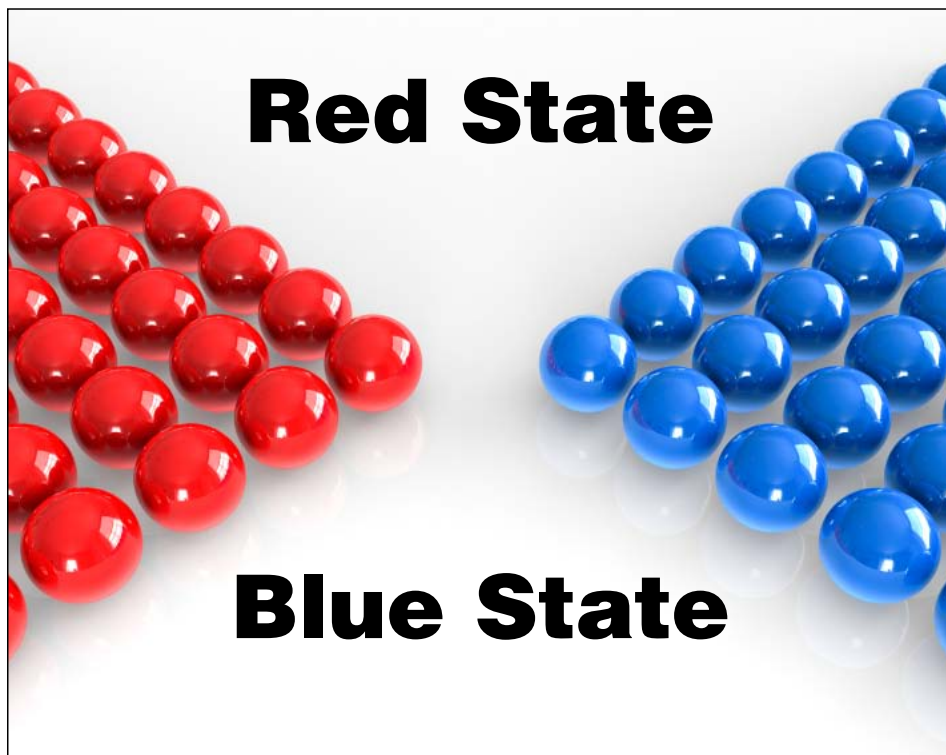


December 17, 2012



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The next issue of  
Capitol Journal will be  
available on January 14th.

## Top Story

*After this year's election, when Democrats regained legislative control in a handful of states, it was widely speculated that they would be equally partisan when legislatures reconvene in 2013. So far, however, Democratic legislative leaders have been surprisingly conciliatory.*

## SNCJ Spotlight

### States soft-pedal partisan conflict

Can we all get along?

That plaintive question was asked by a distressed Rodney King during the 1992 Los Angeles riots that were triggered by the acquittal of police officers accused of beating him. It has become a touchstone question, asked when discordant institutions fail.

## A Cannon Perspective



With Lou Cannon

Although there are fortunately no riots going on in Washington, the political parties of our divided government rarely get along. Republicans resent President Obama and the Democratic-controlled Senate for ignoring them on health care and stimulus issues. Democrats deplore the Republican-controlled House, which has become a graveyard for progressive legislation.

This “my way or the highway” approach spread to the statehouses after the big Republican victories in the states in the 2010 midterm elections. Many GOP-controlled legislatures pushed through a mostly conservative agenda on abortion, collective bargaining, immigration and voter identification, among other issues. After this year’s election, when Democrats regained legislative control in a handful of states, it was widely speculated that they would be equally partisan when legislatures reconvene in 2013. So far, however, Democratic legislative leaders have been surprisingly conciliatory.

Start with New Hampshire, the largest state legislature, where Republicans before the election held a nearly 3-1 edge in the House. Helped by a strong party effort that carried the state for Obama, Democrats picked up more than 100 House seats and now hold a 219-179 majority. The past two years in the New Hampshire legislature have been contentious, but there are signs this is changing. Democrat Terie Norelli was nominated as speaker by a Republican and elected on a near-unanimous voice vote. In her first speech to the House, Norelli, who has served previously as speaker, promised to work with Republicans and consult regularly with their leaders. The voters, she said, “want a Legislature that puts partisan politics aside and works in a respectful way on the issues that matter to the Granite State.”

A similar mood prevails in the New Hampshire Senate, where Republicans have a 13-11 majority. Senate President Peter Bragdon said voters wanted to end “the finger-pointing that was prevalent” in the campaign and expected legislators to discuss issues in a respectful manner and listen to colleagues who held opposing views.

Across the country in California, Democrats also are promising to pay attention to the voters. Partisan control of the Legislature was never in doubt in the Golden State, where Democrats have long dominated. Nonetheless, as California lurched from one fiscal crisis to another, a state constitutional provision requiring a two-thirds vote for tax increases frequently enabled the Republican legislative minority to block Democratic attempts to raise revenues. This won’t be possible any longer as Democrats in the 2012 elections won a two-thirds super-majority in both houses.

In the same election California voters also approved a ballot measure advocated by Gov. Jerry Brown (D) that temporarily boosts the sales tax and the income tax on high earners. The combination of higher taxes and a Democratic super-majority in the Legislature has caused concern in the business community that Democrats might go on a spending binge. But Brown and legislative leaders of both parties have promised to keep spending under control and see that the \$6 billion annually the new taxes are expected to raise will be devoted to education, as voters were promised.

A conciliatory attitude, at least for the time being, also rules the day in at least two other states that were fierce political battlegrounds in 2012. Although Republicans captured both chambers in Arkansas, they hold a narrow margin in the House, which has 51 Republicans, 48 Democrats and a Green Party representative.

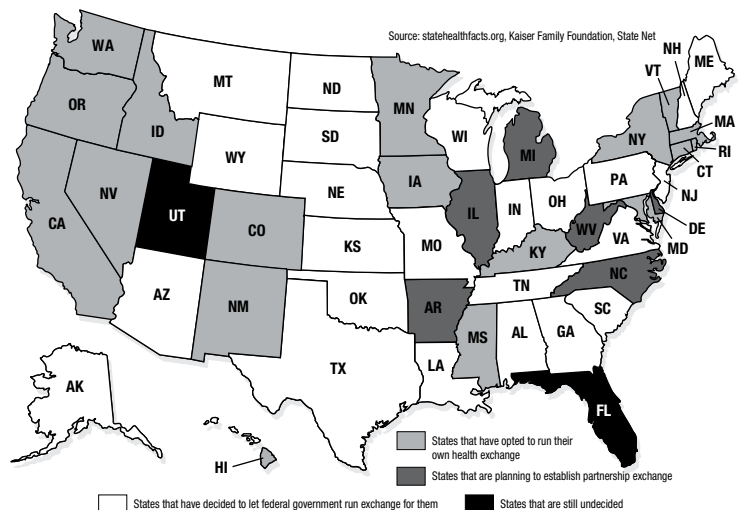
The good news for Arkansas Republicans is that Davy Carter is the first member of his party to become House Speaker since Reconstruction. The less good news, at least for conservatives, is that Carter seems to have been elected largely on the strength of Democratic votes in the secret ballot by which the Arkansas House chooses its speaker. Carter defeated a highly conservative Republican by seven votes.

After the vote Democratic leader Greg Leding said the vote showed that Democrats still have “considerable power” in the House and would work with the Republicans in an attempt find consensus on various issues.

The New York Senate, which often marches to a different drummer, increasingly resembles a multi-party parliamentary government. In the 2012 election the Democrats regained by a single vote the Senate, which they had lost two years earlier. Their celebration was short-lived. Soon after the election, a Democrat announced he would caucus with the GOP. With control of the chamber up in the air because of two undecided races, five Democratic senators then created the Independent Democratic Conference and formed a coalition with the Republicans. In 2013 the Senate will rotate a Republican and an independent Democrat as president every two weeks.

Overall, Republicans are in good shape in the states. In 2010 the GOP won more legislative seats and chambers than at any time since the 1920s. In 2011, reapportioning on the basis of the decennial census, Republicans in many of these states protected vulnerable districts. As a result, GOP losses in 2012 were minimal. Democrats picked up both chambers in Maine and Minnesota and the House in

## Bird's eye view



### Most states opt for federal health exchange

As of Dec. 13, according to statehealthfacts.org, a project of the Henry J. Kaiser Family Foundation, 24 states had chosen to let the federal government run the health exchanges they must have fully operational by Jan. 1, 2014, in accordance with the Affordable Care Act. The most recent additions to that list were Idaho, Indiana, Pennsylvania and Virginia, all of which declared their intention last week. Six states opted instead to run an exchange in partnership with the federal government and 18 chose to run their own exchange, the other two options available to states under the federal health reform law. Two states still hadn't made a decision the day before the Dec. 14 deadline to do so.



Colorado, Oregon and New Hampshire. Republicans won both houses in Arkansas and the Senate in Alaska and Wisconsin, while adding a governorship in North Carolina. The GOP now holds 30 governorships.

Increasingly, states are dominated by one party. Republicans control the governorship and both chambers of the legislature in 24 states. Democrats hold unified control in 13 states, with control divided in only 12 states. (Nebraska has a non-partisan, unicameral legislature.)

Unified government sometimes leads to excessive partisanship, but Tim Storey, a political analyst with the National Conference of State Legislatures, expects that both sides will be restrained in 2013. He points out that all of the chambers Democrats won in 2012 were chambers they'd lost in 2010. "They're keenly aware of getting wiped out in 2010," Storey said. "The last thing they're going to do is be aggressive."

Storey thinks that Republican-controlled legislatures will also be more restrained than in the past two years. "Many of the states Republicans won in 2010 had been in Democratic hands for a long time so there was a pent-up demand for action," he said. "Republicans have accomplished much of their agenda."

But that isn't true in every state. Labor unions and their Democratic allies tried through an initiative to write a provision requiring collective bargaining into the Michigan state constitution. Voters decisively rejected the measure in the November election. Now, in a state in which Republicans control both the legislature and the governorship, the GOP has struck back. On Dec. 11, the Legislature approved two bills that would make Michigan, the birthplace of the modern labor movement, the 24<sup>th</sup> right-to-work state. Gov. Rick Snyder (R) signed them into law.

Michigan aside, Republican and Democratic legislative leaders across the country have been short on confrontational proposals and long on promises of cooperation. Storey, who has talked to several of these legislators, said they want to be seen as an alternative to the gridlock that has been pervasive in Washington.

So there is reason in this holiday season to be cautiously optimistic about state legislative performance in 2013, particularly if President Obama and Congress avert the automatic tax increases and budget cuts known as the fiscal cliff. Going off the cliff would have disparate and potentially drastic effects that could change the political calculus in many states.

If the plunge off the cliff can be avoided, Washington could change its image as the capitol of gridlock. The states are already demonstrating that it's possible for politicians to get along.

## Upcoming stories

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

- **Transportation**
- **Fracking**
- **Fiscal cliff update**

— By Lou Cannon

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# Budget & taxes

**B** **USINESS INCENTIVES BIG NEWS:** Corporate tax incentives have featured prominently in the headlines following *The New York Times*' series last month criticizing the deals.

Much of the news has been critical of the *Times*' piece. In a guest column on *MLive.com* entitled "NY Times flubs figures on Michigan tax breaks," Tim Bartik, a senior economist at the W.E. Upjohn Institute for Employment Research, an independent, nonpartisan research organization in Kalamazoo, questioned the \$6.65 billion in incentives a database the *Times* developed in connection with the story says the state gives out each year.

"This figure immediately seemed large to me," wrote Bartik, who was actually quoted in one of the *Times*' articles. "I have calculated in previous work that Michigan's business incentives total about \$1 billion per year, which is certainly large, but nowhere near \$6.65 billion."

Bartik goes on to say that the reason the *Times*' figure is so large is because the newspaper included \$4.83 billion in sales tax relief in its business incentives calculation for the state.

Likewise, Dale Craymer, president of the Texas Taxpayers and Research Association, a business-backed nonprofit, took issue with the incentive that figured most prominently in the *Times*' calculation of Texas' nation-topping \$19 billion per year in tax incentives: nearly \$12 billion in sales tax exemptions and refunds for manufacturers. Craymer maintains that most other states, including California, offer similar breaks, but not all of them report the lost revenue the way Texas does.

"By the *Times*' rankings, we are victims of our transparency because we actually show the numbers," Craymer said. "The manufacturing exemption in California alone is probably more than \$19 billion. I can't prove that, but neither can the *Times* prove that we're the biggest."

The Texas comptroller's office shares the view that the sales tax exemption for manufacturers shouldn't be considered an incentive because just about every other state offers one.

"I don't think it's fair to say that the manufacturing incentive is an incentive tool for economic development because it's not causing people to come to our state over others," said a spokeswoman for the office.

*Times* reporter Louise Story indicated in the first part of her series that it was based only on information that was publicly available. But she told *The Texas Tribune* that discounting Texas' sales tax exemption for manufacturers wouldn't change where it fell in the rankings.

“Even without that particular sales tax exemption, Texas comes out with the most expenditures as far as public data shows,” she said in an email. “And, keep in mind that Texas’s figure is not comprehensive. While some states’ figures include local property tax breaks to companies, Texas’s figure is lacking in many of those abatements, which would increase the total for Texas even more.”

But Randy Shaw, the editor of *BeyondChron*, an alternative daily in San Francisco, accused Story of failing to check her facts on the tax exemption the city granted to Twitter. Shaw said the *Times* suggested the tax exemption the city granted to Twitter contributed to cuts to the city’s public parks, but those cuts occurred in the years prior to Twitter’s move to the city in 2012.

“So contrary to the *Times*’ reporting, there is absolutely no connection between reduced park budgets in prior years and tax incentives for Twitter’s relocation,” he said.

Shaw also said the *Times* ignored a key distinction between San Francisco’s Mid-Market tax exemption and other incentives cited in its series: “the use of the tax incentive not to ‘save’ the jobs of a single company but to stimulate economic activity in a long troubled geographic area.”

“One would never know from the *Times* story that the Twitter tax exemption spawned the greatest wave of investment in Mid-Market in over fifty years, greatly boosting city revenue,” he said.

The various reports challenging the *Times* series prompted George Brint Ryan, an influential tax consultant in Dallas whose name also appeared in the *Times* piece, to remark: “There is growing evidence from many independent and unrelated sources that Ms. Story failed to accurately tabulate the incentives available, cherry picked, or manipulated examples to try to create an artificial relationship between the exemptions and cuts to other government funding issues.” He added that there had been a long debate in Texas over the issue going back many decades, that there was nothing new “in questioning the effectiveness of these programs” and that they deserved “close scrutiny but not at the expense of fairness and accuracy.”

It seems they will be getting closer scrutiny in his state. Two legislative committees — the Senate Economic Development Committee and a select joint committee on economic development — were scheduled to take up the issue last week. And as a member of the latter committee, Ryan will have an opportunity to assure the scrutiny is fair and accurate.

Another state where incentives may soon be getting more scrutiny is West Virginia. The state was second only to Alaska in business incentives measured by population size — \$845 a year per person — according to the *Times*. The state also had the third fastest growing economy in the country in 2011. But although that growth was driven primarily by the mining industry, that’s not where the incentive

## Upcoming elections

(12/14/2012 - 1/3/2012)

12/18/2012

**Kentucky Special Election**  
Senate District 16

**Virginia Special Election**  
House District 89

money has been going. The advertising industry, agriculture and manufacturing received the biggest breaks, the *Times* reported. And with the state's budget now under pressure because its biggest tax revenue generators, coal and gambling, face growing competition from natural gas and new casinos in neighboring states, respectively, Senate Finance Chairman Roman Prezeioso (D) said incentives are likely to receive a colder reception from lawmakers, who have been overwhelmed recently by the number of tax breaks being sought.

"The Economic Development Committee met weekly, and they were passing us a tax credit on something every week," Prezioso said. "There were just so many of them we couldn't get our arms around it, and subsequently we didn't do a whole lot of them."

Still, Oregon lawmakers were reportedly planning a short special session last week aimed at securing an expansion of sports giant Nike's operations in the state. The company, whose world headquarters are in Portland, acknowledged that it was being wooed by other states but that it had promised to bring at least 500 jobs and \$150 million in capital investment to Oregon over the next 5 years if the expansion deal is approved.

The deal appears to be the sort Dick Lavine, a senior fiscal analyst with the left-leaning Center for Public Policy Priorities in Austin, Texas, had in mind when he said last week that the *Times*' series had drawn more attention to economic development programs around the country and could lead to more serious debate about whether those offered by his state are justified.

"If there are incentives, they really have to be limited to those very few mega-projects that are really worth it in terms of the nature of the jobs created, local spinoffs, and...if [the companies] have a choice in location," he said.

Supporters of Texas' current approach, however, including Gov. Rick Perry (R), say the superior performance of the state's economy in recent years compared to that of most other states proves incentives work.

"That's called competition," Perry said in a recent guest-host spot on CNBC's *Squawk Box*. "In the real world, that's how you compete for those businesses." (PR NEWswire, ROCK HILL HERALD, MLIVE.COM, TEXAS TRIBUNE, CHARLESTON DAILY MAIL, BEYONDCHRON.COM, STATELINE.ORG, STATE NET)

### **SCOTT URGES ALIGNMENT OF COLLEGES WITH JOB MARKET:**

Florida Gov. Rick Scott (R), a former businessman, campaigned in 2010 on a promise to run the state like a successful business. Now he's looking to apply that approach to the state's colleges.

The governor's task force on higher education has recommended freezing tuition rates three years for majors that are in demand in the job market, with state financing making up the tuition gap. The move would make it cheaper to get an undergraduate

degree in engineering or biotechnology — currently among the most expensive majors — than to get one in history or psychology.

Following the lead of Texas Gov. Rick Perry (R), who proposed a similar idea last year, Scott has also challenged the 28 schools in the state formerly known as community colleges to offer some of their four-year degrees for \$10,000, roughly \$3,000 less than they typically cost.

“Every business has to figure out how to make itself more efficient,” Scott said in proposing the idea last month. “They’ve got to use technology. They’ve got to use the Internet, things like that. We can do the same thing with our state colleges.” (NEW YORK TIMES, MIAMI HERALD)

#### **TX PENSION MANAGER’S PORTFOLIO GAINS NOT AS BIG AS PAYCHECK:**

**Britt Harris**, chief investment officer of the Teacher Retirement System of Texas, earned over \$1 million

in salary and bonuses last year, more than any other public pension employee in the nation’s 12 most populous states, according to data compiled by Bloomberg. That sum was evidently required to lure Harris away from Bridgewater Associates, LP, the world’s largest hedge fund, where he’d been CEO for six months, after managing the pension fund at Verizon Communications, Inc. The Texas fund’s investment return over the five years since Harris’ arrival in 2006 was 13.17 percent and 2.12 percent over the last three years.

The three-year investment return of the Ohio Police & Fire Pension Fund was just slightly lower, at 1.94 percent, but its five-year return was slightly higher, at 13.25 percent. And its top paid executive, William J. Estabrook, earned \$231,614, less than a quarter of what Harris did. The New Jersey Division of Investment, meanwhile, did better than the Texas teachers’ fund over the last three years, posting a 2.46 percent return, and didn’t do much worse than the Texas fund over the last five years, growing 11.11 percent. And that fund’s director, Timothy Walsh, was paid even less, \$185,000 plus \$7,500 for moving expenses.

“These guys may claim to be worth their weight in gold,” said Edward Siedle, president of Benchmark Financial Services in Ocean Ridge, Florida and a former U.S. Securities and Exchange Commission attorney. “They absolutely can’t justify it.” (BLOOMBERG)

## 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: 1,710**

**Number of Intros last week: 326**

**Number of Enacted/Adopted last week: 103**

**Number of 2012 Prefiles to date: 18,842**

**Number of 2012 Intros to date: 85,930**

**Number of 2012 Session Enacted/Adopted overall to date: 29,039**

**Number of bills currently in State Net Database: 94,447**

— Compiled By FELICIA CARRILLO  
(measures current as of 12/13/2012)  
Source: State Net database

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**BUDGETS IN BRIEF:** Amazon.com has reached an agreement with **MASSACHUSETTS** to begin collecting sales taxes from residents there. Unlike accords the online retail giant has struck with other states, the **MASSACHUSETTS** agreement applies exclusively to Amazon, meaning other Web retailers, like Overstock.com, would be able to offer lower prices (WALL STREET JOURNAL). • Federal contract awards dropped roughly 52 percent, from \$7.2 billion to \$3.4 billion, in **WISCONSIN** in the fiscal year that ended Sept. 30, according to preliminary figures from the Wisconsin Procurement Institute. Much of that decline came from the U.S. Army, whose spending is down more than 75 percent in the state (MILWAUKEE JOURNAL-SENTINEL)

— *Compiled by KOREY CLARK*

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## Politics & leadership

**M**I START OF RIGHT-TO-WORK WAVE? Last week, Michigan's Republican-controlled Legislature passed, and Gov. Rick Snyder (R) signed, two right-to-work measures (HB 4003 and SB 116) barring unions from requiring workers to pay membership dues. The enactment of legislation crippling the power of organized labor in a state that was the hub of American union might for decades raised the prospect of right-to-work laws being passed elsewhere.

"If Michigan can do it, then I think everybody ought to think about it," said Mark Mix, president of the National Right to Work Legal Defense Foundation.

Mix expects at least one more state to adopt a right-to-work law before the end of next year. And he considers Alaska, Missouri, Montana and Pennsylvania the top contenders.

"Very confident. It will happen. [But] I can't tell you where the next one is."

Another Michigan, however, could be hard to come by. National labor groups seem pretty confident about that.

"In terms of bigger, bluer, more-union states, we're not worried that this is going to lead to a new anti-union push in those states," said a spokesman for Workers' Voice, a super PAC associated with the AFL-CIO. "There still will be state battles, but I think that we're getting to the end of the 2010 tea-party wave rather than a resurgence of them."

A survey of state leaders found a right-to-work law like Michigan's would face significant obstacles in many states. In some, like Kentucky, Missouri, Montana and New Hampshire, the obstacle is a Democratic governor.

"I would veto it if it came to my desk," said New Hampshire Gov.-elect Maggie Hassan (D).

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In other states, such as Maine, the obstacle is — or is soon to be — a Democratic legislature.

“I’m not the brightest bulb,” said Maine state Rep. Tom Winsor (R), a longtime supporter of right to work, “but I can count noses.”

But even in solidly Republican-controlled states, there seems to be little appetite for a right-to-work fight.

“There is not much of a movement to do it,” Pennsylvania Gov. Tom Corbett (R) reportedly told a Philadelphia radio station last week.

**“I’m not the  
brightest bulb, but  
I can count noses.”**

Some right-to-work supporters in Ohio appear to have reached the same conclusion about the governor and lawmakers there. They’ve launched an effort to put a right-to-work measure on the ballot next year.

“When we didn’t see any interest necessarily in the statehouse, we said, ‘Hey, we’re going to move forward,’” said Chris Littleton of Ohioans for Workplace Freedom.

To qualify the measure for the ballot, the group needs 386,000 signatures by next July. And it evidently has a lot more signatures to gather.

“It’s safe to say we’re under 100,000,” Littleton said. (WASHINGTON POST, STATE NET))

**HIGH COURT TO CONSIDER GAY MARRIAGE:** The U.S. Supreme Court announced this month it will take up two gay marriage cases in its spring term. One, from New York, revolves around the issue of whether the federal government can deny benefits to same-sex couples married in states where same-sex marriage is allowed. The other case, from California, concerns the same-sex marriage ban approved by voters there in 2008 (Proposition 8). The court’s decision to hear the cases comes just a month after Maine voters approved a citizen initiative (Question 1) legalizing same-sex marriage and Maryland and Washington voters approved referendums approving legislative measures legalizing gay marriage, Question 6 and R-74, respectively, signifying a shift in national public opinion on the issue. (STATELINE.ORG, STATE NET)

**POLITICS IN BRIEF: NEW JERSEY** Senate President Steven Sweeney (D) said he will not allow a vote in his chamber on a bill (AB 3611) introduced last week by Assemblyman Reed Gusciora (D), the state’s first openly gay legislator, which would let voters decide whether gay people should have the right to marry in the state. “I have firmly stated before and will say again now that I do not believe you put civil rights on the ballot, period,” Sweeney said (NJ.COM). • Democratic **WASHINGTON** state Sens. Rodney Tom and Tim Sheldon announced last week they will form a coalition with Senate Republicans. Theoretically the coalition would have a one-vote majority in the 49-member chamber, nominally divided 26-23 in favor of the Democrats (SEATTLE TIMES). • No single racial or ethnic group will make up a majority of children under

the age of 18 by the end of the decade, and in about three decades, no single group will make up a majority of the nation as a whole, according to projections released last week by the U.S. Census Bureau (NEW YORK TIMES).

— Compiled by KOREY CLARK

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# Governors

**S**ANDOVAL FIRST GOP GOV TO OK MEDICAID EXPANSION: Saying it would save tens of millions of dollars in the near term, Nevada Gov. Brian Sandoval (R) last Tuesday announced he will expand his state's Medicaid rolls as prescribed in the Affordable Care Act. He became the first Republican governor to go along with the expansion, which will extend health care benefits to about 78,000 low-income Silver State residents.

In an interview with the *Las Vegas Review-Journal*, Sandoval reiterated his opposition to the law, saying "I don't think it's any secret I've never been an advocate for the Affordable Care Act." But the governor also noted that the expansion will allow the state to move many indigent and mentally ill patients currently in state-funded programs into Medicaid programs paid for by the new federal dollars. That, he said, will save the state about \$16 million. That money would normally come from the state's General Fund.

Sandoval also said he felt an obligation to the estimated 68,000 currently uninsured Nevadans who would be eligible for Medicaid under the new guidelines, which offers coverage for those up to 138 percent of the federal poverty line. Under the law, everyone must obtain health insurance or face paying a fine to the federal government.

"It's untenable that you're going to tax 68,000 individuals...All in all, it makes the best sense for the state to opt in," he said. "This is a way for me to protect these people."

The federal government will pay 100 percent of the increased medical costs for the new enrollees for three years. States must pay some of the administration costs, and will eventually be required to pay up to 10 percent of the medical costs too. But in the meantime, Nevada will see approximately \$712 million in federal aid it otherwise would not have received.

"That's a massive leverage of federal dollars," Sandoval's budget director Jeff Mohlenkamp told the *Las Vegas Sun*. "Considering how much federal dollars we are leveraging, the cost (of expansion) is fairly small."

Sandoval said he would urge lawmakers to pass legislation that would require some cost-sharing for new Medicaid patients down the line when the federal

government no longer foots the entire bill. He did not offer details of how that might work, though some lawmakers suggested Medicaid recipients would likely be required to pay a small co-pay for doctor visits.

Some observers opined that the expansion would position Sandoval as a pragmatist willing to put politics aside for the good of his state, which could be helpful in any future political campaign. But the governor discounted a political motive behind his decision.

“I am the governor of Nevada. I am going to do what is best for Nevada,” Sandoval told the *Review-Journal* editorial board. “Any political consequences never entered into the calculation.”

But others also noted that Sandoval could also be creating a rough row to hoe with his more conservative base should he seek, as expected, a second term in

2014. While nobody was predicting a challenge for the nomination from within the party, conservative political consultant Chuck Muth said Sandoval’s decision could push some Republicans to vote for fringe party candidates in 2014, making it easier for a strong Democrat to upend him.

“I think he is making a huge mistake spitting in the eyes of conservatives,” Muth said.

But Sandoval said the Medicaid expansion was no different than his decision to create a state-run health benefits exchange, something other GOP governors have vehemently resisted.

“As a governor you have to respect the law of the land, which is every state will have a health care exchange. It is either going to be run by your state or run by the federal government. My choice was to have a state-based exchange,” he said.

“I have to look at Nevada,” he added. “I’m not going to compare myself to any other governor. I have to look at the consequences of this very complicated law.” (LAS VEGAS REVIEW-JOURNAL, LAS VEGAS SUN)

**BROWN BATTLING PROSTATE CANCER:** California Gov. Jerry Brown (D) revealed last week that he is being treated for early stage prostate cancer. Dr. Eric Small, the governor’s oncologist at the University of California San Francisco medical center, said Brown was treated with a short course of “conventional radiotherapy” and that his prognosis is “excellent.” Small said the 74-year-old governor should not experience any major side effects from the treatment. It is Brown’s second battle with cancer since taking office in 2010. He had a slow-growing cancerous tumor removed from his nose last year. (SAN FRANCISCO CHRONICLE, SACRAMENTO BEE)

## In case you missed it

Lawmakers will soon return en masse. When they do, they’ll be facing a multitude of longstanding issues and challenges born out of this year’s elections.

In case you missed it, the article can be found on our website at

[http://www.statenet.com/capitol\\_journal/12-10-2012/html/#sncj\\_spotlight](http://www.statenet.com/capitol_journal/12-10-2012/html/#sncj_spotlight)

**“I am the governor of Nevada. I am going to do what is best for Nevada.”**

**BREWER SEEKING THIRD TERM?** Arizona Gov. Jan Brewer (R) is considering seeking a third term in office, but to do so may require challenging the Grand Canyon State constitution. As reported by *Bloomberg Businessweek*, a 1992 voter-approved constitutional amendment bars governors from more than two consecutive terms, including “any part” of one served. Brewer took over the governor’s office in 2008 when former Gov. Janet Napolitano (D) left for a position in the Obama administration. She won re-election in 2010. That would theoretically prohibit her from seeking another term in 2014, but Brewer said last week she has not “ruled anything out.” Brewer has previously said the constitution is ambiguous in regard to how it applies to her situation. But others disagree, including current Secretary of State Ken Bennett (R), who is also termed-out in 2014. Bennett said last week that the constitution is clear and that he and Brewer are both ineligible to seek to stay in their current positions. Bennett has also opened up an exploratory committee for a run of his own at the governor’s office. (POLITICO, BLOOMBERG BUSINESSWEEK, ARIZONA REPUBLIC [PHOENIX])

**GOVERNORS IN BRIEF:** The **ILLINOIS** Supreme Court rules that Gov. Pat Quinn (D) can legally move forward with a plan to close several Prairie State prisons and juvenile detention centers. The ruling ordered a lower court to dissolve a preliminary injunction that stopped the Quinn administration from completing the closures, which were initially scheduled to go into effect by Oct. 31 (CHICAGO TRIBUNE). • **KANSAS** Gov. Sam Brownback (R) announced plans to merge the Sunflower State’s Juvenile Justice Authority with the Dept. of Corrections. Brownback said two recent audits show the juvenile system would be better managed as part of the adult agency. He plans to merge the systems via an executive order early next year (KANSAS CITY STAR). • Former **FLORIDA** Gov. Charlie Crist, once a Republican-turned-Independent, officially changed his party affiliation to Democrat last week. Crist is widely expected to challenge current Gov. Rick Scott (R) in the 2014 election (TAMPA BAY TIMES). • **WISCONSIN** Gov. Scott Walker (R) said he would not sign legislation to repeal same-day voter registration in the Badger State after a Government Accountability Board report released last week said doing so would cost taxpayers up to \$5 million or more. Walker had previously said he would support such a bill (WISCONSIN STATE JOURNAL [MADISON]).

## The week in session

**States in Regular Session:** DC, MA, MI, NJ, OH, US,

**States in Recess:** CA, DE, DE “a”, ID, IL, IN, ME, ND, NH, NY, FL

**States in Special Session:** CT “c”

**States Currently Prefiling or Drafting for 2013:** AL, AR, AZ, CO, CT, GA, IA, FL, KY, KS, MO, MT, ND, NH, NV, NY, OK, OR, SC, SD, TN, TX, VA, WA, WY

**States Adjourned in 2012:** AK, AL, AR, AZ, CA, CO, CT, DE, FL, GA, HI, IA, ID, IN, KS, KY, LA, MD, ME, MN, MO, MS, NC, NE, NH, NM, OK, OR, PA, PR, RI, SC, SD, TN, UT, VA, VT, WA, WI, WV, WY

**State Special Sessions Adjourned in 2012:** AK “c”, AL “a”, CO “a”, CT “a”, CT “b”, DE “b”, DE “c”, FL “b”, HI “b”, KY “a”, MD “a”, MD “b”, MN “b”, NJ “a”, NY “a”, PR “c”, UT “a”, VA “a”, WA “c”, WA “d”, WV “a”

Letters indicate special/extraordinary sessions

— Compiled By FELICIA CARRILLO  
(session information current as of 12/13/2012)  
Source: State Net database

• **COLORADO** Gov. John Hickenlooper (D) signed Executive Order 51-2012, a proclamation that places Amendment 64, the voter-approved measure that legalized small amounts of marijuana, into the Centennial State constitution. Hickenlooper also issued EO 50-2012, which creates a state task force to oversee the implementation of the new law (DENVER POST, STATE NET).

— *Compiled by RICH EHISEN*

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## Hot issue

**B**USINESS: The **OHIO** Senate Committee on Government Oversight and Reform refuses to take up SB 605, which would have banned cash giveaways and imposed a \$10 cap on prizes awarded from buying pre-paid phone cards sold at Internet cafes in the Buckeye State. Officials say purchasers use the cards to illegally play online gambling games (CLEVELAND PLAIN DEALER, STATE NET). • Also in **OHIO**, Gov. John Kasich (R) signs SB 130, which requires large dog breeding operations, dog retailers and rescue operations to be licensed by the state. The law, which defines large breeders as those who produce at least nine litters of puppies per year or sell 60 or more dogs per year, also requires those operations to adhere to state-set care standards and to submit to annual inspections, with violators facing fines and loss of license (STATE NET, COLUMBUS DISPATCH). • **MICHIGAN** Gov. Rick Snyder (R) signs HB 4003 and SB 116, which collectively bar public and private sector unions from collecting fees from workers as a condition of employment. The Wolverine State becomes the 24<sup>th</sup> to adopt a so-called “right-to-work” law (NEW YORK TIMES, STATE NET). • Still in **MICHIGAN**, the House passes SB 865, which would allow elected officials in financially troubled cities and school districts to choose between having an emergency manager, a financial consent agreement with state officials, mediation or Chapter 9 bankruptcy. The bill, which would replace a similar law that voters overturned in November, needs Senate concurrence before heading to Gov. Snyder (DETROIT NEWS).

**CRIME & PUNISHMENT:** **NEW JERSEY** Gov. Chris Christie (R) conditionally vetoes SB 1173, legislation that would allow court-ordered restitution for crime victims who cannot be located within two years to be redirected to the Victims of Crime Compensation Office. Gov. Christie wants the money to instead be sent to the State Treasury’s Unclaimed Property Administration, which is responsible for returning unclaimed property (NORTHJERSEY.COM).

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drugs not eligible for redistribution. The measures move to Gov. Snyder for review (LANSING STATE JOURNAL).

**IMMIGRATION:** U.S. District Court Judge Thomas Thrash signs an order allowing **GEORGIA** police to verify the immigration status of criminal suspects who fail to produce proper identification. The law, a part of the state's omnibus 2011 immigration measure, had been blocked from going into affect while it is being challenged in court. Thrash signed the order after a three-judge panel of the 11<sup>th</sup> U.S. Circuit Court of Appeals ruled that it should go forward while those legal challenges progress (ATHENS BANNER-HERALD).

**SOCIAL POLICY:** The United States Supreme Court agrees to hear two challenges to laws barring same-sex marriages. The High Court said it will hear 1) a **NEW YORK** case challenging the federal Defense of Marriage Act, a federal law that denies marriage benefits to same-sex couples and 2) a challenge to the constitutionality of a 2008 voter-approved **CALIFORNIA** proposition (Prop. 8) that defines marriage as being only between one man and one woman. A federal appeals court has ruled the law to be unconstitutional (NEW YORK TIMES). • **NEW JERSEY** Gov. Chris Christie (R) signs SB 599, which requires, among several things, individuals working in care facilities for the mentally disabled to undergo annual physical and mental examinations to determine their ability to fulfill the duties of a licensee. Care workers who fail to report abuse of patients would also be subject to fines and jail time (NORTHJERSEY.COM). • The **MICHIGAN** Senate and House approve SB 975, which would allow health care providers to claim a "moral objection" or "matter of conscience" in refusing to provide abortion and birth control services to patients. The measure moves to Gov. Rick Snyder (R) for review (DETROIT FREE PRESS). • Also in **MICHIGAN**, the Senate approves HB 5711, which would require clinics that provide abortion services to be licensed by the state. The bill, which would also bar doctors from performing an abortion until they determine that the woman has not been coerced into having the procedure, returns to the House for a concurrence vote before moving to Gov. Snyder (DETROIT FREE PRESS).

**POTPOURRI:** The U.S. Seventh Circuit Court of Appeals rules that **ILLINOIS'** ban on carrying a weapon in public is unconstitutional. The court gave the state 180 days to craft new gun legislation "that will impose reasonable limitations, consistent with the public safety and the Second Amendment" (CHICAGO TRIBUNE).

— *Compiled by RICH EHISEN*

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# Once around the statehouse lightly

**B**ROTHER, CAN YOU SPARE A DIME? This week's proof that things remain tough all over comes from England, where cash-strapped cities have started doing what was once considered unthinkable: selling off master works of public arts. As the *Washington Post* reports, the fire sale of sculptures, paintings and other pieces from the likes of Henry Moore and Pablo Picasso has stirred a national debate over the real value of public art, with some claiming the sales are short-sighted and damaging to the culture. But local communities counter that the national government's newfound austerity has led to severe cuts in local funding, leaving them no choice but to move the works while the moving is good. Case in point: a sculpture Moore sold to the London County Council in 1957 for \$11,800 is expected to fetch up to \$32 million at auction next year.

**IF IT'S GOOD FOR THE GOOSE:** It's been a rough stretch for abortion supporters in red-leaning states like Ohio, where lawmakers have enacted a wide range of restrictions on women's access to that medical procedure. Last March, state Sen. Nina Turner fired back at the mostly-male anti-abortion contingent by introducing legislation that would require men seeking erectile dysfunction medication to provide their doctor with a note from a sexual partner expressing his, uh, issues at some point in the previous 90 days. Fellas would also have to undergo psychological screening by a licensed sex therapist and cardiac testing to ensure the old ticker is working well enough to handle the task at hand. Her bill, SB 307, finally got a committee hearing last week, where her testimony received not a single comment or question. No one, least of all Turner, expects it to pass. She might, however, bring it back next session.

**EMPLOYEE OF THE YEAR:** Just about everyone coasts on the job now and then. But for some people, coasting is the norm and working is the exception. Today's case in point comes from California, where the *Sacramento Bee* examines a new state report on bad behavior by state employees and agencies. Topping the list was an employee who used his work computer to post 4,900 comments on the newspaper's Web site over the last year. When queried about it, he claimed his comments were all posted during his breaks. Oops — records showed that was a big fat lie. Alas, it turns out he was also running a side business from his office computer...during work hours. Goofier yet, his bosses apparently had no plans to discipline him. Or they didn't until the story went public. With the writing on the wall, the serial commenter and sideline entrepreneur quit last week.



**SPEAKING OF BAD IDEAS:** When California voters endorsed Gov. Jerry Brown’s proposal to raise taxes to help balance the state budget last month, they did so with the gov’s vow that the state would be a good steward of their money. So one can only imagine his response to revelations in the *Sacramento Bee* last week that the new \$6.4 billion bridge being built between San Francisco and Oakland included a contract for almost \$10 million for public relations services, including hundreds of thousands of dollars for a private PR firm to conduct tours, write a book and produce a video about the project. Actually, we don’t have to imagine anything. Brown quickly ordered the California Department of Transportation to kill the contract, which a spokesperson called “excessive.”

— By *RICH EHISEN*



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