

July 16, 2007

Saints or Sinners?



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The next issue of Capitol Journal will be available on July 23rd.

Top Story

Payday lenders say they provide a valuable service to borrowers that traditional banks ignore. But critics decry high interest rates and questionable practices. Now states are stepping into the fray.

SNCJ Spotlight

States clamping down on payday lenders

Take your pick: Payday lenders are either usurious vultures who prey on the poor with exorbitant interest rates or they are friendly small-scale bankers who help working-class customers through short-term financial woes.

Those two views reflect a dual trend in the payday loan industry over the last decade. It has expanded rapidly, from only a handful of states in the early 1990s, to about 37 today. But recently, there has also been a legislative



backlash against payday lenders, with several states passing new laws to more carefully regulate the industry’s business practices, a reflection of growing concerns by consumer activists who say payday lenders charge unreasonably high rates and prey on the poor and vulnerable. Some of the recent state measures are in fact so restrictive that they could conceivably shut down the industry in those states.

According to the State Net database, 37 state legislatures have considered a total of 185 bills this year dealing with payday lending-related regulation, at least 15 of which have been enacted (See Bird’s eye view on page 3). The federal government also recently passed restrictions, specifically aimed at protecting members of the military. The financial costs of payday lending were seen as increasing the stress and financial challenges facing military personnel, and even making them so financially vulnerable as to potentially affect their security clearances. In 2006, President George W. Bush signed a military spending bill which included a cap on lending to military personnel at 36 percent APR.

One of the more notable state measures of 2007 came in OREGON, where Gov. Ted Kulongoski (D) signed HB 2871, authored by House Speaker Jeff Merkley (D), which caps small consumer loans — those less than \$50,000 — at under 36 percent. The industry

often charges fees that are the equivalent of 400 percent or more on an annualized basis. Merkley spokesman Russ Kelley said the stores take advantage of desperate low-income residents.

“In OREGON, it seems like there’s a payday loan store on every corner, particularly in neighborhoods where the income levels are somewhat depressed,” Kelley says. Merkley’s office estimates there are some 850,000 short-term

loans issued in OREGON every year, including car title loans which are also covered under the law.

“It takes advantage of people who are already in a vulnerable financial situation and locks them into what the speaker calls a ‘vortex of debt.’ You take out one loan, then you have to take out another to pay off that one. It just traps you. And there’s no need for it.”

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The week in session

States in Regular Session: CA, DC, IL, MA, MI, NC, PA, US, WI

States in Skeleton Session: OH

States in Special Session: IL “a”, IL “b”, IL “c”, IL “d”, IL “e”, IL “f”, IL “g”, IL “h”

States in Recess: NH, NJ, NY

Special Sessions in Recess: CT “a”, DE “a”, KY “a”

States Currently Prefiling or Drafting for 2008:: FL, KY

States Adjourned in 2007: AK, AL, AR, AZ, CO, CT, DE, FL, GA, HI, IA, ID, IN, KS, KY, LA, MD, ME, MN, MS, MT, ND, NE, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WV, WY

State Special Sessions Adjourned in 2007: AK “a”, AL “a”, FL “a”, FL “b”, MS “a”, MT “a”, NM “a”, NV “a”, WI “a”, WV “a”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 07/13/2007)
Source: State Net database

The payday lending industry, however, contends that it is providing a necessary service that larger banks ignore, namely assisting people with urgently needed short-term cash. Charging higher rates is essential, they say, in order to make its business model work.

Kelley disagrees, saying the lending industry should be able to revise its business model so that it can continue doing business under the new rules. Those rules may lead to fewer locations, but short-term loan service should still be available — at more reasonable rates — for those who need it, he says.

But Jamie Fulmer, a spokesman for Advance America, the short-term lending industry leader with about 2,900 locations in 37 states, including about 45 stores in the Beaver State, says the industry believes the new law will virtually eliminate payday lending in OREGON.

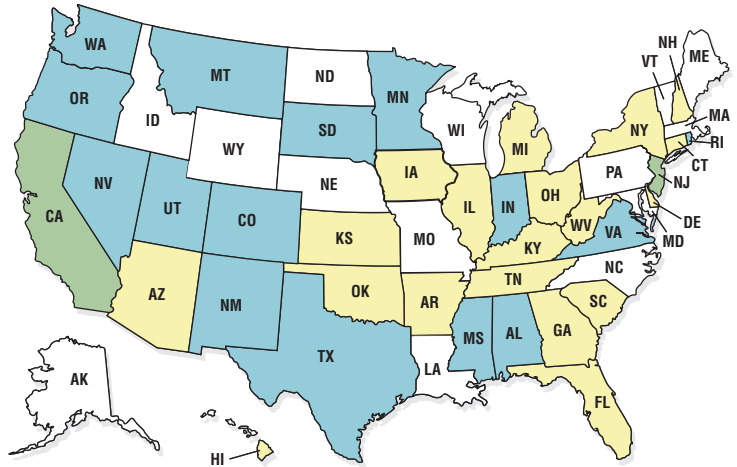
“We believe the law in OREGON will be restrictive to the point that it probably will be prohibitive for this business to operate,” Fulmer says. “We’re evaluating our options in OREGON to determine where do we move from here.”

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Fulmer says critics paint a false picture of the industry’s practices. Most customers use the service responsibly to help with unexpected expenses. Paying back a payday loan is cheaper, he says, than paying the fees for bounced checks, or for late credit card payments.

“Customers use this product to help them bridge gaps when they find themselves in need of a small amount of short-term funds, in between paychecks, due to things like a car breaking down or an unexpected child-care expense,” Fulmer says. “Or they have some other unbudgeted, unplanned-for event in the course of their day-to-day life.”

Bird’s eye view



Source: State Net

Approved regulation To governor Pending/considered regulation

States get tough on payday lenders



States this year have taken a hard line on the payday lending industry (see SNCJ Spotlight in this issue). To date, 37 states have considered 185 bills dealing with payday loan regulation or fair loan practices, with at least 15 bills having been signed into law. Measures are also awaiting gubernatorial approval in NEW JERSEY and CALIFORNIA. Short-term loan critics say that the industry preys upon vulnerable consumers by charging extraordinarily high interest rates and coercing those borrowers into an endless cycle of debt. Lenders, however, contend that they provide a valuable service by dealing with much smaller loan amounts — and often credit-challenged customers — than most banks will deal with. Contact State Net for more information on payday loan legislation.



He pointed to a study released in January by the Federal Reserve Bank of NEW YORK, which concluded that payday lenders, while “expensive,” did not fit the definition of predatory. The payday loan industry as a whole provides about \$45 billion in credit to consumers every year, through close to 25,000 stores, according to the Community Financial Services Association of America (CFSA), an industry group.

The industry’s business model consists of retail-sized locations that make short-term small loans, intended to cover customers’ immediate expenses until their next payday. For example, a customer might borrow \$400 cash for two weeks, and leave the lender with a post-dated check for \$460. The industry generally portrays that as a loan given at 15 percent interest, but consumer groups note that calculated on an annualized basis, it is actually the equivalent of 390 percent.

After two weeks, that customer also has the option to renew or “flip” the loan for another two weeks, and pay the fee again. According to the industry, average customers flip their loans or get new loans about eight times a year.

Consumer activists say the industry encourages people to flip their loans, trapping them in a cycle of debt at extremely high interest rates. Often borrowers end up

paying two or three times the principal in less than a year. With repeat loans, customers can pay interest rates well in excess of 400 percent APR, and in some cases up to 900 percent, according to industry watchdogs.

“Our problem with payday lending is it’s based on a business model that to make money requires borrowers to get trapped in the loan,” says Chris Kukla, director of legislative affairs for the Center for Responsible Lending, based in Durham, NORTH

CAROLINA. “Payday lending preys on someone who’s in a tough situation and feels like they don’t have anywhere else to go. It takes advantage of the fact that someone’s desperate.”

Take Teresa Campbell, for example. The 33-year-old Compton, CALIFORNIA woman was caught in a cycle of debt with payday loans for much of her 20s. She says she got her first loan when she was attending the University of SOUTH CAROLINA. She would borrow a small amount — maybe \$130 — to help her through her immediate expenses. Rather than pay back the entire loan, she would only pay the fee, around \$10 every week.

Later, when she moved to CALIFORNIA, “I went to town with it,” she says. With payday lenders more prevalent in Los Angeles, she would get loans from multiple locations — sometimes having five outstanding at one time. Over the years, she estimates she paid thousands of dollars to payday lenders. And when she had problems paying them back, it was reflected on her credit report and she had trouble even opening a checking account.

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“It was an addiction,” Campbell says. “A straight addiction, until it became an absolute necessity, if I wanted to pay a bill.”

It was only after she got married a few years ago that she escaped the cycle, when her husband helped her clean up her finances. Many people are not so lucky, she notes. “They [lenders] think they’re being a savior for the (needy), but they’re not,” she says.

But CFSA spokesman Steven Schlein says there are few viable alternatives to payday loans because most banks don’t deal with such small loan amounts. People often go to payday lenders to avoid the humiliation of borrowing from friends and family, he says.

“Our customer surveys show that our customers love paying the loans, because they can avoid having to borrow from family. They can avoid the embarrassment of begging,” Schlein says. The industry, he adds, has itself pushed for more regulations at the state level, in an effort to reduce bad practices by a minority of business owners.

“We want the industry regulated, so any of the bad actors in the industry would be banned,” Schlein says. “Or they would be forced to conform to laws, so that some of the horror stories that the media dredges up, which come from a tiny percentage of our industry, would be ended.”

— *By Harrison Sheppard*

Harrison Sheppard is the Sacramento Bureau Chief for the Los Angeles Daily News.

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Budget & taxes

PA BUDGET DEAL ENDS PARTIAL SHUTDOWN: The 24,000 public employees furloughed last Monday as a result of PENNSYLVANIA’s budget impasse returned to their jobs the following day thanks to a budget deal reached by Gov. Ed Rendell (D) and lawmakers late Monday night.

The budget standoff had centered around the Democratic governor’s differences with Republican lawmakers over how much state spending should increase, along with something GOP legislators referred to as “issue creep,” Rendell’s constantly shifting list of budget deal breaking priorities, which at different times included a tax on oil company profits, a plan to lease the PENNSYLVANIA turnpike to private interests, a statewide ban on smoking, increased funding for transportation and an energy-independence surcharge.



Addressing the issue of who won and who lost the budget battle, Rendell said, “We all blinked a little bit. Unless there is mutual blinking, there is no budget and no legislation that comes out of here.” Indeed, Rendell gave up, among other things, his oil-company tax and his turnpike lease plan, but got more than \$900 million per year in additional transportation funding and a pledge from lawmakers to consider his energy policies in a special session. And Republicans managed to hold down spending growth and kill several of the governor’s proposed taxes. “Our goals were to resist the proposals of the administration to enact seven new taxes and to reduce the rate of growth in state spending,” said Senate Majority Leader Dominic Pileggi (R). “We achieved those goals.” As House Speaker Dennis O’Brian (R)

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summed it up, “For two weeks, they flailed away at the piñata before deciding to rip it open together and each share in the candy.”

But Rep. Dwight Evans suggested getting some of the candy wasn’t lawmakers’ only incentive. “One thing this process doesn’t like is outside attention — and 24,000 people on the street focused attention in a big

way,” he said. “I think it was the real turning point. It forced both sides to face up to reality.” (PHILADELPHIA INQUIRER)

NY PROCEEDING WITH CAUTION ON UNIVERSAL CARE: The administration of NEW YORK Gov. Eliot Spitzer (D) is about to dive into the process of making good on one of the governor’s more ambitious campaign promises: providing universal health insurance. But chastened by the problems MASSACHUSETTS and other states seeking to expand their health coverage have run into, the Empire State executive branch has no intention of rushing things.

“A lot of states go out with a big glitzy press release and say, ‘We have a universal coverage plan,’” said Deputy Secretary of Health Dennis P. Whalen. “As we looked at those, they are all facing significant challenges.” According to Whalen, the administration is working on a plan that will add nearly three million more residents to the health care rolls over a number of years, in what he described as “foundational steps to march us toward universal health care.”

Those steps will require legislative approval, which could present a problem, given the ongoing battle of wills between Spitzer and Senate Majority Leader Joseph L. Bruno (R). But the administration does have a couple of things going for it. One is that Senate Republicans have strong ties to an influential hospital workers’ union



(1199 S.E.I.U. United Healthcare Workers East) that supports universal care. And earlier this year, the Legislature passed Spitzer’s plan to expand the state-funded Child Health Plus program to 400,000 uninsured children.

But the administration is not rushing even the development of the universal health plan itself. State agencies have been holding internal briefings for months. Public hearings are scheduled for late summer and fall across the state. And the actual plan is not expected to be drawn up until next summer.

Spitzer seems confident about that approach. “We’re actually going to make it happen,” he said last week, adding that what he wants is a plan that “sweeps large groups into the insured world with different mechanisms and structures and doesn’t try to wave one wand over the entire population and magically insure every person.” (NEW YORK TIMES)

IL HOUSE REJECTS GOV’S LOTTERY PLAN: As expected, ILLINOIS Gov. Rod Blagojevich’s (D) plan to lease the state lottery to help pay down the state’s pension debt was firmly rejected by the House last week (see FIREWORKS FLY OVER IL BUDGET in July 9 issue of *SNCFJ*). The 78-6 vote, which followed two days of mostly critical testimony on the proposal, only underscored the tense state of relations between Blagojevich and House Speaker Michael Madigan (D), which has helped extend the budget stalemate three weeks into the new fiscal year. There was some consolation for Blagojevich last week, however. The Democrat-led Senate passed a non-binding resolution supporting his effort to deal with the state’s pension troubles. But Republicans called that measure a “charade.” (CHICAGO TRIBUNE)

BUDGETS IN BRIEF: New York City Mayor Michael Bloomberg’s high-profile plan to improve air quality and ease traffic congestion in Manhattan by charging drivers a congestion fee appeared in jeopardy last week of failing to win legislative approval by the June 16 deadline to qualify for federal funding. Although endorsed by several environmental groups, **NEW YORK** state lawmakers have raised several concerns about the plan, including that it would impose an unfair burden on lower- and middle-income drivers. But in his weekly radio address last Sunday, Bloomberg said it would be “absolutely ridiculous” for the Legislature not to adopt the plan by the deadline, with as much \$500 million in federal funding at stake (NEW YORK TIMES). • **CONNECTICUT** Gov. M. Jodi Rell (R) has vetoed legislation that would have given the state comptroller greater latitude in setting state financial standards. Rell said the measure would have made it possible for the state to veer from generally accepted accounting principles and jeopardized the state’s financial standing with

Upcoming elections
07/12/2007 - 08/02/2007

07/17/2007
Georgia Special Runoff
US House (Congressional District 10)

07/31/2007
New Hampshire Special Election
House Rockingham District No. 14
(Hampton Falls, Kensington, Seabrook, South Hampton)

investors (HARTFORD COURANT). • The tabulations are in, and CALIFORNIA ranks as the eighth largest economy in the world for the second year running. While that ranking represents a slippage from the fifth slot the state occupied in 2002, the Golden State's \$1.73 trillion economy is still 60 percent larger than that of TEXAS, its closest state competitor. Official say CALIFORNIA's world ranking has fallen in recent years because of massive economic growth in China and the relative weakness of the dollar against other currencies (SACRAMENTO BEE).

— Compiled by KOREY CLARK

Politics & leadership

SPECIAL SESSION SHAMBLES IN KY: The special session called this month by KENTUCKY Gov. Ernie Fletcher (R) to deal with a lengthy agenda of state business hasn't quite gone according to plan.

Barely an hour into the session's first day (July 5), the Democrat-controlled House voted to adjourn, claiming it was merely a ploy to bolster Fletcher's re-election bid in November. The GOP-led Senate, meanwhile, contending that the House lacked the authority to unilaterally adjourn a special session, continued working, passing five bills that included all 67 of the items on Fletcher's agenda.

Senate Minority Leader Ed Worley (D) wasn't too happy with his chamber's decision to press on after the House's adjournment. "This is a hollow exercise. This session is lost," he said. "It's time for us to go home." But Senate President David Williams said that due to a technical flaw in the House resolution to adjourn, the

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Senate couldn't have concurred even if it had wanted to.

For his part, Fletcher denied the session was about politics, contending at a news conference that at least one of his agenda items, providing tax incentives for a synthetic natural gas plant, needed to be addressed before the start of the regular session next year. "This legislation on energy is extremely important," he said.

Unable to persuade the House to return to work, however, Fletcher decided to adjourn the session for three weeks, hoping to give lawmakers an opportunity to work out their differences. "What we would like to do is give them a period to cool off," he said.

But for now at least, that prospect doesn't appear likely. House Speaker Jody Richards (D) said that if the governor calls lawmakers back to Frankfort on July 30 as planned, the House will walk out again. "If we feel we have to come back on that



day...we will take no action,” he said. “This session is over.” (COURIER-JOURNAL [LOUISVILLE])

POLITICS IN BRIEF: FLORIDA is having difficulty finding a buyer for the 25,000 touch-screen voting machines that have been rendered virtually obsolete by a brand new Sunshine State law mandating the replacement of most touch-screen machines with optical scanners by the fall of 2008. Six counties haven’t even paid off their touch-screen equipment yet and still owe a combined \$33 million, according to the secretary of state’s office (ST. PETERSBURG TIMES).

– Compiled by *KOREY CLARK*

Governors

O’MALLEY IRKS MD DEATH PENALTY SUPPORTERS: MARY- LAND Gov. Martin O’Malley (D) said last week that he might wait until next year to issue new lethal injection regulations for the Old Line State. The governor, who strongly opposes capital punishment, said he is holding off on issuing the new orders in hopes the legislature will repeal the death penalty when the new session begins in January.

O’Malley pushed lawmakers to end capital punishment last session, but a bill to replace it with life without parole failed by a single vote in a Senate committee

in March, effectively killing the issue for the year. Given the close nature of that vote, O’Malley contends that lawmakers could change their minds if given a second chance to consider the matter.

“We’re studying the issue and looking at the next session and trying to assess the possibility of people changing their minds,” O’Malley said. “I think that opinions have shifted somewhat in the General Assembly... What, in essence, we’re considering is,

“I think that opinions have shifted somewhat in the General Assembly... What, in essence, we’re considering is, ‘Should one promulgate regulations for a law that may be on its way out?’”

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The MARYLAND Court of Appeals enacted a de facto moratorium on executions last December when it ruled that the state’s lethal injection procedures had not been properly adopted. But withholding the new protocol effectively blocks the state from carrying out executions anyway, something that has both emboldened death penalty opponents and angered its supporters.



State Attorney General Douglas Gansler (D), a death penalty supporter, criticized the delay, saying, “The longer we have a death penalty statute on the books but an inability to carry it out, the frustration will undoubtedly mount among prosecutors and families of victims of crime.”

But while repeal supporters lauded O’Malley’s decision to wait out the General Assembly, Sen. Brian E. Frosh (D), who chairs the Senate committee that rejected the repeal bill last session, doubts the ploy will work. Frosh said last week that he is unaware of any votes that have changed on his panel, saying, “I don’t think abolition is going to pass the Judicial Proceedings Committee this term.” (WASHINGTON POST)

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that will fully achieve or surpass” the goals set out in EO 07-127.

The orders also collectively create the state’s first-ever greenhouse-gas emission reduction targets and impose CALIFORNIA-style pollution-control standards on new cars and trucks, as well as enact changes to the state building code to require more energy-efficient homes. Crist also wants to use the state’s bulk purchasing power to heighten demand for ethanol and other renewable fuels.

Crist’s orders, which came as part of a two-day environmental summit held in Miami, are the culmination of a recent spurt of pro-green activity on his part.

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: 82

Number of Intros last week: 393

Number of bills enacted/adopted last week: 1,039

Number of prefiles to date: 34,790

Number of Intros to date: 149,867

Number of enacted/adopted overall to date: 37,901

— Compiled By JAMES ROSS
(measures current as of 07/12/2007)
Source: State Net database

CRIST JOINS GREEN CRUSADE: FLORIDA Gov. Charlie Crist (R) issued a trio of executive orders last week designed to push the Sunshine State to the forefront of the burgeoning states-led movement to combat global climate change. With EO 07-127, Crist ordered the state to reduce greenhouse gas emissions to 2000 levels by 2017; to 1990 levels by 2025; and to 80 percent of 1990 levels by 2050. He

additionally directed state agencies via EO 07-126 to cut their current emissions levels 10 percent by 2012, 25 percent by 2017, and 40 percent from current emission levels by 2025. His final order, EO 07-128, creates a “Governor’s Action Team on Energy and Climate Change to develop a comprehensive Energy and Climate Change Action Plan



Crist's state car runs on ethanol, and he will soon have solar panels installed to lower the energy bill at the 13,000-square-foot governor's mansion. He has also used his gubernatorial clout of late to press state energy regulators to kill plans for two new coal-fired electricity plants, which produce significant amounts of greenhouse gasses.

While Crist drew kudos from pro-environmental groups and most Democrats, some questioned whether the state will have the fiscal wherewithal to make all of the plans come to fruition. "The biggest challenge will be 'how do we fund this,'" said Rep. Rick Kriseman (D), who, as a member of the state House Energy Committee, has proposed eliminating sales taxes on hybrid cars. "It's not cheap." (MIAMI HERALD, STATE NET)

GOVS ON THE GO: MISSISSIPPI Gov. Haley Barbour (R) traveled to Japan last week to lobby automotive parts suppliers to build manufacturing plants in the Magnolia State. Nissan already has an auto manufacturing plant there, which opened in 2003 near Canton in the central part of the state. Toyota is also scheduled to open its new North American manufacturing plant in 2010 in Blue Springs. Barbour noted the close proximity of plants in bordering states, such as a Nissan plant in nearby Smyrna, TENNESSEE, as well as Hyundai and Mercedes plants located in ALABAMA. Meanwhile, MICHIGAN Gov. Jennifer Granholm (D) announced last week she will travel on a five-day trade mission to Sweden and Germany in August with the goal of luring European alternative energy and automotive businesses to locate in Michigan. Meanwhile, WASHINGTON Gov. Christine Gregoire (D) traveled on a trade mission last week to Mexico City and Guadalajara. It was Gregoire's 10th international trade mission as governor. (SEATTLE POST-INTELLIGENCER, DETROIT FREE PRESS, COLUMBUS DISPATCH)

GOVERNORS IN BRIEF: Calling it, "a good start to getting the comprehensive ethics reform that we need here in ALASKA," Gov. Sarah Palin (R) signed legislation last week that bars Last Frontier State lawmakers from accepting gifts worth more than \$250 from the same person within a year, excluding food and tickets to charitable events. The measure also prohibits people from registering as lobbyists if they have been convicted of a felony involving a moral wrong (ANCHORAGE DAILY NEWS). • **VIRGINIA** Gov. Tim Kaine (D) said he is planning to propose a universal, but not mandatory, pre-kindergarten program in the Old Dominion next year. He says the program, which would be phased in, will cost about \$300 million a year. Kaine also insisted the program would not require a tax increase to pay for it (RICHMOND TIMES-DISPATCH). • **NEW JERSEY** Gov. Jon Corzine (D) said he will foot the bill for medical care necessitated by his recent near-fatal car accident out

Upcoming stories

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

- **Medical marijuana**
- **Animal protection**
- **The bullying battle**

of his own pocket — to the tune of about \$400,000. Corzine’s driver was traveling at 91 mph when the accident occurred. The governor, who was not wearing his seat belt, sustained massive injuries, including a broken left thigh, 11 fractured ribs, a broken breastbone, and broken collarbone (PHILADELPHIA INQUIRER). • **ALABAMA** Gov. Bob Riley (R) announced that the Heart of Dixie will sell off nearly 6,000 acres of state-owned property, with the proceeds going toward bringing state inmates back from private lock-ups in **LOUISIANA**, making improvements to aging prisons, and taking other steps to relieve prison crowding. Riley said the land sale could bring in up to \$22 million (BIRMINGHAM NEWS). • **NEVADA** Gov. Jim Gibbons (R) said he and **CALIFORNIA** Gov. Arnold Schwarzenegger (R) will form a blue ribbon commission to investigate whether local government policies meant to protect Lake Tahoe — which borders both states and serves as one of the top vacation destinations in the world — may have worsened the impact of the Angora wildfire that recently destroyed 254 homes and other buildings around the lake. Many local residents have complained that those policies required them to keep highly flammable forest undergrowth, land cover and trees close to their homes in order to avoid water runoff that could potentially cause the lake to become discolored (NORTH LAKE TAHOE BONANZA).

— *Compiled by RICH EHISEN*

Hot issues

B **USINESS:** A **CALIFORNIA** Senate committee kills AB 844, which would have required scrap metal dealers and recyclers to improve record-keeping and pay for some metals with checks as a way to better track where those metals came from if they are later found to be stolen. Critics complained that the measure would usurp local ordinances (SACRAMENTO BEE). • **LOUISIANA** Gov. Kathleen Blanco (D) signs HB 558, legislation that requires insurance companies to give discounts to homeowners who build or renovate their homes to meet the new statewide building code or retrofit the structures to lessen the chances of storm or hurricane damage. The measure goes into effect immediately (TIMES-PICAYUNE [NEW ORLEANS]). • **OHIO** Gov. Ted Strickland (D) signs SB 7, legislation that bans governments and agencies from using eminent domain power to take private land strictly for economic development. The law also requires that 70 percent of the parcels in an urban renewal area be declared blighted before a city can take properties for redevelopment (AKRON BEACON JOURNAL). • AOL agrees to pay 48 states and the District of Columbia \$3 million to settle complaints over its billing and access policies. The fiscal settlement is to cover states’ costs in waging the lawsuit (REUTERS).



centers. The measure also allows Show Me State schools to make abstinence the focal point of their sex-education classes (NEWS TRIBUNE [JEFFERSON CITY]). • **LOUISIANA** Gov. Kathleen Blanco (D) signs HB 25, which requires doctors to provide women planning abortions information about fetal pain and the availability of anesthesia to eliminate the pain (ADVOCATE [BATON ROUGE]). • **PENNSYLVANIA** Gov. Ed Rendell (D) signs the Freedom to Breastfeed Act, legislation that allows women to breastfeed their babies in public. The measure also bars local governments from enacting their own prohibitions (PITTSBURGH TRIBUNE-REVIEW). • The **HAWAII** Legislature overrides Gov. Linda Lingle’s (R) veto of HB 1830, which grants legal immunity for leaving an unharmed newborn at a hospital, fire station or police station, or with emergency services personnel, within 72 hours of birth (HONOLULU STAR BULLETIN).

POTPOURRI: A **CALIFORNIA** Senate panel rejects AB 1634, legislation that would have required Golden State pet owners to spay or neuter their dogs and cats by the time the animal reached six months. The measure drew significant opposition from breeders, guide-dog owners and police officers who objected that it would infringe on their rights and use of animals (LOS ANGELES TIMES). • **FLORIDA** Gov. Charlie Crist (R) signs SB 116, which prohibits the use of a fallen soldier’s name or image for commercial gain without first obtaining consent from the person’s family. Violators face a \$1,000 fine for each item sold (TALLAHASSEE DEMOCRAT).

— Compiled by RICH EHISEN

Once around the statehouse lightly

DON’T MESS WITH FIDO! Or so found out a CALIFORNIA lawmaker who authored legislation that would have fined Golden State residents for not spaying or neutering their pets. Assemblyman Lloyd Levine (D) was hoping to bring down the number of wayward animals euthanized in the state each year, estimated at around 450,000. But, as noted by the *Los Angeles Times*, in spite of dogged support from the likes of former game show host and animal advocate Bob Barker, all the proposal ultimately brought down was the wrath of tens of thousands of indignant pet owners upon Levine’s head. Insisting that CALIFORNIA doesn’t need more “nanny government” telling them what to do, opponents filled legislative chambers last week to protest the bill. Not to be outdone in star power, they even brought along their own celebrity “barker” — the ninth generation of everyone’s



favorite collie, Lassie. With the bill clearly on its last legs, Levine put it out of its misery. Chastened but unbowed, he bitterly decried what he saw as “personal attacks” on him throughout the process. What? Since when has politics been personal?

BUT WOULD HE SUPPORT SPAYING AND NEUTERING? More than a few folks these days think our political system has gone to the dogs. According to the *Seattle Post-Intelligencer*, that may be more fact than fiction in WASHINGTON, where elections officials have finally removed Duncan M. McDonald from the state’s voter rolls. The removal was necessary, seeing as Duncan is actually a dog. It seems his owner, Seattle resident Jane K. Balogh, wanted to make a point that voting registration rules are too lax. She registered the pooch in 2006, saying Duncan met all the eligibility requirements — he is an American citizen, was born in the US, is 18 years old (in dog years) and has never been convicted of a felony. Someone clearly agreed, as the Australian shepherd-terrier mix has received absentee ballots for the last three elections. Alas, it is Balogh who may now face felony charges for intentionally defrauding elections officials.

CAN’T TAKE THE HEAT? PENNSYLVANIA Gov. Ed Rendell has never been particularly tolerant of his critics. As the *Philadelphia Inquirer* recently noted, Rendell is famous for rattling a reporter’s ear when he thinks the occasion calls for it. So it was no shock last week when the gov rang up the newsroom to complain about one of his long-time detractors, who had been featured in a piece highly critical of Rendell. The person in question, according to Rendell, “is about as mentally stable as that guy who ate all those people.” Rendell didn’t elaborate on which particular, uh, carnivore, he was referring to.

REALLY CAN’T TAKE THE HEAT: Making a point can be hazardous to your health. Take the person handing out leaflets at the VERMONT statehouse last week urging Green Mountain State lawmakers to override a gubernatorial veto of a bill aimed at cutting down greenhouse gas emissions that many say are behind global warming and melting of the polar ice caps. To add heft to the whole event, said distributor wore a polar bear costume — a big, heavy and very hot one at that. With temperatures hitting 80 degrees amidst high humidity, something had to give. So, reports the *Montpelier Times Argus*, by noontime a hungry and sweaty Victoria Aufiero, 21, had to ditch the furry getup. “The bear needed a break, and something to eat,” she explained. Two other dedicated masochists eventually shared the bear suit duties for the day.

CALL ME, NO REALLY: When NEW JERSEY Gov. Jon Corzine says to call him, he isn’t just being polite. According to the *New York Times*, Corzine, who is facing a lawsuit from Garden State Republicans who want to see e-mails he sent to



a state union leader that also just happens to be a former girlfriend, is swearing off e-mail for good. That isn't exactly surprising to folks close to the Garden State gov, who say that for a multi-millionaire who made his fortune in the high tech world of Wall Street, Corzine is something of a technophobe that prefers to avoid the electronic gizmos and gadgets so ubiquitous in modern life. Corzine acknowledges that going Luddite could cause some delays in his daily governance duties, but says "We'll just have to find another way to do it."

A REAL HOMER: Over the last 18 years, a large chunk of us have become attached to Homer Simpson and his family, the animated TV oddballs who inhabit fictional Springfield, America — no state specified, thank you. But that has all changed now. According to the Burlington Free Press, 20th Century Fox recently chose Springfield, VERMONT as the Simpson's hometown, beating out other, larger Springfields in more than a dozen states. Given the unexpected nature of the selection, Gov. Jim Douglas's response was perhaps all too apropos: "To all the other Springfields, I say, 'Don't have a cow, man.'"

— *By RICH EHISEN*



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