

The Debt Trap



May 19, 2008

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The next issue of Capitol Journal will be available on June 2nd.

Top Story

Many people believe that politicians always break their promises. But in the case of most top leaders, it may be more accurate to say they simply fail to calculate the real costs of keeping them.

SNCJ Spotlight

Debt and disillusionment

Campaigning against President Herbert Hoover in 1932, Franklin D. Roosevelt told a rally in Pittsburgh that he would cut federal spending and balance the budget if elected. Instead, President Roosevelt launched the New Deal with its massive increases in government spending. When FDR sought reelection four years later, Republicans recalled the Pittsburgh speech and assailed him

A Cannon Perspective



With Lou Cannon

for fiscal inconsistency. FDR asked his speechwriter, Sam Rosenman, how he should respond. “Deny you were ever in Pittsburgh,” Rosenman quipped.

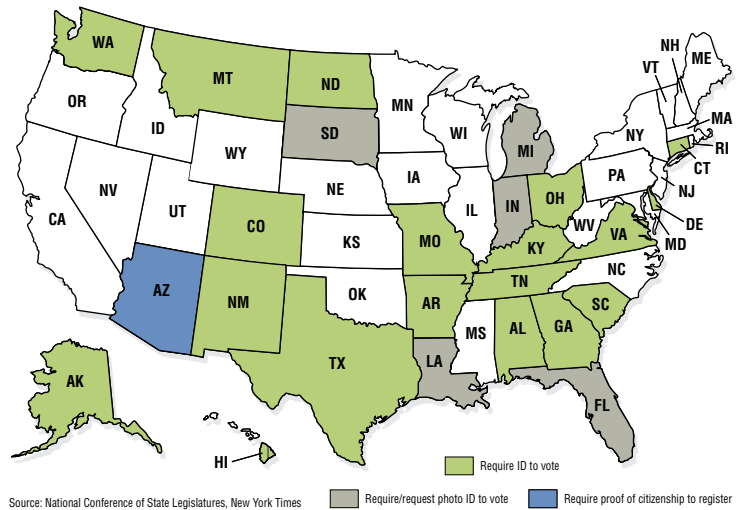
Many state governors today, most notably Arnold Schwarzenegger of CALIFORNIA, can relate. Schwarzenegger was swept into office in a recall election in 2003 after promising to repeal an unpopular car registration tax supported by his predecessor. He carried out his promise, but has struggled ever since to make up for the lost revenues from the car tax. CALIFORNIA currently faces a two-year deficit of \$20 billion, and Schwarzenegger is desperately trying to raise fees on a wide variety of services. They are in fact tax increases by any other name.

FDR never denied he had spoken in Pittsburgh, but he was no more forthright than Schwarzenegger is currently in

owning up to his unfulfilled budget-balancing promise. Scholars are not even sure why he made the promise in the first place. Although the specifics of the New Deal were vague in Roosevelt’s mind, he had throughout his 1932 campaign expressed a willingness to spend federal money to put Americans back to work during the Great Depression. Given the state of the economy, that inevitably meant deficit spending. In all probability FDR did not yet fully comprehend the extent of the economic calamity that had befallen the nation and thought that deficit spending would be a temporary expedient. He was in this respect misled by his optimistic nature.

A half century later a Republican who as a young man had idolized FDR was similarly misled by his optimism. Presidential candidate Ronald Reagan promised in the campaign of 1980 that he would cut taxes, increase military spending—and balance the budget. He made good on the first two of these promises but didn’t come close on the third. Reagan believed that tax cuts would produce sufficient economic growth to pay for themselves. They didn’t. He also believed that Republican members of Congress would be more willing than their Democratic counterparts to make

Bird’s eye view



States’ varying voter ID requirements

Under the federal Help America Vote Act, new voters in every state are required to provide verification of their identification when they register or show ID on their first visit to the polls. But 25 states go further, requiring all voters to present ID. Six of those states require, and a seventh — HAWAII — can request, photo ID. The other eighteen accept other forms of identification that don’t include a photo, such as a utility bill or bank statement. In addition, one state, ARIZONA, requires proof of citizenship to register. And MISSOURI is considering amending its constitution to do the same.





each of the recessions that occurred in the early years of three successive decades, beginning in 1981. States are under pressure again in the current economic downturn and have not been helped by the fact that they enacted \$2.3 billion more in tax breaks than in tax increases in 2007. Now, in the latest survey by the National Conference of State Legislatures, 23 states face budget gaps in 2009 with ARIZONA, CALIFORNIA, FLORIDA and NEVADA having the steepest deficits. These latter states and some others, notably WASHINGTON and NEW YORK, face severe cuts in services unless taxes are raised. “There is a gap between the rhetoric and the reality,” says State Sen. Darrell Steinberg (D) of California, who is in line to become the next leader of the state’s upper house. Steinberg observes that the Republican minority in the California legislature, which possesses veto power because of state rules requiring two-thirds approval of fiscal outlays, is firmly against tax increases but also does not favor deep cuts in education and transportation.

The classic remedy for governors and legislators who want to have it both ways — maintaining services without a general tax increase — is to make up budget shortfalls by increasing “sin taxes.” NORTH CAROLINA Gov. Mike Easley (D) took this route last Monday when he proposed a \$21.5 billion budget that would pay for boosts in teacher pay and mental health reforms with large tax increases on cigarettes and alcohol.

In many states, however, sin taxes will not make up the difference in a slumping economy. Once in awhile a politician comes along who is honest enough to say as much, as ALABAMA Gov. Bob Riley (R) did in 2003. Acting out of what he said were imperatives of his Christian faith and noting that Reagan as governor of CALIFORNIA had raised taxes, Riley proposed a constitutional amendment that would have cut taxes for poor Alabamans and raised them on just about everyone else. Sixty-eight percent of ALABAMA voters rejected the amendment.

Riley’s latest venture was a trip to the People’s Republic of China, where he openly sought public investment in his state. This may have been a dubious gambit, but at least the ALABAMA governor doesn’t have to deny that he was ever in Pittsburgh.

— *By Lou Cannon*

SNCJ editorial advisor Lou Cannon is a former chief White House correspondent for the *Washington Post* and the author of numerous books. His latest, *Reagan’s Disciple: George W. Bush’s Troubled Quest for a Presidential Legacy*, co-authored with his son Carl M. Cannon, was released in February.

Budget & taxes

CITY'S DRASTIC FISCAL MEASURE COULD SET PRECEDENT:
Last Tuesday night the city of Vallejo, CALIFORNIA, located about 30 miles northeast of San Francisco, made history by declaring bankruptcy.

With a population of 117,000, it is the largest city in the Golden State ever to do so.

As a result of the slumping housing market and burgeoning public employee pension obligations, the city was looking at starting the year with a \$16 million deficit. By declaring Chapter 9 bankruptcy, it's hoping it can freeze its debts and renegotiate

“Chapter 9 is still relatively unknown. It's not common now, but depending what happens in Vallejo it may become more common.”

its public employee contracts.

In taking that action, Vallejo is following in the footsteps of Desert Hot Springs, population 20,000, the only other CALIFORNIA city to declare bankruptcy, which came in 2001. That city's mayor, Yvonne

Parks, said filing Chapter 9 allowed it to reorganize its finances, pay off its debt and, in time, even escape the stigma of bankruptcy.

“I don't think anyone even thinks about bankruptcy when they visit Desert Hot Springs any more,” she said.

But Sajan George, an adviser to struggling public entities, said Vallejo could be the start of a wave.

“What happens in Vallejo could definitely set a precedent,” he said.

Thousands of other U.S. cities are in the same situation as Vallejo, George said. Usually they opt to cut services, sell property or raise taxes.

“Chapter 9 is still relatively unknown,” he said. “It's not common now, but depending what happens in Vallejo it may become more common.”

“We don't believe they're insolvent. But by declaring bankruptcy, they've taken a financial crisis and turned it into a catastrophe. It's like using an elephant gun to shoot an ant.”

The city's police and fire fighters unions may stem that tide, however. They've vowed to fight the bankruptcy proceedings, contending that the city has money stashed away in hidden accounts and is just trying to get out of paying public employees what they're owed.

“We don't believe they're insolvent,” said vice president of the

Vallejo police union Detective Mat Mustard. “But by declaring bankruptcy, they've taken a financial crisis and turned it into a catastrophe. It's like using an elephant gun to shoot an ant.” (SAN FRANCISCO CHRONICLE)

SCHWARZENEGGER PROPOSES GIVING VOTERS CHOICE ON BUDGET: Last week, CALIFORNIA Gov. Arnold Schwarzenegger (R) laid out his latest plan for dealing with the state's budget deficit, which has grown by \$6 billion since January. The \$144.4-billion spending plan would deepen cuts to health and welfare programs and divert \$828 million in additional gas tax revenue — the product of soaring gas prices — from transportation programs into plugging the state's gaping budget hole. But the centerpiece of the proposal was a novel plan to ask voters in November to approve \$15 billion in borrowing against future earnings of the state lottery and to raise the state sales tax 1 percent — from 6.25 percent to 7.25 percent — if they reject that ballot measure. "As the deficit grew these past few months, I knew that we could not solve this crisis by cuts alone," the governor said. "We had to get creative." But Senate leader Don Perata (D) said the revised budget was "beneath a governor of this great state. It's telling our citizens: 'This is it. Our best years are behind us.'" And Assembly Republican Leader Mike Villines called the sales tax idea "a deal-killer." Which suggests the governor may be in for another long summer of budget negotiations. (LOS ANGELES TIMES, SACRAMENTO BEE)

BUDGETS IN BRIEF: VIRGINIA Gov. Tim Kaine (D) proposed a series of tax hikes and other measures last week to raise \$850 million to \$1 billion a year for transportation projects. The proposals include a 1-percent increase in the sales tax on cars, a new \$10 registration fee on the sale of new and used cars, a 25-cents-per-\$100 increase in the grantors tax on home sales and a 1-cent-per-dollar sales tax increase in Hampton Roads and Northern Virginia, the two most congested areas in the state (VIRGINIAN-PILOT [NORFOLK]). • Last week, the OHIO Senate passed HB 545, a measure that would effectively kill the payday loan industry in the state. The House was expected to give its concurrence on the bill — which, among other things, would slash the interest rate payday lenders could charge from 391 percent to 28 percent — this

Upcoming elections

05/14/2008 - 06/04/2008

05/20/2008

Arkansas Primary Election

House (All)

Senate 1, 2, 3, 4, 7, 8, 9, 12, 17, 20, 23, 24, 25, 26, 30, 31, 32, 33

US House (All)

US Senate (Pryor)

Kentucky Primary Election

House (All)

Senate (Odd)

US House (All)

US Senate (McConnell)

Oregon Primary Election

House (All)

Senate 1, 2, 5, 9, 12, 14, 18, 21, 22, 23, 25, 27, 28, 29, 30

Constitutional Officers: Secretary of State, Treasurer, Attorney General

US House (All)

US Senate (Smith)

05/27/2008

Idaho Primary Election

House (All)

Senate (All)

US House (All)

US Senate (Craig)

06/03/2008

California Primary Election

Assembly (All)

Senate (Odd)

US House (All)

California Special Election

US House (Congressional District 12)

California Special Recall

Senate 12th District, Senator Jeff Denham

Iowa Primary Election

House (All)

Senate (Even)

US House (All)

US Senate (Harkin)

(cont. on next page)



week, and Gov. Ted Strickland (D) also supports it (COLUMBUS DISPATCH). • The **KANSAS** Supreme Court has taken up the issue of whether last year's expanded gambling law, creating casinos that are owned and operated by the state lottery, is constitutional (KANSAS CITY STAR). • Legislative budget analysts in **NEW JERSEY** announced last week that, due to higher-than-expected income and business tax collections, the state would end the current fiscal year with a \$370 million surplus instead of the \$134 million shortfall they had projected in March (STAR-LEDGER [NEWARK]). • **MASSACHUSETTS** Gov. Deval Patrick (D) announced a \$3 billion bond proposal last week for bridge repairs across the state over the next eight years, a scaled-back version of a plan he pitched last month (BOSTON GLOBE). • **NORTH CAROLINA** Gov. Mike Easley (D) unveiled a \$21.5 billion budget plan last Monday that would increase taxes on alcohol and cigarettes to provide teacher raises and improve the state's mental health system (NEWS & OBSERVER [RALEIGH]). • **VERMONT** is considering investing a portion of its \$3.2 billion pension fund in local businesses (BURLINGTON FREE PRESS).

— Compiled by KOREY CLARK

Upcoming elections (cont.)
05/14/2008 - 06/04/2008

Montana Primary Election

House (All)
Senate 2, 3, 6, 7, 9, 10, 16, 18, 19, 21, 22, 24, 26, 27, 33, 34, 36, 37, 38, 41, 43, 45, 46, 47, 50
Constitutional Officers: Governor, Lieutenant Governor, Secretary of State, Attorney General, Auditor, Superintendent of Public Instruction
US House (Rehberg)
US Senate (Baucus)

New Jersey Primary Election

US House (All)
US Senate (Lautenberg)

New Mexico Primary Election

House (All)
Senate (All)
US House (All)
US Senate (Domenici)

South Dakota Primary Election

House (All)
Senate (All)
US House (Sandlin)
US Senate (Johnson)

Politics & leadership

CA SWEARS IN FIRST BLACK FEMALE LEGISLATIVE LEADER: CALIFORNIA Assemblywoman Karen Bass (D) became the first African American female to lead a legislative body in U.S. history when she was sworn in last Tuesday as speaker of the chamber to which she was elected in 2004. (WASHINGTON Sen. Rosa Franklin (D) serves as Senate president pro tem, but that is largely an honorary title, according to the National Conference of State Legislatures.) The 54-year-old Bass, who earned a name for herself as the leader of a community group that helped improve neighborhoods in South Los Angeles after the 1992 riots, succeeds fellow Los Angeles Democrat Fabian Nunez, who will be term-limited out of office this year.

As speaker, Bass will be one of the so-called “Big Five” — along with the Assembly minority leader, the Senate president pro tem, the Senate minority leader, and the governor — who’s first priority will be to negotiate the state budget for the coming year, for which a deficit of about \$15 billion has been projected. “California is a giant in crisis — and now it is up to us to solve that crisis,” she said. She also gave some indication of where she’ll be looking for a solution: “Most importantly, we have to ask the question of whether a tax structure that was established in the 1930s is sufficient to meet the needs of Californians in 2008....” (SAN FRANCISCO CHRONICLE, USA TODAY, ASSOCIATED PRESS, LOS ANGELES TIMES)

OHIO AG DANN DONE: OHIO Attorney General Marc Dann (D) finally resigned last Wednesday over the sexual-harassment scandal that had prompted calls from fellow Democrats in recent weeks for him to take that action. (See OHIO AG REFUSES TO RESIGN OVER HARASSMENT SCANDAL in May 12 issue of *SNCJ*.) Dann announced his decision to immediately step down at a packed Statehouse news conference with one of those Democrats Gov. Ted Strickland.

“My conduct has caused the creation of a firestorm of negative publicity that has reached a point where it is preventing the great professionals in the office from doing their important work,” Dann said. He added, “The only way I can ensure that the great work in the office can continue is to take responsibility by resigning,” before rushing off and leaving Strickland standing alone at the podium.

Dann was reportedly “pushed over the edge” by raids earlier in the day by investigators from the inspector general’s office of Dann’s Columbus office and a satellite office in his hometown of Youngstown, in which, among other things, his Blackberry and state vehicle, a GMC Suburban, were seized. That had come a day after House Democrats had filed articles of impeachment against him.

In accordance with state law, Dann’s top assistant, Thomas R. Winters, took over as acting attorney general, pending an appointment by Strickland. Winters’ background includes a stint as a lobbyist for Thomas W. Noe, the now-imprisoned coin dealer who was a key player in the investment scandal that led to the ouster of former Gov. Bob Taft (R). (COLUMBUS DISPATCH)

BATTLE LINE SHIFTS ON VOTER ID: With the U.S. Supreme Court having tentatively settled the issue last month of whether states can require voters to show a government-issued photo ID before casting a ballot (see HIGH COURT APPROVES INDIANA VOTER-ID LAW in May 5 issue of *SNCJ*), the next phase in the battle over Voter ID has apparently begun.

Lawmakers in MISSOURI are backing a constitutional amendment that would make it the second state — after ARIZONA — to require proof of citizenship, such as a birth certificate or naturalization papers, from anyone registering to vote. Nineteen other states are considering similar measures, and those in FLORIDA, KANSAS,



OKLAHOMA and SOUTH CAROLINA have strong support. But MISSOURI’s is the only one likely to take effect before the upcoming presidential election. It wouldn’t need the governor’s signature to do so, but it would have to be approved by voters in the state’s August primary.

Many hope that doesn’t happen, arguing that photo ID requirements already disenfranchise eligible voters — such as a group of nuns who were turned away from the polls in INDIANA two weeks ago — and proof of citizenship would only

make that problem worse by allowing even fewer forms of documentation.

“Everyone has been focusing on voter ID laws generally, but the most pernicious measures and the ones that really promise to prevent the most eligible voters from voting is what we see in ARIZONA and now in MISSOURI,” said Jon

Greenbaum, director of the voting rights advocacy group the Lawyers’ Committee for Civil Rights Under Law.

Over 38,000 voter registration applications have been rejected in ARIZONA since it adopted its proof-of-citizenship law, and MISSOURI Secretary of State Robin Carnahan (D), who opposes her states’ measure, estimates it could disenfranchise up

to 240,000 registered voters there.

But MISSOURI Rep.

Stanley Cox (R), the sponsor of the amendment, said the state Constitution already requires voters to be citizens and his proposal merely provides for better enforcement of that provision.

“The requirements we have right now are totally inadequate,” he said. “You can present a utility

bill, and that doesn’t prove anything. I could sit here with my nice photocopier and create a thousand utility bills with different names on them.”

And Thor Hearne, a MISSOURI lawyer who’s a strong advocate of voter ID laws, dismisses the contention that the measure would impose a significant hardship on voters.

“There were a lot of the same alarmist charges regarding INDIANA’s voter ID law and how it would disenfranchise so many people,” he said, “and those allegations were not accepted by the Supreme Court.”

“Everyone has been focusing on voter ID laws generally, but the most pernicious measures and the ones that really promise to prevent the most eligible voters from voting is what we see in ARIZONA and now in MISSOURI.”

“The requirements we have right now are totally inadequate. You can present a utility bill, and that doesn’t prove anything. I could sit here with my nice photocopier and create a thousand utility bills with different names on them.”



Hearne had some advice for the critics: “To those who have spent great energy opposing some of the voter registration or voter identification requirements, I would say their energy would be much better spent working toward trying to provide identifications to those who need them or assisting these people with getting registered.” (NEW YORK TIMES)

POLITICS IN BRIEF: MASSACHUSETTS House Speaker Salvatore F. DiMasi (D) was given State Police protection at his Boston home in March and early April after receiving a death threat during the state’s highly charged debate over casino gambling (BOSTON GLOBE). • The sitting chief justice of the **WEST VIRGINIA** Supreme Court, Elliott E. Maynard, finished third in a field of four candidates in the state’s Democratic primary for that post last Tuesday. Maynard had been dogged by a conflict-of-interest scandal stemming from photographs of him vacationing with the chief executive of a coal company that had cases pending before the court at the time. Only the top two candidates, Margaret Workman, a former State Supreme Court justice, and Menis Ketchum, a lawyer, will advance to the general election in the fall (NEW YORK TIMES).

– *Compiled by KOREY CLARK*

Governors

CARCIERI SAYS NO RI IMMIGRATION DRAGNET: RHODE ISLAND Gov. Don Carcieri (R) says his recent executive order directing government agencies to use the federal E-Verify system to screen some new state hires does not compel Ocean State police to conduct dragnets to arrest illegal immigrants. Carcieri issued EO 08-01, the Illegal Immigration Control Order, on March 27. In addition to requiring identity verification for all executive branch employees, state contractors and their workers, the directive also gives state law enforcement personnel the power to enforce some federal immigration laws.

That raised significant concern among immigrant groups that police would subsequently make large sweeps looking to root out undocumented residents. In response, the administration posted a list of 26 “frequently asked questions” (FAQ) on the governor’s Web site, most of which deal with those two elements of the order.

Carcieri spokesman Jeff Neal said the governor’s staff created the FAQ “to address some of the questions being asked and some of the concerns being raised” by the order, which prompted numerous public protests, including by clergy. Neal said the governor’s office also received “a large initial wave of calls, the vast majority of which were supportive.”



Aside from clarifying what the order will and will not do, the administration also used the FAQ to bolster its reasons for issuing the directive. Those include a lack of federal action to prevent illegal immigration, wage depression caused by illegal workers who accept lower pay than documented workers, strains on the education and prison systems and dramatic increases in health care costs. It also somewhat emphatically notes that “state police will not be making any traffic stops specifically to ask individuals about their immigration status or conduct any out of the ordinary raids or operations.”

Neal also noted that the order has not yet gone into effect because state police and corrections officials are waiting to enter agreements with the federal Bureau of Immigration and Customs Enforcement. (PROVIDENCE JOURNAL, STATE NET)

CLEMENCY PLEA PUTS GRANHOLM IN A TOUGH SPOT: A unusually high profile clemency plea from a fugitive who spent more than 30 years on the lamb has put MICHIGAN Gov. Jennifer Granholm (D) into what some observers are calling a no-win situation.

The case involves a 53-year-old woman named Susan LeFevre, who walked away from the since-closed Detroit House of Corrections in 1975, a year into her maximum 20-year sentence she received for selling heroin to an undercover agent when she was 19. LeFevre, since known as Marie Walsh, was arrested in April near her home in the Carmel Valley, an upscale area of Northern CALIFORNIA, where she has lived

“I haven’t seen this kind of spontaneous support for a person, particularly a prison escapee, ever before.”

for years as a suburban wife and mother of three.

The case has drawn national attention, including hundreds of calls and e-mails to Granholm urging her to grant LeFevre clemency. “I haven’t seen this kind of spontaneous support for a person, particularly a prison escapee, ever before,” said Paul Denenfeld, LeFevre’s MICHIGAN-based attorney.

But others — mainly the state law enforcement community — also note that regardless of whatever positive things LeFevre later did with her life, she is still an escaped felon. They question what kind of message granting clemency would send

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: 276

Number of Intros last week: 1,234

Number of bills enacted/adopted last week: 1,532

Number of prefiles to date: 18,571

Number of Intros to date: 78,442

Number of bills enacted/adopted overall to date: 17,312

— Compiled By JAMES ROSS
(measures current as of 05/15/2008)
Source: State Net database



to the state’s 50,000-plus inmates who serve their minimum sentences before being considered for parole.

Granholm commuted nine sentences of sick or aging inmates thought to be close to death during her first term, but has ended 14 prison terms early since winning re-election in 2006. But those cases have been mostly without fanfare or significant

“Whatever the governor does here is a no-winner.”

public scrutiny. The very public nature of this case, say observers like Ron Bretz, a professor at the Thomas M. Cooley Law School in

Lansing, could ultimately influence whether Granholm, a former federal prosecutor, adds number 15 to that list.

“The ones (Granholm) is commuting, nobody knows who the people are besides their families,” said Bretz, who once worked for the State Appellate Defender Office. “Whatever the governor does here is a no-winner. That’s the problem.”

EXECUTIVE ORDERS: ARIZONA Gov. Janet Napolitano issues EO 2008-22, which directs the state Department of Public Safety to develop “a multi-agency, multi-jurisdictional, statewide plan to immediately identify and arrest” people with outstanding felony warrants. The order further directs police to address “unserved felony warrants, with priority to gang-related felonies and undocumented aliens with felony warrants” (STATE NET). • GEORGIA Gov. Sonny Perdue (R) issues a directive that “suspends the collection of state sales and use taxes on dyed fuel oils used for off road purposes.” The order further reinforces the illegality of selling dye fuel oils for highway use, and imposes up to a \$10,000 fine for anyone who violates that restriction (STATE NET). • WISCONSIN Gov. James Doyle (D) issues EO 521, which directs Badger State police to develop methods for tracking race in “traffic citation, arrest, charging, sentencing and revocation patterns.” The order also directs law enforcement to receive training to better identify racial discrimination (STATE NET).

GOVERNORS IN BRIEF: The Roman Catholic archbishop for northeast KANSAS said last week that Gov. Kathleen Sebelius (D) should refrain from taking communion until she publicly repudiates her support for abortion rights. A Sebelius spokesperson said the governor was not aware of the archbishop’s comments, but said taking communion “has not been a problem in the past for her” (LAWRENCE JOURNAL-WORLD). • CALIFORNIA Gov. Arnold Schwarzenegger (R) told a group of automobile industry executives that they should stop challenging the state’s new emissions standards meant to slow global warming, saying “that train has left the station.” Schwarzenegger said he told the carmakers that “While you’re whining, you should be creating new technologies. That’s how you meet the date.” The date in question refers to a 2002 Golden State law that requires the auto industry to cut its greenhouse gas emissions 30 percent by 2016, equivalent to an average fuel-



economy level of 35.7 mpg. Carmakers lost a court challenge to the law, but the standards have since been blocked by the Bush administration (MSNBC.COM). • A new *Lexington Herald-Leader/WKYT Kentucky* Poll showed **KENTUCKY** Gov. Steve Beshear (D) with just a 39 percent approval rating. Beshear said his low numbers are a result of a “disappointing” legislative session (LEXINGTON HERALD-LEADER). • **IOWA** Gov. Chet Culver (D) vetoed legislation last week that would have given him a nine percent pay hike and lawmakers a 12 percent increase. Culver also rejected a bill that would have expanded the union bargaining rights of government employees, including teachers, police and firefighters (RADIO IOWA).

— *Compiled by RICH EHISEN*

Upcoming stories

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

- **Plastic bag recycling**
- **Nuclear power**
- **Health insurance**

Hot issues

B **USINESS: IOWA** Gov. Chet Culver (D) signs legislation that allows Hawkeye State gas stations that agree to sell E85 or biodiesel fuel to be reimbursed for up to 70 percent of the cost of installing the pumps. The state previously only reimbursed 50 percent of the cost, with a cap of \$30,000 (SIOUX CITY JOURNAL). • **MINNESOTA** Gov. Tim Pawlenty (R) signs legislation that increases the Gopher State’s mandate for using biofuels in diesel gasoline from the current 2 percent to 20 percent by 2015 (WORTHINGTON DAILY GLOBE). • **MISSISSIPPI** Gov. Haley Barbour (R) vetoes HB 113, which would have required scrap metal dealers to keep records for two years on certain transactions, and to collect significant personal information on sellers, including a thumbprint. The measure was intended to crack down on the trade of stolen metals like copper and aluminum (SUN HERALD [BILOXI]). • **GEORGIA** Gov. Sonny Perdue (R) signs legislation that allows Peach State residents to place a freeze on their credit reports. The move bars credit agencies from releasing the information without the person’s written permission and caps the fee for enacting the freeze at \$3. The service is free to anyone over age 65 (MACON TELEGRAPH). • Still in **GEORGIA**, Perdue signs HB 89, legislation that allows residents with concealed weapons permits to carry weapons into restaurants that sell alcohol, state parks and on public transit. Restaurant gun carriers will not be able to consume liquor while packing heat (ATLANTA JOURNAL-CONSTITUTION). • The **OHIO** Senate endorses HB 5454, legislation that will limit payday loan borrowers to four short-term loans a year. The measure also caps annual interest rates at 28 percent and loan totals at no more than 25 percent

of borrowers' base monthly pay. It moves back to the House (COLUMBUS DISPATCH).

CRIME & PUNISHMENT: An **INDIANA** court rules that the Hoosier State cannot force convicted sex offenders who live near schools or other places frequented by children to move if they owned their homes before passage of a state law restricting their residency. The court said the law was unconstitutional because it violated the individuals' private property rights (INDIANAPOLIS STAR).

• **MISSISSIPPI** Gov. Haley Barbour (R) signs SB 2149, which would add up to five years of jail time for anyone convicted of using credit cards or other identifying information from victims of a violent crime or burglary (CLARION LEDGER).

EDUCATION: The Ninth U.S. Circuit Court of Appeals rules that public schools which require students to wear uniforms are not violating their students' right to free speech. The decision came in the case of a student who sued her **NEVADA** school for barring her from wearing a shirt that expressed her religious beliefs (NEW YORK TIMES). • The **OKLAHOMA** House approves HB 2633, which would allow Sooner State students to express religious beliefs in their school work as long as their viewpoint is on the assigned topic. The measure moves to Gov. Brad Henry (D) for review (OKLAHOMAN [OKLAHOMA CITY]). • **MISSISSIPPI** Gov. Haley Barbour (R) signs legislation that requires superintendents in perennially low performing school districts to be replaced. Districts that elect superintendents will have to hold new elections to replace ousted leaders. Anyone who has been forced out of an elected position will not be eligible to run in that election (DAILY JOURNAL [JACKSON]).

ENVIRONMENT: Federal officials place the polar bear under the protection of the Endangered Species Act. The decision does not link the bear's diminishing numbers to global climate change, which is expected to limit the impact on oil and natural gas exploration in **ALASKA** (NEW YORK TIMES). • **ARIZONA** Gov. Janet Napolitano (D) vetoes HB 2017, which would have barred the state from enforcing strict new emissions standards it adopted two weeks ago and prohibited state agencies from joining the Western Climate Initiative, a multistate program to reduce greenhouse-gas emissions (ARIZONA REPUBLIC [PHOENIX]). • **GEORGIA** Gov. Sonny Perdue (R) signs legislation that creates a new state agency with the sole responsibility of building more reservoirs in the Peach State. Supporters say the measure will help prevent serious water shortages in the future, while opponents contend it will short circuit an already implemented statewide water saving plans and harm the environment (ATLANTA JOURNAL-CONSTITUTION). • The **WISCONSIN** Assembly and Senate approve the Great Lakes Compact, an agreement

In case you missed it

Rising gas prices have the presidential candidates debating the merits of a gas-tax holiday, something several states are already considering. But as we note in the May 12 issue of SNCJ, critics say the idea is running on empty.

In case you missed it, the article can be found on our Web site at http://www.statenet.com/capitol_journal/05-12-2008/html

by several Great Lakes states and two Canadian provinces to protect the lakes from large-scale water diversions and promote water conservation. It moves to Gov. Jim Doyle (D), who has vowed to sign it (MILWAUKEE JOURNAL SENTINEL). • The Compact is also the issue in **MICHIGAN**, where the House and Senate approve the Wolverine State's participation in the agreement. The measure is tied, however, to several other water usage bills still pending in both chambers. **MINNESOTA, ILLINOIS, INDIANA** and **NEW YORK** have already adopted the Compact. Similar bills are still pending in **OHIO** and **PENNSYLVANIA** (DETROIT NEWS).

HEALTH & SCIENCE: Citing a lack of cost-control and other reforms, **MINNESOTA** Gov. Tim Pawlenty (R) vetoes legislation that would have expanded state-funded health care by about 40,000 people. Supporters in the Legislature are expected to seek an override (MINNEAPOLIS STAR TRIBUNE). • **IOWA** Gov. Chet Culver (D) signs HF 2529, legislation that, among other things, provides state-funded health care to an additional 53,000 Hawkeye State kids, allows young adults to stay on their parents' insurance plans until age 25 and eases barriers for people with pre-existing conditions from moving from group to individual health plans. The law is intended to offer health coverage to every child in the state by 2013 (DES MOINES REGISTER). • **KANSAS** Gov. Kathleen Sebelius (D) signs HB 2620, which authorizes the state medical board to discipline doctors after one case of negligence, bars them from sexual relationships with patients and calls for creation of a searchable database that includes the history of all doctors registered in the Sunflower State (WICHITA EAGLE). • **ARIZONA** nursing officials grant approval for specially trained nurse practitioners to perform abortions up to 13th week of pregnancy (ARIZONA DAILY STAR [TUCSON]).

HOMELAND SECURITY: The **MINNESOTA** Legislature approves a bill that would bar state driver's license authorities from implementing federal REAL ID regulations. It moves to Gov. Tim Pawlenty (R) who has previously vetoed a similar measure. The latest measure, however, was approved with veto-proof margins in both houses (MINEAPOLIS STAR-TRIBUNE).

IMMIGRATION: The **NORTH CAROLINA** community college system announces it will no longer admit illegal immigrants after the Tar Heel State attorney general's office advised the system to stop accepting those students. The decision came in spite of federal authorities telling state officials they could admit undocumented students (NEWS & OBSERVER [RALEIGH]). • The **LOUISIANA** House endorses a trio of bills that collectively make it a crime to shelter or transport illegal immigrants in the Pelican State. They all move to the Senate (TIMES-PICAYUNE [NEW ORLEANS]). • The **SOUTH CAROLINA** Senate rejects legislation that would have required Palmetto State employers to use the E-Verify federal database to verify the immigration status of their employees (SPARTANBURG HERALD-JOURNAL).



SOCIAL POLICY: The **CALIFORNIA** Supreme Court overturns a state law that bans marriage between same-sex couples. If the court's ruling stands, the Golden State would join **MASSACHUSETTS** as the only states with legal same-sex marriage. Opponents, however, have collected enough signatures to place a constitutional amendment on the November ballot that would permanently define marriage as being only between one man and one woman. The court's decision cannot go into effect for 30 days (**SAN FRANCISCO CHRONICLE**). • The **ARIZONA** House approves a constitutional amendment that would define marriage as being only between one man and one woman. It moves to the Senate. Grand Canyon State voters would ultimately have to approve the proposal for it to become law (**ARIZONA DAILY STAR [TUCSON]**). • The **MINNESOTA** House approves SF 2965, a bill that would require surrogate mothers to be at least 21, have given birth before, completed medical and mental health evaluations and have obtained previous legal advice and health insurance. At least one of the intended parents must have contributed the sperm or the egg, a doctor must vouch for their medical need for a surrogate and the couple must agree to financially support the child even if they break the surrogate contract. It moves back to the Senate (**MINNEAPOLIS STAR TRIBUNE**). • **KANSAS** Gov. Kathleen Sebelius (D) signs SB 32, a bill that requires soldiers set for deployment to develop parenting plans that include details about custody and parenting time while they are away. It also makes any custody changes during the deployment temporary (**WICHITA EAGLE**).

POTPOURRI: The **ARIZONA** Senate endorses HB 2371, which would allow drivers to carry a gun or rifle in a vehicle, whether it is visible or not. Current state law requires guns to be carried in the open unless the person has a concealed weapons permit. It faces another vote before it can go to the governor (**ARIZONA DALY STAR [TUCSON]**).

— *Compiled by RICH EHISEN*

Once around the statehouse lightly

S **TILL THE BIGGEST CHEESE:** For as long as anyone can remember, **WISCONSIN** has been America's cheese producing capital. In recent years, however, an all-out push from the upstart **CALIFORNIA** cheese industry led many observers to predict that it was only a matter of time before the Golden State



knocked Wisconsin's cheeseheads off their lofty perch. After all, the theory goes, what CALIFORNIA wants, it usually gets. Ah, but not this time. As the *New York Times* reports, the building of new CALIFORNIA cheese plants has peaked, due in part to the state's often-onerous permitting process. That's not been an issue in the heartland, where state officials have bent over backwards to help dairies fend off their western rival. To wit, WISCONSIN cheese watchers have recently amended a decade-old prediction that Cali would become the big cheese by 2010. The new forecast? "Not anytime soon."

NOT THE USUAL TEARS: Sniveling and crying is a common sound in most statehouses this time of year, what with sessions winding down and the usual scores of pet bills headed for the round file. But the whining happening under the NORTH CAROLINA dome right now is different. That's because the childish behavior is, in fact, coming from a child. Or more accurately a baby, courtesy of Rep. Melanie Goodwin, who a few weeks ago became the first lawmaker in Tar Heel State history to give birth while in office. As the *Charlotte Observer* reports, Goodwin has set up a nursery near her capitol office so she can bring her son with her to work every day. The room, formerly used by interns, now contains a bassinet, changing table and other accouterments of the baby lifestyle. If it works out, the Legislature might want to consider a similar space for overly petulant lawmakers.

GOVERNOR HUNKS: The news is out -- high priced hookers prefer Arnold. That's the gist of a cheeky new poll by the experts in all things ribald, *Playboy*. As the *Grand Forks Herald* reports, the magazine's recent survey of high-end Los Angeles prostitutes lists CALIFORNIA Gov. Arnold Schwarzenegger as their main object of desire, followed by former FLORIDA Gov. Jeb Bush. Current IOWA Gov. Chet Culver came in at number three. The ladies made their choices after viewing pictures of current and former state executives, with no names or other information available to them. Those left off the list shouldn't fret, as not all current gov's were included. The bloom is clearly off the rose, however, for former NEW YORK Gov. Eliot Spitzer, perhaps the most notable actual purveyor of the world's oldest profession. The ladies ranked Spitzer, whose now infamous dalliances led to his resignation, dead last out of 18 possibilities. Ouch.

OH THOSE WACKY BILLS: To SOUTH CAROLINA Gov. Mark Sanford., some Palmetto State laws are just plain "wacky." As the *Charleston Post & Courier* reports, Sanford recently took extreme joy in eradicating some of them from the books. The chief culprit was a statute that required a person to complete 1,500 hours of instruction before being allowed to shampoo hair in a salon. That is almost four times the amount of training required for police officers. Sanford signed legislation to nix the law, lamenting that "This is the kind of thing that deserves to be on Comedy



Central.” He also noted several other current statutes he would like lawmakers to go after, including laws that prohibit musical instruments from being sold on Sundays and circuses from being in one place for more than 48 hours in a given year.

— By *RICH EHISEN*

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