

September 15, 2008

Easy Target?



Budget & taxes 4
Feds seize Fannie and Freddie

Politics & leadership 6
Election season heats up in Northeast

Governors 9
Schwarzenegger faces recall

Bird's eye view 2

Hot issues 12

Once around the statehouse lightly 13

The next issue of Capitol Journal will be available on September 29th.

Top Story

Professional certifications like "Senior Specialist" and "Retirement Adviser" have become major selling points for financial services salespeople. Now lawmakers are working to prevent poorly trained or unethical financial advisers from preying upon vulnerable older citizens.

SNCJ Spotlight

Financial services industry going old school

Insurance and investment sales representatives have been spending a lot of time studying Social Security, Medicare and estate planning lately, judging from the proliferation of professional certifications like "Senior Specialist" and "Retirement Adviser" in the marketplace. But along with this spike has come the potential for abuse, leading lawmakers and regulators to figure out how to prevent poorly trained or unethical financial advisers from preying upon vulnerable older citizens.

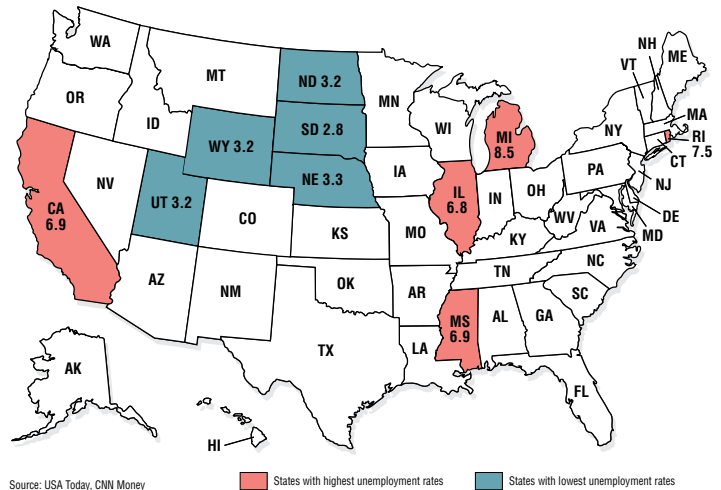
According to the *New York Times*, the number of certified senior advisors has increased by 78 percent over the past five years, and at least two dozen senior certification programs now exist nationwide. Legitimate programs offer extensive training, conduct rigorous exams and specify continuing education requirements. A number of programs, however, are geared towards marketing and selling practices and offer no financial training. Many of these courses last only a few days, and some of the designations can be earned simply by paying a fee.

The less rigorous certification programs achieve their aim. A recent survey conducted by the Financial Industry Regulatory Authority (FINRA), which oversees nearly 5,000 brokerage firms, found that a quarter of senior investors were told by an investment professional that the professional was specially accredited to advise them on

senior financial issues, and half of the investors indicated they were more likely to listen to his or her advice because of that.

But the glut of senior certifications has been accompanied by a dramatic increase in complaints and investigations related to senior sales practices the last couple of years. Consequently, lawmakers have begun to take notice of insurance and investment sales representatives with inadequate training. In 2007, MASSACHUSETTS started the ball rolling by issuing regulations that bar the use of credentials implying agents have special expertise in servicing senior citizens, unless the credentials meet certain standards. Later that year, the NEBRASKA Department of Banking and Finance, Bureau of Securities issued an Interpretive Opinion that was even more specific. The notice listed acceptable designations that could be used by broker-dealers and investment advisers on business cards, stationary, and advertising materials.

Bird's eye view



State unemployment funds going bust

The national unemployment rate reached a five-year high of 6.1 percent last month, placing the number of jobless Americans at 9.5 million. With about a third of those individuals collecting unemployment insurance from their state of residence, the spike in joblessness is depleting state unemployment insurance trust funds. Thirty-two states currently don't have enough cash on hand to cover a year's worth of recession-level payments as the federal government recommends, and several states, including CALIFORNIA, MICHIGAN, NEW YORK and OHIO, will drain their unemployment funds entirely this year or next, necessitating a federal bailout. The accompanying map shows the five states with the highest and lowest unemployment rates as of June.



Although the intent of both state regulatory actions was supported by the industry, many have expressed concerns about a state-by-state regulatory approach and encouraged the North American Securities Administrators Association (NASAA) to standardize guidelines governing the use of senior-specific certifications. As a result, the Task Force on Senior Designations was created to formulate uniform accreditation standards that could be adopted by every state. The task force released its Model Rule on the Use of Senior-Specific Certifications and Professional Designations in April 2008.

The model, which incorporates provisions from the MASSACHUSETTS and NEBRASKA rules, prohibits the use of senior specific designations that are misleading. It also designates how a non-accredited entity can attain certification through the American National Standards Institute (ANSI), National Commission for Certifying Agencies (NCCA) and regulator-approved educational institutions.

Furthermore, the National Association of Insurance Commissioners (NAIC) recently issued a bulletin to remind insurers that they would be held accountable for agents who sell their products using misleading designations. The NAIC also released a consumer alert warning seniors to question the credentials of individuals who represent themselves as senior or retirement specialists.

The industry's guidelines have prompted legislation concerning insurance and securities sales designations in more than a dozen states, including high senior-population centers like CALIFORNIA and FLORIDA. In CALIFORNIA, lawmakers this year approved companion Assembly Bills 2149 and 2150, which bar brokers and agents from using a senior designation unless they have completed a specific number of hours of training first. Violators would face a loss of license. Both are now with Gov. Arnold Schwarzenegger (R), who is expected to sign them into law. FLORIDA Gov. Charlie Crist (R) has already signed SB 2082, which makes using trumped up or phony designations a misdemeanor.

Senior advocacy groups like AARP supported those and other measures across the nation. In an interview, AARP spokesperson Christina Clem said bills like the CALIFORNIA and FLORIDA measures are a good start, but much more must be done at both the state and local levels to ensure greater safeguards are in place to protect seniors from the industry's bad actors.

"We encourage all state lawmakers to address this issue," she says. "It would be a lot easier if we had a national standard, but the reality is that these efforts usually have to start at the state level before Washington will act."

That may already be in the works. U.S. Senator Herb Kohl (D-WISCONSIN) has introduced the Senior Protection Act of 2008, which would provide state grants that would enhance senior investment protection efforts. The grant program would allocate resources for staff, training and technology to identify, investigate and prosecute fraudulent behavior. The bill would also encourage states to distribute educational materials to increase awareness. The bill is unlikely to generate serious momentum before the end of this year, but prospects for passage look favorable in 2009.



That may or may not be a good thing, according to Will Schuck, a spokesperson for CALIFORNIA Assemblyperson Patty Berg, who authored AB 2149 and AB 2150. “We would certainly support a federal statute as long as it is stronger than what we have at the state level,” Schuck says. “But I would never want to give up strength for uniformity.”

In the meantime, since many products are sold by independent agents who are not affiliated with one specific company, many financial services companies are assuming greater responsibility for safeguarding their own reputations. Some now maintain a list of approved certifications that can be used by their sales representatives, while others prohibit the use of senior-specific designations altogether. Still others have set firm certification and training standards to assure competency.

Since the public’s trust is at stake, the industry will likely continue to embrace the efforts of federal and state lawmakers to help weed out the spurious students from the legitimate ones. But AARP’s Clem still worries that the industry’s self-regulation may not be enough to counter the worst of the fraudulent operators out there. “For the folks who scam seniors and other consumers, a system without strict enough penalties will just not work. These people find all kinds of creative ways to do what they do, and there has to be some kind of real teeth to how we deal with them.”

“When it comes to enforcement,” Clem adds, “You really have to have a hammer.”

— *By David Guisti and Rich Ehsen*

David Guisti is a director in State Net’s Financial Services Division in Washington D.C.

Budget & taxes

FEDS SEIZE FANNIE AND FREDDIE: Fannie Mae and Freddie Mac may have been hoping to muddle through the mortgage crisis by raising fees and interest rates enough to offset their increased borrowing costs and lack of capital. But the door was slammed on that possibility last week when Treasury Secretary Henry M. Paulson Jr., with the backing of Fed Chairman Ben Bernanke and Housing Finance Agency head James Lockhart, seized control of the companies and authorized the Treasury to start buying mortgage-backed securities.

That level of government involvement in the financial world hasn’t been seen since the Great Depression. But Paulson et al evidently concluded that Fannie and Freddie couldn’t adequately reconcile their obligations to shareholders with their responsibilities to homeowners, and that the economy wasn’t going to recover until there was more stability in the housing market.

The two companies reportedly didn't go quietly into conservatorship, but they didn't have much of a choice. Operating on a business model that relied upon the perception that they had the backing of the federal government, taking on the feds in court would undoubtedly have led to a quick death in the marketplace.

As a result of the takeover, the companies' directors and top executives will lose their jobs, and shareholders will lose their dividends as well as most of their ownership stake. But the holders of trillions of dollars in Fannie and Freddie debt and mortgage-backed securities will get all of their money back plus the interest they're owed, and low-interest loans will continue to be available in the struggling housing market. (WASHINGTON POST)

US HIGHWAY FUND RUNNING ON EMPTY: A federal trust fund used to pay for highway construction will run out of money by the end of this week unless Congress makes a major deposit, Transportation Secretary Mary Peters announced last week.

The fund had an \$8.1 billion balance at the start of the fiscal year, Oct. 1, but payments are currently exceeding collections by \$8.3 billion, according to the Transportation Department.

The shortfall is due to a "significant, precipitous drop-off" in road travel and, consequently, the fuel-taxes the fund relies on, Peters said. She said that in order to conserve cash the department would begin slowing payments to states, reimbursing them for construction projects on a weekly basis rather than twice daily as it does now.

Peters' announcement was a reversal of policy for the Bush administration, which a little over a month ago dismissed a congressional bailout proposal as a "gimmick and a dangerous precedent" that would increase the federal deficit. Which prompted a back-handed complement from one congressional lawmaker.

"I'm glad the administration has for once set aside its blind ideology and come on board with what Congress has been trying to do," said U.S. Rep. Peter DeFazio (D-OREGON), who chairs the House highways subcommittee. (BLOOMBERG.COM)

BUDGETS IN BRIEF: KANSAS Gov. Kathleen Sebelius (D) said last week that she will ask the Legislature again to approve a 50-cent increase in the cigarette tax to help provide health insurance for low-income residents. Legislative leaders said the proposal would probably get about as far as it did last session: nowhere (LAWRENCE JOURNAL-WORLD). • Last week the **CALIFORNIA** Legislature rejected the budget plan proposed last month by the minority Republican Party (see "CA REPUBLICANS OFFER ALTERNATIVE BUDGET PLAN" in Sept. 8 issue of SNCJ). • To avoid having to cut education funding as a result of declining lottery ticket sales, **FLORIDA** intends to tap \$48 million from an unclaimed property account (ST. PETERSBURG TIMES). • Faced with a budget deficit for 2010 that could reach \$1 billion, **HAWAII** Gov. Linda Lingle (R) issued emergency orders last week for the state



to start cutting spending. Legislators say balancing the budget may require laying off workers (HONOLULU STAR-BULLETIN). • For the first time in 20 years **MARYLAND** officials voted to raise the amount the state can borrow for schools, roads and other projects. Some fiscal leaders had urged restraint with a possible \$1 billion budget shortfall on the horizon, but Gov. Martin O’Malley’s (D) administration said that without the increase, the state would have to scrap \$800 million in planned construction projects over the next two years (BALTIMORE SUN). • **OHIO** Gov. Ted Strickland (D) ordered \$540 million in budget cuts and adjustments due to revenue shortfalls. Those cuts are on top of the \$733 million in cuts the governor ordered in late January to the two-year state budget that ends in July 2009 (TOLEDO BLADE). • The **ILLINOIS** House voted last week to explore leasing the state lottery to a private company to provide billions of dollars for construction projects (DAILY HERALD [ARLINGTON HEIGHTS]). • **NEW YORK** Gov. David Paterson (D) warned business leaders at a forum in Manhattan last week that a tax hike may be necessary to get the state out of its fiscal troubles (DEMOCRAT AND CHRONICLE [ROCHESTER]). • **LOUISIANA** state officials said last week that Hurricane Gustav has cost the state and the federal government \$470 million combined so far (TIMES-PICAYUNE [NEW ORLEANS]).

— *Compiled by KOREY CLARK*

The week in session

States in Regular Session: DC, MI, PA, US

States in Recess: IL, NJ, NY

Special Sessions in Recess: CA “a”, CA “b”, CA “c”, CT “b”, CT “c”, CT “d”, DE “b”, PA “a”

States in Extended Session: CA(Budget)

States in Informal Session: MA

States in Skeleton Session: OH

States in Perfunctory Session: IL
Special Sessions “a”-“x”

States Currently Prefiling or Drafting for 2009: AL, FL, KY, MT, ND, NV, VA

States Adjourned in 2008: AK, AL, AZ, CO, CT, DE, FL, GA, HI, IA, ID, IN, KS, KY, LA, MD, ME, MN, MO, MS, NC, NE, NH, NM, OK, RI, SC, SD, TN, UT, VA, VT, WA, WI, WV, WY

State Special Sessions Adjourned in 2008: AK “c”, AK “d”, AL “a”, AR “a”, CT “a”, DE “a”, KY “a”, LA “a”, LA “b”, ME “a”, MS “a”, NC “b”, NH “a”, NM “a”, NV “a”, NY “a”, OR “a”, VA “a”, VA “b”, WI “c”, WI “d”, WI “e”, WV “a”, WV “b”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 09/12/2008)
Source: State Net database

Politics & leadership

ELECTION SEASON HEATS UP IN NORTHEAST: Last Tuesday, NEW YORK Assembly Speaker Sheldon Silver (D) easily won his first primary challenge in over two decades. The 15-term assemblyman claimed 68 percent of the vote — according to unofficial results — despite endorsement of one of his two neophyte challengers, Paul Newell, by New York City’s three major newspapers. A couple of Silver’s fellow veteran Democrats, however, didn’t fare as well. Sen. Martin E. Connor, a former Senate minority leader who’d been in office since 1978,

State Net Capitol Journal



was defeated by Daniel L. Squadron in District 25, covering parts of Brooklyn and Manhattan, and Sen. Efrain Gonzalez, a Bronx incumbent under federal investigation for corruption, was defeated by former state senator Pedro Espada Jr. in District 17.

In VERMONT, where turnout — at under 10 percent of registered voters — was on pace to be the lowest in the state’s history, Democrats chose attorney Tom Costello to take on incumbent Republican Lt. Gov. Brian Dubie in November. And in the only other statewide primary in the Green Mountain State, U.S. Rep. Peter Welch (D) took nearly 90 percent of the vote against his Democratic opponent, all but assuring his re-election because the GOP isn’t fielding a candidate.

Meanwhile, U.S. Sen. John Sununu (R-NEW HAMPSHIRE) and former Democratic Granite State governor Jeanne Shaheen bested little-known challengers in their respective primaries — former state Rep. Tom Alciere, and lawyer Ray Stebbins, respectively — setting the stage for a U.S. Senate race rematch in November. In 2002, Sununu, then a congressman, edged out Shaheen, then governor, by 4 percentage points. But Sununu is now considered to be one of most vulnerable incumbents in the Senate, largely because VERMONT has shifted Democratic in recent years. (NEW YORK TIMES, BURLINGTON FREE-PRESS, CONCORD MONITOR)

FL CAMPAIGN STRATEGISTS MAKE ‘REPUBLICAN’ DIRTY WORD:

In the weeks leading up to FLORIDA’s primary elections on Aug. 26, attack ads targeting Democratic legislative candidates and backed by groups with good-government-sounding names flooded the state’s airwaves and mailboxes.

For instance, the People for a Better Florida Fund sent out mailers accusing two former legislators in a Democratic senate primary in South FLORIDA — Ken Gottlieb and Tim Ryan — of having “taken tens of thousands in campaign money from Bush backers and Republican special interests.” Similarly, a mailing by the Florida Consumer Alliance said Sen. Gary Siplin of Orlando “sold us out to Republican special interests,” and a TV ad referred to his opponent, Maurice “Doc” Woodard, as a “George W. Bush Republican.”

In truth, the ads had little to do with partisanship. Gottlieb and Ryan voted against legislation in 2003 that would have imposed caps on medical malpractice awards, a top priority for the traditionally Republican-supporting doctors behind People for a Better Florida Fund. Siplin, likewise, voted against several bills backed by the trial lawyers

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 2008 prefiles last week:** 17
- Number of 2009 prefiles last week:** 156
- Number of Intros last week:** 359
- Number of bills enacted/adopted last week:** 173
- Number of 2008 prefiles to date:** 20,733
- Number of 2009 prefiles to date:** 1,131
- Number of Intros to date:** 89,016
- Number of bills enacted/adopted overall to date:** 26,365

— Compiled By JAMES ROSS
(measures current as of 09/11/2008)
Source: State Net database



and labor unions who formed the Democratic leaning Florida Consumer Alliance. And Woodard opposed school vouchers, the pet issue of the sponsors of the TV ad assailing him as well as former Gov. Jeb Bush (R).

But the groups seized on an issue more likely to resonate with voters. (The strategy appears to have worked for the doctors, at least. Gottlieb and Ryan were narrowly defeated by the third Democrat in the primary, Eleanor Sobel, another former House member who is married to a doctor and was one of only six Democrats in the chamber who supported the medical-malpractice caps.)

Rep. Dean Cannon (R), who helps oversee House races, called the anti-GOP messages in the primary races “creative thinking.” But Erin VanSickle, spokeswoman for the Republican Party of Florida, said the strategy wasn’t really anything new.

“Democrats accuse each other of being like Republicans in primary races, that is what they do,” she said. “Republicans accuse each other of being like Democrats in primary races, that is what they do. It is called politics.” In this instance however, it appears to be a case of Republicans and Democrats accusing Democrats of being like Republicans when it’s to their advantage. (ORLANDO SENTINEL)

POLITICS IN BRIEF: Last week, the **ILLINOIS** House resoundingly rejected Gov. Rod Blagojevich’s (D) attempt to rewrite ethics legislation aimed at preventing him from granting state contracts to campaign donors. The 110-3 vote reflected lawmakers’ contempt for an administration besieged by corruption investigations (CHICAGO TRIBUNE). • **WASHINGTON** state Senate Majority

“Democrats accuse each other of being like Republicans in primary races, that is what they do. Republicans accuse each other of being like Democrats in primary races, that is what they do. It is called politics.”

• **FLORIDA**’s “no match, no vote” law, passed in 2005, went into effect last week. Voter registration information for individuals registering to vote must now match identification information in other state databases or the individuals will only receive

Upcoming elections

09/11/2008 - 10/04/2008

09/16/2008

Massachusetts Primary Election

House (All)

Senate (All)

US House (All)

US Senate (John F. Kerry)

09/20/2008

Hawaii Primary Election

House (All)

Senate 1, 3, 5, 6, 7, 12, 16, 18, 22, 23

US House (All)

09/23/2008

Mississippi Special Election

House District 114 (Guice)

10/04/2008

Louisiana Special Primary

House District 18

Senate District 9

US House (All)

US Senate (Mary L. Landrieu

(Rescheduled from 9/6/08))



While Schwarzenegger’s staff and confidants are taking the recall threat seriously, Schwarzenegger himself brushed it aside, saying, “I will not be intimidated by anybody that is demanding more money than the state can afford and that demands deals more than the state is wanting to give.”

The irony of Schwarzenegger possibly being recalled after sweeping into office himself in the historic recall of former Gov. Gray Davis in 2003 was not lost on long-time Capitol observers. But while Schwarzenegger’s approval ratings have dipped dramatically in the wake of the ongoing budget mess, many expressed doubt that voters would be overly responsive to what is essentially a wage fight that doesn’t directly impact them.

San Jose State University political science professor Larry Gerston said a recall would be a “long shot” even if Schwarzenegger’s standing with voters continues to fall. “People are frustrated, that’s for sure. But I’m not sure the frustration manifests itself enough with the governor,” said Gerston. (SAN FRANCISCO CHRONICLE,

LOS ANGELES TIMES, SACRAMENTO BEE, ASSOCIATED PRESS, CAPITOL WEEKLY [SACRAMENTO])

“I will not be intimidated by anybody that is demanding more money than the state can afford and that demands deals more than the state is wanting to give.”

PALIN ETHICS PROBE GOES ON: The head of the ALASKA Legislative Council refused a request from a Republican lawmaker last week

to remove the Democratic state Senator in charge of an ongoing ethics investigation of Gov. Sarah Palin (R). Republican Rep. John Coghill asked the Legislative Council to remove Sen. Hollis French after the senator told the media that the probe’s results were going to be an “October surprise” that is “likely to be damaging to the administration.” Sen. Kim Elton, the head of the Legislative Council and also a Democrat, turned down the request, saying French’s comments had already been “corrected in a very public way in the media.” Investigators have already said they do not intend to subpoena Palin on the matter. Meanwhile, several media outlets also reported last week that Palin received more than \$17,000 in per diem expenses for 312 nights she spent at her home in Wasilla during her first year and a half in office. Palin’s aides defended the per diem payments, saying she was entitled to them because she was working out of her Anchorage office, which is nearly 600 miles away from the state capital of Juneau. (ANCHORAGE DAILY NEWS, NEW YORK TIMES)

SCHWEITZER FACES VOTE-TAMPERING PROBE: MONTANA Secretary of State Brad Johnson has asked state Attorney General Mike McGrath

Upcoming stories

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

- **Prison health care**
- **No Child Left Behind**
- **Battling sprawl**

to investigate a complaint that Gov. Brian Schweitzer (D) engaged in vote-tampering in the November 2006 election. The complaint was filed by a Republican activist over a July 14 speech Schweitzer gave to a lawyers' group in Philadelphia in which he said he took steps on Election Day to help Democrat Jon Tester unseat Republican U.S. Sen. Conrad Burns. The complaint alleges that Schweitzer bragged that "he designed a plan to threaten poll watchers on Indian reservations," while personally applying pressure to elections officials and manipulating the media "for purposes of diminishing a call for a recount." Schweitzer denied the charges, saying he was only attempting to liven up his speech. "I was just joking around and making it colorful," Schweitzer said. "I can now see it was offensive to some people, and I'm deeply sorry if I offended anyone." (BILLINGS GAZETTE)

In case you missed it

It has been a rough eight years for the relationship between states and the White House. As noted in the September 8 issue of SNCJ, state officials are hopeful that will change next year, regardless of who's sitting at the president's desk.

In case you missed it, the article can be found on our Web site at http://www.statenet.com/capitol_journal/09-08-2008/html

GOVERNORS IN BRIEF: OHIO Gov. Ted Strickland (D) released new guidelines that require the payment of prevailing wage for workers on projects involving state support for environmental cleanup or the purchase of machinery and equipment with state dollars (CLEVELAND PLAIN DEALER). • **RHODE ISLAND** Gov. Don Carcieri (R) announced that the state Department of Corrections and the federal Immigrations and Customs Enforcement (ICE) have signed an agreement in principle that would allow early release for some illegal immigrants in Ocean State jails as long as they agree to go back to their home country and not return to the United States. The program would apply only to those inmates serving time for non-violent crimes. Participating immigrant inmates who do return would face a revocation of parole plus an additional 20 years in federal prison (PROVIDENCE JOURNAL). • **NORTH CAROLINA** Gov. Mike Easley (D) proposed that the Tar Heel State require new buildings to be 30 percent more energy efficient than those built to national standards. Easley said he wants the state to be one of the most energy efficient in the nation (NEWS & OBSERVER [RALEIGH]). • **VERMONT** Gov. Jim Douglas (R) announced that the Green Mountain State will raise the eligibility limit for receiving food stamps from the current 130 percent of the federal poverty level to 185 percent, equivalent to a salary of about \$19,300 for an individual, \$26,000 for a couple and \$39,300 for a family of four. Douglas said the state will also eliminate current restrictions on assets. The new rules go into effect next January (BURLINGTON FREE PRESS). • **WASHINGTON** Gov. Christine Gregoire (D) became the latest chief executive to propose a four-day work week for some state employees as a money saving device during tough budget times. For now, Gregoire's plan is considered experimental and is expected to impact only a few hundred workers. Governors in **UTAH**, **NEW YORK** and **COLORADO** have mulled or ordered similar programs (SEATTLE POST-INTELLIGENCER).

— Compiled by RICH EHISEN

Hot issues

B **USINESS:** A federal judge blocks a key portion of a recent Congressional overhaul of the nation's bankruptcy laws that requires lawyers to give specific advice to bankruptcy clients, including not to incur any further debt. The judge determined that the restriction was too broad. The U.S. Department of Justice is considering an appeal (ASSOCIATED PRESS). • **NEW JERSEY** Gov. Jon Corzine (D) signs AB2867/SB1919, a measure that grants developers a two-year extension of permits on building projects that have been postponed due to the national economic slowdown. The so-called "Permit Extension Act" also revives projects with permits that expired after Jan. 1, 2007 (STAR-LEDGER [NEWARK]).

HEALTH & SCIENCE: The **SOUTH CAROLINA** Supreme Court rules that Palmetto State cities can ban smoking inside public places but can't jail people who light up anyway. The justices ruled that towns can't make violating the smoking ban a crime because there is no statewide ban (ASSOCIATED PRESS) • **NEW JERSEY** Gov. Jon Corzine (D) signs AB1908/SB1217, which requires Garden State health officials to develop an autism, intellectual and developmental disability training course and curriculum for first responders, including emergency medical technicians, police officers and firefighters. New emergency personnel will be required to complete the training as a condition of certification; currently licensed responders will get three years to complete the training (NEW JERSEY OFFICE OF THE GOVERNOR).

SOCIAL POLICY: The **FLORIDA** Supreme Court rules that the Sunshine State's 31-year-old ban on homosexuals adopting children is unconstitutional because it singles out a group for punishment. The ruling leaves **MISSISSIPPI** as the only state to forbid gay adoption (MIAMI HERALD).

POTPOURRI: **KENTUCKY** Gov. Steve Beshear (R) signs emergency regulations banning the use of anabolic steroids in thoroughbred and standardbred horse racing in the Bluegrass State. Owners or trainers who violate the new regulations face suspensions of up to 60 days for the first infraction. The changes take effect immediately (KENTUCKY POST.COM). • **NEW JERSEY** Gov. Jon Corzine (D) signs AB839/SB989, which requires Garden State motorists to secure their wheelchair bound passengers with a Federal Motor Vehicle Safety Standards approved securement device (NEW JERSEY OFFICE OF THE GOVERNOR).

— Compiled by *RICH EHISEN*

