance Kilgore’s campaign. NEVADA Gov. Kenny Guinn (R) has promised the PAC, called Honest Leadership for Virginia, will raise at least \$1 million toward the fall election. Democrats have also put their money on the table by investing \$1.5 million in Kaine’s campaign. A large chunk of that — \$35,000 — came directly from termed-out Gov. Mark Warner (D). Virginia is coveted by both sides, with Republicans wanting to extend a recent Southern-states winning streak while Dems are out to prove they can still take gubernatorial elections in a region that was a Party stronghold for a century. Virginia and NEW JERSEY are the only states with gubernatorial elections in 2005. (VIRGINIAN-PILOT [NORFOLK], WASHINGTON TIMES).

**GOVERNORS IN BRIEF:** CALIFORNIA Gov. Arnold Schwarzenegger (R) dropped his demand that the state’s legislative and congressional districts be redrawn by next year. Schwarzenegger had vowed to take the issue to the voters in a special election later this fall, but now seems willing to work the matter out with the Democrat-controlled Legislature instead (LOS ANGELES TIMES). • NEW YORK Gov. George E. Pataki (R) played coy about his presidential aspirations last week, saying he wants to participate in the “policy debate” during the 2008



presidential election while not saying whether he would run himself. Pataki said he is “not thinking along those lines at this point” but is also “not ruling it out.” Several of Pataki’s aides were recently seen in **IOWA** meeting with local Republican heavyweights, prompting speculation that the governor is testing the presidential waters there (NEW YORK TIMES, NEWSDAY). • **OREGON** Gov. Ted Kulongoski (D) said he plans to bypass the Beaver State Legislature to ensure that the state adopts **CALIFORNIA**’s tough new auto emissions standards. Lawmakers in **WASHINGTON** state also agreed last week to adopt California’s standards, but only if Oregon follows suit (STATESMAN JOURNAL [SALEM]). • Former **NEW JERSEY** Gov. James E. McGreevey (D) said he will no longer perform legal work for the developers of a \$1.4 billion retail and entertainment project that he championed during his time in office. The job was McGreevey’s first since resigning amidst a gay sex scandal last November. Although no law bars the former governor from working on such a project, a host of critics complained that McGreevey’s affiliation was a clear conflict of interest. It also spurred acting Gov. Richard Codey (D) to promise to develop tougher rules regulating governors who have left office (NEW YORK TIMES).

— *Compiled by RICH EHISEN*

---

## Hot issues

**B** **USINESS:** The **NEVADA** Assembly unanimously approves SB 384, a measure that would prohibit payday loan companies from making loans of more than 25 percent of a customer’s estimated monthly income.

Lenders would be allowed to charge whatever interest rate they like for the agreed upon term of the loan, but SB 384 would bar them from charging more than prime plus 10 percent on loans that go beyond that time frame. It moves to the Senate (LAS VEGAS REVIEW-JOURNAL). • The **OKLAHOMA** House endorses legislation that would prohibit beer bars from holding promotions that feature the sale of an unlimited amount of low-point (3.2) beer for one fixed price. The proposal would also ban events in which certain groups or individuals can buy beer at lower prices than are charged to the general public. It staggers back to the Senate (ASSOCIATED PRESS). • A **CALIFORNIA** Assembly committee rebuffs a proposal to allow Golden State farmers to grow hemp, which can be used to make such consumer products as rope, paper and clothing. But hemp is also genetically related to marijuana and thus on the federal Drug Enforcement Agency’s list of controlled substances (CONTRA COSTA TIMES).



**CRIME & PUNISHMENT:** The **GEORGIA** Supreme Court rules a state law barring obscene or indecent telephone conversations is unconstitutional. The high court said the law violates the First Amendment because it criminalizes such speech between consenting adults (ATLANTA JOURNAL-CONSTITUTION). • The **GEORGIA** Supreme Court also unanimously rules that police cannot use a search warrant to force Peach State drivers to submit to a blood alcohol test after an accident. The court ruled that such use of a warrant would render the state's implied consent law — which allows drivers to refuse the test — meaningless (ATLANTA JOURNAL CONSTITUTION). • **FLORIDA** Gov. Jeb Bush (R) signs SB 436, which gives Sunshine State residents the legal right to use deadly force to defend themselves in their home, place of business or other public spaces. The measure takes effect October 1 (ST. PETERSBURG TIMES). • A **CALIFORNIA** Assembly committee rejects SB 718, which would have barred police from engaging in high-speed vehicle pursuits unless they suspected the driver of having committed a violent felony. The panel did endorse SB 1015, a bill that would punish anyone who does flee with a year in jail (SAN DIEGO UNION TRIBUNE). • **MONTANA** Gov. Brian Schweitzer (D) signs HB 35, a measure that will add 39 new state troopers to the Treasure State Highway Patrol. It is the biggest such expansion since the force was created in 1935 (BILLINGS GAZETTE).

**EDUCATION:** Community college officials in **GEORGIA** announce they will no longer require students to submit SAT or ACT test scores for admission to two-year degree programs. The state will instead base admissions on a minimum high school grade-point average. The decision leaves **WISCONSIN** as the only state to still require the standardized test scores for community college acceptance (MACON TELEGRAPH). • **ARIZONA** Gov. Janet Napolitano (D) signs HB 2544, which bans the sale of soft drinks, candy and gum during the school day at all Grand Canyon State elementary and middle schools (ARIZONA REPUBLIC [PHOENIX]). • **KANSAS** Gov. Kathleen Sebelius (D) signs SB 74, a measure that allows university employees to opt out of the Sunflower State civil service. Education officials say the new law will allow them to give classified workers pay raises larger than the 2.5 percent annual boost approved by the Legislature for all state employees (LAWRENCE JOURNAL-WORLD).

**ENVIRONMENT:** **WYOMING** wildlife officials revise the state's grizzly management plan to include a possible cap on bear population and to clarify that efforts will be made to stop grizzlies from inhabiting areas with large human populations. The U.S. Fish and Wildlife Service is considering handing grizzly management over to state wildlife agencies in Wyoming, **MONTANA** and **IDAHO** as



early as this fall. Federal officials must first approve any state plan (BILLINGS GAZETTE). • In an effort to thin the state’s rapidly expanding deer herd by 25 percent over the next four years, the **IOWA** House and Senate endorse SF 206, a measure that would increase the number of free hunting licenses handed out to land owners and other Hawkeye State residents. The bill moves to Gov. Tom Vilsack (D), who is expected to sign it into law (DES MOINES REGISTER).

**HEALTH & SCIENCE:** The **IOWA** Senate endorses SF 420, which would require health insurers to cover mental illnesses in the same way they cover physical ailments. It heads to Gov. Tom Vilsack (D), who has said he will sign it into law (DES MOINES REGISTER). • **MISSOURI** Gov. Matt Blunt (R) signs SB 539, legislation that cuts the Show Me State’s Medicaid coverage to the minimum level required by the federal government. The bill, which takes effect in August, could remove as many as 100,000 people from the state’s health insurance plan (ST. LOUIS POST-DISPATCH). • A **CALIFORNIA** Assembly committee kills AB 1670, a measure that would have required every resident to carry basic health care insurance that would cover catastrophic care and various preventative measures (SACRAMENTO BEE).

**HOMELAND SECURITY:** The **NEVADA** Senate endorses SB 115, a proposal to allow local governments and some advisory boards to hold closed meetings to discuss homeland security and terrorism. It heads to the Assembly (NEVADA APPEAL [CARSON CITY]). • A **CALIFORNIA** Senate committee kills SB 508, a proposal to increase the penalties for selling fake drivers’ licenses (POLITICAL PULSE [SACRAMENTO]).

---

## Quote...

“I admire the Senator’s consistency. It was Winston Churchill who once said fanatic is a man who won’t change his mind and cannot change the subject.”

— **CALIFORNIA state Sen. Tom McClintock (R) inferring that fellow Sen. Gil Cedillo (D), an outspoken advocate for allowing illegal immigrants to obtain drivers licenses, had sabotaged his proposal to increase penalties for selling illegal licenses.**

**SOCIAL POLICY:** A **CALIFORNIA** Assembly committee endorses AB 19, a measure that would allow Golden State gays and lesbians to legally marry. It moves to another committee (SAN JOSE MERCURY NEWS). • The **WASHINGTON** Senate rejects legislation that would have barred discrimination based on sexual orientation in housing, employment, contracting and public accommodations. The measure had previously passed in the House (SEATTLE POST-INTELLIGENCER). • **CONNECTICUT** Gov. M. Jodi Rell (R) signs legis-



lation that allows same-sex partners to enter into civil unions that grant nearly all of the rights and responsibilities of marriage. The Constitution State becomes the second in the nation —

**VERMONT** was first — to allow civil unions (HARTFORD COURANT). • **INDIANA** Gov.

Mitch Daniels (R) signs a bill that requires abortion providers to inform women about the availability of ultrasound imaging and the ability to hear fetal heartbeats before carrying out the procedure (NEWS SENTINEL [FORT WAYNE]). • A **TEXAS** House committee approves a measure that would require young women to get the written consent of their parents or legal guardian before having an abortion. It heads to another committee (HOUSTON CHRONICLE).

**POTPOURRI: COLORADO** Gov. Bill Owens (R) signs legislation that prohibits newly licensed teen drivers from having any passengers younger than 21 in the vehicle for the first six months unless there is also a licensed adult driver in the car. Violators are subject to a fine and community service (DENVER POST). • **IOWA** Gov. Tom Vilsack (D) signs legislation raising the Hawkeye State speed limit to 70 mph on rural interstate highways (QUAD CITY TIMES).

— *Compiled by RICH EHISEN*

---

## ... unquote

“I don’t know if I should be flattered or insulted.”

— *Cedillo’s response. (POLITICAL PULSE [SACRAMENTO])*

---

# Once around the statehouse lightly

**S** PENDING SPREE. If polls are any indication, most citizens think that government ought to fork over whatever it takes to educate their kids. But a story last week in the *Milwaukee Journal Sentinel* may cause a few folks to question that conventional wisdom. At least, in some parts of WISCONSIN. Seems that the Muskego-Norway School District spent \$51,000 on big-screen plasma TVs and \$191,250 on “aesthetically pleasing brick and hallway doors” for the local high school. The money was apparently part of a surplus left over after the district financed a \$36 million renovation project with the sale of bonds. A school official said he was proud of the way the district spent the bond money. Taxpayer groups were not amused.



**DEBATE OF THE WEEK** took place in the FLORIDA Legislature where, the *St. Petersburg Times* reports, state House members argued a dicey question: Is it better to allow diners to a) take left-over wine home in a “doggie bag” or, b) cause them to chug down that last half carafe and then get behind the wheel? The state Senate already has opted for Plan B. The bill, called “Merlot to go,” is especially aimed at couples that can’t agree on the proper wine to order with dinner. He wants a red; she wants a white — and they both end up either leaving expensive grog on the table or serving as a poster child for DUI.

**GARFIELD’S LAMENT.** Official word from the WISCONSIN Conservation Congress: Open season on feral cats. As the *Los Angeles Times* reports, congress members voted overwhelmingly to lump cats in with skunks and gophers as fair game for Badger State hunters. Not that Wisconsinites now can blast away. The state Natural Resources Board must decide whether to ask the Department of Natural Resources to request a change from the Legislature. Also still to be decided: How, exactly, does one identify a feral cat? No visible means of support? Too many displays of unchecked testosterone? A bad disposition?

**HOLD THE NUPTIALS, PLEASE.** If some TENNESSEE lawmakers have their way, state House Speaker Jimmy Naifeh will face one tough decision: Resign, divorce, or force his wife to quit her job. According to the *Nashville Tennessean*, the Volunteer State Legislature is trying to pass a new set of ethics regulations, and one variation would ban lawmakers and members of the governor’s cabinet from being married to lobbyists. Naifeh’s wife is a lobbyist, as are the spouses of one other lawmaker and two members of the cabinet. This renewed interest in ethics is driven by allegations of a cosmic lapse: state Senator John Ford’s acceptance of \$237,000 in consulting fees from a firm that does business with a health-care program the senator helps oversee. The bill could be amended to ban lawmakers from

## *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: 117

Number of 2005 Intros last week: 3,306

Number of bills enacted/adopted last week: 1,717

Number of 2005 prefiles to date: 31,704

Number of 2005 Intros to date: 136,707

Number of enacted/adopted overall in 2005: 18,746

— Compiled By GINA HUMMELL  
(Measures current as of 4/28/05)  
Source: State Net

