

July 6, 2009

# A Real Addiction



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● The next issue of Capitol Journal will be available on July 13th.

## Top Story

*Both the federal government and states regularly turn to tobacco taxes as a relatively easy source of additional revenue.*

*But that revenue stream may soon be harder to come by.*

## SNCJ Spotlight

### States' tobacco habit hard to kick

This isn't the best time to be in the cigarette business (although it hasn't really been since 1998, when Big Tobacco agreed to pay states billions of dollars every year to help them cover their smoking-related healthcare costs). Both the federal government and states have turned to tobacco taxes as a relatively easy source of additional revenue during the recession. But that revenue stream may soon be harder to come by.

In April, RHODE ISLAND raised its cigarette tax \$1 to \$3.46 per pack — the highest rate in the nation — to help plug a \$357 million budget gap.





Cheryl Heaton, president of the American Legacy Foundation, a national anti-tobacco organization.

Still, the new law will require cigarette packs to carry larger warning labels that could include explicit language such as “cigarettes cause cancer” and “smoking can kill you.”

What may discourage smokers even more, however, is the federal cigarette tax hike passed by Congress in February — 62 cents, raising the federal rate to \$1.01 per pack — to help fund the State Children’s Health Insurance Program (SCHIP).

Congressional authorities have estimated U.S. cigarette sales will drop by about 10 percent — or about 1.7 billion packs — as a result of the federal tax hike. Clearly, that’s a good thing for Americans’ health, with tobacco use the nation’s number one preventable cause of death. It will likely provide some economic benefit to states as well by reducing smoking-related healthcare costs. NEW YORK health officials say a combination of higher taxes and smoking restrictions there have led to a 12 percent reduction in smoking the last two years and an 8 percent reduction in heart attack hospital admissions statewide since 2003, saving state health care providers over \$56 million.

But diminished cigarette sales also mean reduced tobacco tax revenues for states. The nonpartisan Tax Foundation estimates the federal tax increase will reduce state and local revenues by \$2.3 billion in fiscal 2010, the first year the tax will be in full effect. The bulk of the losses will come from a \$1.6 billion drop in excise tax revenue. But payments to the states from the nation’s four major tobacco companies under the 1989 Master Settlement Agreement are also expected to fall by hundreds of millions of dollars.

What makes matters worse for states is that they were already seeing diminishing tobacco tax revenues before the federal government’s recent actions. Thirty-nine

**“It is shown that [tobacco taxes] are almost revenue neutral.”**

of the 57 tobacco tax hikes states imposed between 2003 and 2007 fell short of revenue expectations, according to the

Altria Group, parent company of Philip Morris. After NEW JERSEY lawmakers increased their cigarette tax 17.5 cents in 2006, tobacco tax revenues actually declined by \$22 million.

“It is shown that [tobacco taxes] are almost revenue neutral,” admitted ILLINOIS Sen. Terry Link (D), one of the sponsors of a \$1 cigarette tax hike in that state. “It’s not going to generate as many dollars as projected.”

The LOUISIANA Legislative Fiscal office found that the state’s most recent tobacco tax hike in 2002 not only generated less revenue than anticipated but also drove smokers to neighboring states and encouraged cigarette stockpiling. And researchers at the Harvard School of Public Health recently found that while cigarette sales declined 18 percent between 2000 and 2007 — from 21.1 billion packs to 17.4



billion — sales of other tobacco products, including small cigars, snuff and roll-your-own products, increased by 30 percent.

The Campaign for Tobacco-Free Kids, however, contended shortly after the federal cigarette tax increase was signed that it would not only prevent two million kids from taking up smoking but also “help more than one million adult smokers quit, prevent nearly 900,000 smoking-caused deaths and produce \$44.5 billion in long-term healthcare savings by reducing tobacco-caused healthcare costs.” The organization pointed out that the federal law also increases the tax on so called “little cigars” to the same rate as for cigarettes.

Furthermore, the organization asserted in May that data on state cigarette tax increases show raising cigarette taxes always increases state revenues despite the fact that the tax increases always reduce state smoking levels, and that the gains enjoyed by “states that significantly increase their cigarette tax rates persist over time (while the cost savings from the related smoking declines grow rapidly).”

The prospect that those trends might not continue indefinitely isn’t likely to stop states from relying on cigarette taxes any time soon. One indication of that is NEW JERSEY Gov. Jon Corzine’s (D) proposal two months ago of a 12.5-cent cigarette tax increase to help close a projected \$1.2 billion budget deficit, despite the dismal result of the state’s last cigarette tax hike in 2006.

With their current budget struggles, state officials are pressed to do something to generate more revenue. And “sin taxes” are far more appealing politically than alternatives like general sales or income taxes.

“You have to go back decades to see states with such budget shortfalls,” said Sujit CanagaRetna, a budget and tax expert at the Council of State Governments. “A sin tax is a low-hanging fruit. Politicians are more prone to go down that path because doing so is just not as onerous.” (STATELINE, US NEWS & WORLD REPORT, CAMPAIGN FOR TOBACCO-FREE KIDS, NATIONAL CONFERENCE OF STATE LEGISLATURES, STATE NET, TAX FOUNDATION, HARVARD SCHOOL OF PUBLIC HEALTH, ASSOCIATED PRESS)

— *Compiled by KOREY CLARK*

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## Budget & taxes

**TEN STATES BLOW BUDGET DEADLINE:** Ten states failed to approve budgets before the start of the new fiscal year July 1. Eight of them had yet to adopt spending plans days into FY 2009, and some face government shutdowns because of it.

ARIZONA, CALIFORNIA, CONNECTICUT, ILLINOIS, MISSISSIPPI, PENNSYLVANIA, NORTH CAROLINA and OHIO all found themselves in the same predicament last Wednesday of lacking a completed budget. Lawmakers in three of those states actually managed to approve spending plans. But key elements of the \$8.4 billion budget measure passed by the ARIZONA Legislature were line item vetoed by Gov. Jan Brewer (R), who has ordered lawmakers into special session this week. Falling revenues have knocked the budget approved by CALIFORNIA lawmakers and Gov. Arnold Schwarzenegger (R) in February out of balance by \$26 billion. And although MISSISSIPPI lawmakers ended a stalemate with Gov. Haley Barbour (R) over a Medicaid reauthorization plan that was the major stumbling block to that state's adoption of a budget, Barbour's vetoes of several budget bills and parts of others left the Legislature's \$6 billion plan in a state of limbo late last week.

The situation is more dire for some of the states than others. In CALIFORNIA, state finance officials were planning to begin issuing IOUs last week to local governments, vendors, taxpayers and college students receiving financial aid because the state doesn't have enough money to pay all of its bills.

"Unfortunately, the state's inability to balance its checkbook will now mean short-changing taxpayers, local governments and small businesses," said CALIFORNIA Controller John Chiang.

Government services could soon begin going dark in ARIZONA, if the special session there doesn't bear fruit right away. Officials in PENNSYLVANIA and ILLINOIS said they'd be able to keep essential operations going for now, but a protracted stalemate could begin impacting services in a few weeks.

Barbour has said he has the authority to keep MISSISSIPPI's government operating after July 1 by executive order if there is no budget. But the state's Democratic attorney general, Jim Hood, issued an opinion June 26 stating that the governor "has no authority to unilaterally declare an emergency and seek to keep all government offices open by executive order" and that the Legislature has the sole authority to appropriate state money.

CONNECTICUT, NORTH CAROLINA and OHIO, meanwhile, have all implemented temporary spending provisions. CONNECTICUT Gov. M. Jodi Rell (R) did so by executive order, OHIO — for the first time in 18 years — and NORTH CAROLINA by approving temporary spending plans.

Eleventh hour actions in INDIANA and DELAWARE allowed them to avoid the predicament the other eight states find themselves in. INDIANA Gov. Mitch Daniels (R) signed HB 1001a, a \$27.8 billion spending plan the day before the July 1 deadline. The state hadn't missed a budget deadline since 1887. DELAWARE Gov. Jack Markell (D) also signed his state's budget (HB 290) last Wednesday, at 4:33 a.m. EDT.

The last time so many states missed the July 1 deadline was two years ago, when six states started the fiscal year without a budget. This time around the blame is being placed squarely on the recession.



“What’s different now is that the recession has eroded tax revenues across the country,” said Todd Haggerty, a research analyst at the National Conference of State Legislatures. Collectively, he said, states are contending with \$121 billion in budget deficits. (STATELINE, LOS ANGELES TIMES)

**BUDGETS IN BRIEF:** Amazon.com Inc., the world’s largest Internet retailer, cut ties last week with its business affiliates in **RHODE ISLAND** after that state’s General Assembly passed AB 5983, legislation requiring the company to collect taxes. Amazon’s pullout came three days after it similarly left **NORTH CAROLINA**. The company is also battling tax proposals in **CALIFORNIA, CONNECTICUT** and **HAWAII**, contending that it shouldn’t have to pay taxes in states where it doesn’t have a physical presence (BOSTON GLOBE). • **TEXAS** lawmakers convened in special session last Wednesday to deal with transportation issues and extend the sunset date for a handful of state agencies that failed to receive reauthorization during the regular session (DALLAS MORNING NEWS). • The **IOWA** Alcoholic Beverages Division took in a record \$104 million in revenue over the past 12 months. The agency had never collected more than \$100 million in one year before. Liquor sales were up 8.2 percent in dollars and 6.2 percent in gallons sold over last year, while beer and wine sales were up 1.4 percent and 1.8 percent, respectively (DES MOINES REGISTER).

— *Compiled by KOREY CLARK*

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## Politics & leadership

**F**RANKEN TAKES US SENATE SEAT: It took nearly eight months of counting, recounting and litigating but MINNESOTA finally has a second U.S. senator: Democrat and “Saturday Night Live” alum Al Franken.

After examining the entire case, from the canvassing process to the recount to the subsequent judicial proceedings, the justices of the MINNESOTA Supreme Court unanimously agreed last Tuesday that Franken should be certified as the winner of the November 4 election. Hours later, Franken’s opponent — the former holder of the Senate seat — Republican Norm Coleman, conceded the race.

“The Supreme Court has made its decision and I will abide by the results,” Coleman said outside his home in St. Paul. He said he had congratulated Franken and was at peace with the decision.

At the end of election night, Coleman had actually led Franken by several hundred votes and had called on him to concede. Franken refused, and Coleman’s narrow margin of victory triggered an automatic recount that ultimately put Franken ahead. Coleman challenged that tally in court, but that only resulted in a slight



expansion of Franken’s lead. Coleman then appealed to the state’s high court, contending that election officials had handled absentee ballots inconsistently across the state, violating voters’ equal protection rights under the Constitution. But the justices soundly rejected that argument last week, voting 5-0 that voter rights hadn’t been violated because any variation in officials’ application of state election law was made for voters’ convenience, not to discriminate.

“Coleman neither claims nor produced any evidence that the differing treatment of absentee ballots among jurisdictions during the election was the result of intentional or purposeful discrimination against individuals or classes,” the court said.

Coleman could have taken the fight to federal court, but it wouldn’t likely have overturned the state Supreme Court’s decision. His concession last Tuesday, instead, ended the drawn out battle — and months of speculation about whether Gov. Tim Pawlenty (R) would sign an election certificate for Franken as long as Coleman was still pursuing appeals. Pawlenty signed the certificate the same day.

Much has been made about the razor slimness of Franken’s victory margin, just 312 votes out of nearly 2.9 million cast. But another piece of numerical information has received even more attention: the 60-seat, filibuster-proof majority Franken’s victory gives the Democrats in the U.S. Senate. It could come in handy this month, when President Obama’s health care reform plan comes to the Senate floor. But those 60 votes are in question with the extended absences of two senior Democrats, Sen. Robert C. Byrd of VIRGINIA, who was recently hospitalized for a staph infection, and Sen. Edward M. Kennedy of MASSACHUSETTS, who is battling brain cancer.

At any rate, Franken made it clear that being the Senate’s 60th Democrat wasn’t his biggest priority.

“The way I see it, I’m not going to Washington to be the 60th Democratic senator, I’m going to Washington to be the second senator from MINNESOTA.” (ASSOCIATED PRESS, MINNEAPOLIS STAR TRIBUNE)

**SHENANIGANS CONTINUE IN NY SENATE:** Last Tuesday, Frank Padavan, one of the 31 Republican members of NEW YORK’s now evenly and bitterly divided Senate walked through the back of the chamber to get a soda or a cup of coffee from the members’ lounge. The state’s 31 Democratic senators, who were assembled in the chamber for a one-party session at the time, took the opportunity of Padavan’s caffeine quest to call a quorum. Over the course of the next three hours, they proceeded to unanimously approve 125 bills — many extending the authority of local governments to levy taxes and float bonds — that had already been passed by the Democrat-controlled Assembly.

Republicans blasted the Democrats’ action.

## Upcoming stories

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

- **Pay to play**
- **Young adult health insurance**
- **The year in smoking**



“They stooped to new lows today by conducting a mock session that they had no authority to call,” said Republican Senate Majority Leader Dean Skelos. “They resorted to fraud to justify their legitimacy and in the process impugned the reputation of a member who has served 37 years.”

But it looks as though the Democratic flurry will come to nothing anyway. NEW YORK Gov. David Paterson (D) said he won’t sign any of the bills into law, because it didn’t appear to him that Padavan’s presence in the chamber was intentional.

That was clearly Padavan’s position.

“My only motive was to get in the lounge and get a Coke or cup of coffee,” he said in interview. “I was not in there when the session began. To say otherwise is totally untrue.” (ASSOCIATED PRESS, FOX NEWS)

**POLITICS IN BRIEF: NEW JERSEY** Gov. Jon Corzine (D) signed AB 3902, legislation setting electoral and campaign finance requirements for the new office of lieutenant governor, created by constitutional amendment in 2005 and effective this year. Under the new law, future candidates for the post (the first lieutenant governor will be appointed by the governor elected on Nov. 3) and their respective parties’ gubernatorial candidates will be treated as one for the purposes of campaign contribution and expenditure limits, and public financing. The law will also require candidates for lieutenant governor to participate in one debate when their gubernatorial counterpart accepts public financing obligating him or her to participate in two debates (NEWJERSEYNEWSROOM.COM [MONTCLAIRE]).

• Still in **NEW JERSEY**, Gov. Corzine (D) also signed AB 2451, legislation giving the go-ahead for voting by mail. The new law eliminates civilian and military absentee ballots, and replaces them with a single, standardized mail-in ballot that can be used by any registered voter (NEWJERSEYNEWSROOM.COM [MONTCLAIRE]).

— *Compiled by KOREY CLARK*

## 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:** 94

**Number of Intros last week:** 980

**Number of Enacted/Adopted last week:** 834

**Number of Prefiles to date:** 32,703

**Number of Intros to date:** 146,032

**Number of 2009 Session Enacted/Adopted overall to date:** 33,503

— Compiled By JAMES ROSS  
(measures current as of 7/1/2009)  
Source: State Net database

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# Governors

**C**ALLS GROW FOR SANFORD TO RESIGN: In spite of increasing calls to resign over his five-day disappearance and revelations of a long standing affair with an Argentinean mistress, SOUTH CAROLINA Gov. Mark Sanford (R) repeatedly insisted last week that he will finish out the last 18 months of his term.

Sanford admitted he initially considered quitting, saying it “would be the easiest thing to do.” But in an e-mail sent to his political action committee last week, he said he would not give up his office.

“I would ultimately be a better person and of more service in whatever doors God opened next in life if I stuck around to learn lessons rather than running and hiding down at the farm,” Sanford wrote.

That is not welcome news to a growing number of Palmetto State lawmakers, many of whom have called on him to quit. Much of that drumbeat has come from Republicans, where last Tuesday seven GOP senators, including Majority Leader Harvey Peeler, jointly issued a letter demanding that Sanford step down over his admitted relationship with Maria Belen Chapur. Sanford later revealed numerous embarrassing aspects of his personal life, including having “crossed lines” with other women over the years, all while insisting his relationship with Chapur was “a tragic

love story.” The governor in fact seemed so determined to bare his soul to the world that Rep. Gilda Cobb-Hunter (D), a social worker and one of the few lawmakers who doesn’t think he needs to resign, urged him to be quiet.

**“I just think he needs to shut up. I don’t want any more details of his love life. He needs to stop being public with his angst and talk to a counselor.”**

“I just think he needs to shut up,” Cobb-Hunter said. “I don’t want any more details of his love life. He needs to stop being public with his angst and talk to a counselor.”

By Wednesday Sanford had followed that advice, going completely behind closed doors and refusing any further media requests. But that same day, another of the state’s most powerful lawmakers, Senate Pro Tem Glenn McConnell (R), released a statement saying “the governor has lost the support of the people that is needed to govern” and asking Sanford to “look in his heart and decide, with his family situation and the public uproar over what he has done and said locally and nationally, whether he can lead our state for the remainder of his term.” By week’s end, the Associated Press was reporting that 14 of the chamber’s 27 GOP members — and at least four county GOP chairman



— were in favor of Sanford stepping down. At least some General Assembly members are also said to be considering an effort to impeach Sanford, though none have come out publicly.

It all marks a stunning fall from grace for a man whose staunch conservative streak had endeared him to the national GOP’s hardliners. Prior to his sudden and at-the-time unexplained absence, Sanford was considered by many to be a strong challenger for a spot on the 2012 GOP presidential ticket, a possibility that now appears to have gone the way of the dinosaur.

It could soon get worse. State Attorney General Henry McMaster is now investigating Sanford’s travel records to determine how much public money was spent on Sanford’s efforts to meet with Chapur. Although the governor has insisted that previous junkets to Argentina were for legitimate government business and not to meet with the woman he has publicly called his “soul mate,” he also said he would reimburse the state as much as \$12,000 for expenses related to those trips. However, he later backed off from a promise to release personal financial records he said would prove he didn’t use state money on the trips.

Sanford said last week that his determination to complete his second and final term is based in part on a desire to not influence the state’s 2010 gubernatorial primary. Ironically, that may also be the one thing that slows the growing Republican

sentiment against him. Should Sanford resign, Lt. Gov. Andre Bauer (R) would ascend to the governor’s office. Bauer has already indicated he would seek the job anyway in 2010, so taking over now

**“This isn’t about an election that’s 18 months from now. It’s about if Governor Sanford should resign, who should fill his place?”**

would give him 18 months as an incumbent, something not likely to thrill other GOP gubernatorial hopefuls. Bauer also has a history of erratic behavior, including several high-speed traffic violations and instances of using his political position to get out of some of those situations. There are also rumors about his sexual orientation, which he has refuted.

James Guth, a political scientist at Furman University, noted the trepidation surrounding Bauer, saying, “Everybody’s holding their breath wondering, ‘What if he did become governor?’”

Bauer dismissed such talk as an effort by the GOP establishment to tarnish his reputation prior to the next election. “It’s sad that politics plays out that way,” Bauer said. “This isn’t about an election that’s 18 months from now. It’s about if Governor Sanford should resign, who should fill his place?”

Even if Sanford stays, some observers believe he may be too politically weakened to be effective. College of Charleston associate political science professor Kendra Stewart warned, however, that lawmakers must also be careful to not appear to be

piling on for their own gain, which she says could backfire and produce public support for Sanford. Stewart specifically noted the ups and downs of former president Bill Clinton, saying, “We’ve seen that in the past with other politicians.” (NEW YORK TIMES, STATE [COLUMBIA], WASHINGTON POST, CNN.COM, POST & COURIER [CHARLESTON], ASSOCIATED PRESS)

**JINDAL SIGNS SEX OFFENDER BILLS:**

LOUISIANA Gov. Bobby Jindal (R) signed nine bills aimed at cracking down on Pelican State sexual predators. Four of those measures — HB 570, SB 94, HB 476 and HB 741 — deal specifically with preventing sexual misconduct between educators and students. Other measures include HB 366, which adds penalties when sex offenders refuse or fail to submit to mandatory electronic monitoring; SB 145, which creates the crime of “unauthorized use of a wireless router system” for the purpose of downloading, uploading or selling child pornography; HB 703 and HB 784, which authorize the Department of Social Services (DSS) to conduct criminal background checks on department employees who will have contact with children; and SB 238, which gives sole statutory authority to DSS to issue and revoke licenses for child residential and day care centers. (ADVOCATE [BATON ROUGE])

**GOVERNORS IN BRIEF:** A federal judge refused last week to toss out a civil rights lawsuit against **NEVADA** Gov. Jim Gibbons (R). Chief U.S. District Judge Roger Hunt dismissed some claims brought by Chrissy Mazzeo, but allowed the suit to go forward. Mazzeo accused Gibbons of assaulting her in 2006, just prior to his election. An investigation cleared Gibbons, but Mazzeo later claimed that the defendants — including a former Gibbons political strategist and the sheriff who conducted the investigation — retaliated against her, in violation of her First Amendment rights, for pressing criminal charges against Gibbons (LAS VEGAS SUN). • **MICHIGAN** Gov. Jennifer Granholm (D) has proposed housing inmates from vastly overcrowded **CALIFORNIA** prisons in Wolverine State correctional facilities that are otherwise slated for closure. **CALIFORNIA** officials, who are facing numerous lawsuits over the state’s lagging prison health system related to overcrowding, are considering the offer (CNN.COM). • **NORTH DAKOTA** Gov. John Hoeven (R) said he will decide by early September if he will run for the U.S. Senate in 2010. State GOP leaders have been recruiting Hoeven to challenge incumbent Democrat Sen. Byron Dorgan (BISMARCK TRIBUNE).

— Compiled by RICH EHISEN

**Upcoming elections**

7/2/2009 - 7/23/2009

07/14/2009

**Alabama Special Election**

House District 06

**California Special Election**

US House (CA 32nd Congressional District)

07/21/2009

**Alabama Special General if Runoff Needed**

Senate District 22

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# Hot issues

**B** **BUSINESS:** The U.S. Supreme Court rules that federal banking laws do not block or pre-empt states from enforcing their own fair-lending laws and other consumer protections against national banks. The ruling is the result of a lawsuit filed in 2005 by former **NEW YORK** Attorney General Eliot Spitzer (D) alleging that some national banks had lending practices that were discriminatory to minorities (**NEW YORK TIMES**). • **FLORIDA** Gov. Charlie Crist (R) signs HB 483, which allows the state attorney general to prosecute investment brokers and agents for securities fraud and money laundering and to seek restitution for fraud victims (**MIAMI HERALD**). • The **ARIZONA** Senate endorses SB 1113, legislation that would allow Grand Canyon State residents with a concealed-carry gun permit to carry their weapons in bars and restaurants. Bar owners would still be able to ban guns if they post a sign noting that rule, while gun-toting patrons would not be allowed to consume alcohol while in possession of their firearms. The measure shoots off to Gov. Jan Brewer (R) for review (**ARIZONA DAILY STAR [TUCSON]**). • Also in **ARIZONA**, the House and Senate approve SB 1168, which would prohibit property owners and businesses from banning firearms in their parking areas, as long as the guns are locked in privately owned vehicles. It now goes to Gov. Jan Brewer (R) for review (**ARIZONA REPUBLIC [PHOENIX]**). • The **OREGON** Senate endorses HB 2815, which requires state agencies to work together to track businesses that pay employees in cash. It is now with Gov. Ted Kulongoski (D) for review (**OREGONIAN [PORTLAND]**). • Still in **OREGON**, the House endorses SB 628, a bill that would require mortgage companies to meet with borrowers facing foreclosure to try to come up with a loan modification. Lenders would also have to certify that they have complied with procedures explaining why a borrower does not qualify for an alternate payment plan. It is also with Gov. Kulongoski (**OREGONIAN [PORTLAND]**).

**CRIME & PUNISHMENT:** The **OREGON** Senate endorses HB 3508, which would delay by 18 months a voter-approved measure requiring repeat property and drug offenders to serve stricter prison sentences. Lawmakers approved the delay in order to avoid making cuts to other programs to pay for it. The measure has moved to Gov. Ted Kulongoski (D) for consideration (**OREGONIAN [PORTLAND]**). • The **ARIZONA** House and Senate endorse SB 1088, a bill that would expand the scope of domestic violence to include romantic and sexual relationships outside of marriage. It is now with Gov. Jan Brewer (R) for review (**ARIZONA REPUBLIC [PHOENIX]**).

**EDUCATION:** The U.S. Supreme Court rules that it is unconstitutional for schools to strip search students. The ruling stemmed from an **ARIZONA** lawsuit in which school officials strip searched a then-13 year old girl, an act the court called degrading

and unreasonable. Seven states — **CALIFORNIA, IOWA, NEW JERSEY, OKLAHOMA, SOUTH CAROLINA, WASHINGTON** and **WISCONSIN** — already ban schools from performing such searches (LOS ANGELES TIMES). • The **OREGON** Senate and House endorse SB 767, which would bar online public schools from starting or growing for at least one year while a task force writes rules to govern them. It is now with Gov. Ted Kulongoski (D) for review (OREGONIAN [PORTLAND]).

**ENVIRONMENT:** Federal officials announce they will grant **CALIFORNIA** a waiver that will allow the state to impose its own toughest-in-the-nation restrictions on greenhouse gas emissions from cars and trucks. The state first adopted the standards in 2004, but the Bush administration denied its request for a waiver (LOS ANGELES TIMES). • Still in **CALIFORNIA**, the state Air Resources Board adopts regulations that will make the Golden State the first to require all new cars sold after 2012 to have windshields that block at least 45 percent of the sun’s total heat-producing energy from entering the car in order to increase fuel efficiency and cut greenhouse gases (SAN FRANCISCO CHRONICLE).

• The Obama administration announces it is expediting permits for commercial solar power development in six Western states: **COLORADO, CALIFORNIA, NEVADA, ARIZONA, NEW MEXICO** and **UTAH**. Officials say they intend to have 13 commercial-scale solar power plants under construction by the end of 2010 (DENVER POST). • The U.S. Fish and Game Department agrees to reinstate federal Endangered Species Act protection to 4,000 gray wolves in the upper Great Lakes region of **WISCONSIN, MINNESOTA** and **MICHIGAN**. The agreement came to settle a lawsuit filed by environmental groups after the wolves were removed from ESA protection in May (MILWAUKEE JOURNAL-SENTINEL). • **FLORIDA** Gov. Charlie Crist (R) signs SB 2080, a bill that gives the executive directors of the state’s five water districts total authority over permitting large-scale water projects. The bill also allows large landholders to obtain water rights permits for up to 50 years, more than double the current 20-year limit, and prohibits homeowners’ associations from restricting “**FLORIDA-friendly**” landscaping that conserves water (PALM BEACH POST).

**HEALTH & SCIENCE:** The **NEW JERSEY** Legislature gives final approval to AB 2238, which would require Garden State health insurers to cover the costs

## The week in session

**States in Regular Session:** CA, DC, MA, NC, OH, PA, PR

**States in Recess:** MI, NJ, NY, US, WI

**States in Special Session:** AZ “c”, CA “c”, CA “d”, IL “b”(07/14/09), NY “k”, TX “a”

**Special Sessions in Recess:** CT “b”, DE “a”

**States Currently Prefiling or Drafting for 2010:** AL, KY

**States Adjourned in 2009:** AK, AL, AR, AZ, CO, CT, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, ND, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WV, WY

**State Special Sessions Adjourned in 2009:** AZ “a”, AZ “b”, CA “a”, CA “b”, CT “a”, CT “c”, FL “a”, IN “a”, KY “a”, MS “a”, MS “b”, NY “a-j”, UT “a”, VT “a”, WI “a”, WV “a”, WV “b”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS  
(session information current as of 7/2/2009)  
Source: State Net database



of screening for autism and other developmental disabilities, along with the costs of therapies.

It is now with Gov. Jon Corzine (D) for review (PHILADELPHIA INQUIRER). • Still in **NEW JERSEY**, The Senate and Assembly each give final approval to SB 735, a measure that would allow the involuntary commitment of people to mental health treatment in an outpatient setting (PHILADELPHIA INQUIRER). • The **PENNSYLVANIA** House endorses

HB 1, which would add about 130,000 people to the state-funded Adult Basic Coverage health insurance program. The measure, which would also change the program to cover prescription medications, chronic disease management, preventative and wellness care and behavioral health care, is now with the Senate (PITTSBURGH POST-GAZETTE). • All 14 **RHODE ISLAND** hospitals adopt a common pre-surgery protocol as a means of preventing doctors — many of whom work at multiple hospitals — from performing unnecessary surgeries and committing other serious medical errors. The new steps include having two doctors identify where the operation is to occur and requiring surgeons to mark the spot with their initials and use a checklist before surgeries (HOUSTON CHRONICLE).

**IMMIGRATION:** The **ARIZONA** House rejects HB 2280, a bill that would have expanded the state’s trespassing law to criminalize the presence of illegal immigrants and barred Grand Canyon State communities from becoming so-called “sanctuary cities” that do not allow police to inquire about a person’s immigration status. The bill passed in the Senate but failed to gain enough of a margin in the House to garner approval (ARIZONA DAILY STAR [TUCSON]).

**SOCIAL POLICY: WISCONSIN** Gov. Jim Doyle (D) signs the Badger State 2009-2011 budget (AB 75), which makes it the first state with a constitutional amendment banning same-sex marriage and civil unions to put in place domestic partnerships for same-sex couples. The new statute grants those couples 43 of the more than 200 rights and benefits currently conveyed to married heterosexual couples (MILWAUKEE JOURNAL-SENTINEL).

**POTPOURRI: OREGON** Gov. Ted Kulongoski (D) signs SB 391, which bars Beaver State residents from owning exotic animals like chimpanzees, lions and alligators (OREGONIAN [PORTLAND]). • Still in **OREGON**, the House also approves SB 676, which would allow Beaver State residents to grow industrial hemp. The bill moves to Gov. Kulongoski, who has not indicated if he will sign it. Even if he does, however, the federal government still bans domestic hemp production because it is in the same plant family as marijuana (OREGONIAN [PORTLAND]).

## In case you missed it

Federal stimulus money is making its way to the states, but as Lou Cannon reports in the June 22 issue of SNCJ, a growing number of economists believe a second federal bailout may be necessary for cash-starved states to avoid another round of the “Great Recession.”

In case you missed it, the article can be found on our Web site at [http://www.statenet.com/capitol\\_journal/06-22-2009/html](http://www.statenet.com/capitol_journal/06-22-2009/html)

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# Once around the statehouse lightly

**D**AZED AND CONFUSED: Vice presidents know coming in that their primary function will be to use a heaping helping of Beltway spin to promote their boss's agenda and record. It has been no different for Vice President Joe Biden who, as the *Washington Post* reports, recently trudged off to a D.C. fundraiser to sing the laurels of President Barack Obama. While there, Biden had occasion to introduce Tim Kaine, "the great governor of NEW JERSEY." This was a problem, of course, because Kaine is actually the governor of VIRGINIA. Biden can be forgiven as he was only reading what was on the TelePrompTer, but one might think he would know Kaine pretty well. The Old Dominion gov is not only the chairman of the Democratic National Committee, but was also one of three finalists for the job Biden currently holds.

**BUT I BET SHE CAN'T DUNK:** It isn't even a year since the last election, but ALASKA Gov. Sarah Palin is already itching for a run against President Obama. As the *Anchorage Daily News* reports, Palin, an avid jogger, recently told *Runners World* magazine that she would beat Obama in a long run. Palin noted her personal best sub-four hour marathon in 2005 as proof she would defeat Obama, whose athletic passions lean more toward basketball and golf than distance running. Palin also noted her dedication to the long run, telling the magazine that she feels "so crappy if I go more than a few days without running...Sweat is my sanity."

**THE BLAME GAME:** Like many states, CALIFORNIA is mired in a nasty budget mess. So messy, in fact, that the Golden State is about to start issuing IOUs to vendors and others to whom the government owes cash. That has a lot of folks angry, and state Controller John Chiang wants people to know he isn't the one responsible for them not getting paid. As the *Sacramento Bee* reports, Chiang's state Web site notes that all complaints about the current situation should be directed toward Gov. Arnold Schwarzenegger and the Legislature. Just to be sure folks get the message, Chiang also provides direct contact information for both the gov and lawmakers.

**BLAME GAME II:** While Chiang's effort is a worthy one, it isn't easy getting over on the Governor. As the *Los Angeles Times* reports, Schwarzenegger took his own swipe at lawmakers last week, using his Twitter feed to harp on them for debating a bill to prohibit dairy farmers from shortening their cows' tails, fuming that "Right now, in the midst of a budget crisis, they are debating about cow tails, and I



think that this is inexcusable.” The gov wasn’t done there, however. He also included a link to a video his staff posted to YouTube dubbed “CA State Budget Crisis vs. Cow Tails.” The “in-your-face” message worked: Senate Pro Tem Darrell Steinberg subsequently cancelled all legislative hearings, not related to the budget.

— By RICH EHISEN

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