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Federal Issue



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The next issue of Capitol Journal will be available on June 3rd.

Top Story

The U.S. Senate has passed two long awaited pieces of legislation, the Marketplace Fairness Act and the Water Resources Development Act, which will have a major impact on states. But will the House follow suit?

SNCJ Spotlight

States can only watch as Congress tackles major issues that impact them

Supporters of federal action to allow states to require Internet retailers to collect sales tax on online purchases got a huge boost on May 6 when the U.S. Senate overwhelmingly endorsed legislation to make that a reality.

In a statement, National Conference of State Legislatures Executive Director William Pound lauded



By Rich Ehsen

the Senate for listening “to their state legislators, mayors, governors and other state and local officials,” noting that states have been urging Congress to pass such a bill for over a decade. The National Governors Association also chimed in with kudos, calling the bill “common-sense legislation that upholds the principles of federalism and levels the playing field between Main Street and e-street.”

Both also expressed optimism that U.S. SB 743, also known as the Marketplace Fairness Act, will eventually make its way to the President Barack Obama’s desk. But doing that means getting through what many observers expect to be much tougher going in the House of Representatives.

The battle over collecting sales tax on out-of-state purchases has actually been raging since the 1960s. It was all mostly catalogue sales then, the Internet still decades away from reality. (See “*With Congress stalled, states work their own ‘Amazon tax’ deals*” in the May 7, 2012 issue of *SNCJ*) Even then, however, consumers in all but the five states without a sales tax were supposed to keep track of their purchases and, for any one in which they were not charged the levy, to calculate what they would have owed and submit that payment to their own state. It is a good practice in theory, but one that in reality most people virtually ignore.

States have long acknowledged the difficulty in getting people to pay, thus leading to the push to have the retailers do it at the time of the sale. Most have resisted, arguing that the maze of state and local tax laws and jurisdictions were too cumbersome and costly for them to maneuver. Arguments by states to force retailers to collect have twice made it to the U.S. Supreme Court, with the justices each time citing the U.S. Constitution’s Commerce Clause in ruling that states have no legal power to compel retailers without a “nexus,” or a bricks-and-mortar presence, in their state to collect sales taxes.

The explosion of e-commerce — it now accounts for almost 8 percent of all U.S. retail sales — has moved many states to try again. At stake is about \$11 billion in estimated annual lost tax Internet sales tax revenue, according to one study conducted by researchers at the University of Tennessee. The National Conference of State Legislatures places the total figure, including catalogues and business-to-business sales, at over \$23 billion (see Bird’s eye view).

Even so, legislation in Congress has gone nowhere for years, forcing states to begin adopting their own statutes, although some laws have later been rejected by the courts. In recent years, nine states have also worked out deals with online retail giant Amazon in which the company collects tax on sales in those states in exchange for their support in lobbying Congress to adopt a nationwide bill. These states include

The week in session

States in Regular Session: AL, AR, AZ, CA, CO, CT, DC, DE, IA, IL, KS, LA, MA, ME, MI, MN, MO, NC, NE, NH, NJ, NV, NY, OH, OK, OR, PR, RI, TX, US, VT, WI

States in Special Session: CA “a”, WA “a”

States in Recess: PA

States Adjourned in 2013: AK, FL, GA, HI, ID, IN, KY, MD, MT, MS, ND, NM, SD, TN, UT, VA, VA “b”, WA, WV, WV “a”, WY

Letters indicate special/extraordinary sessions

— Compiled By FELICA CARILLO
(session information current as of 5/8/2013)
Source: State Net database

California, Massachusetts, Texas and Tennessee.

Since 2000, almost two dozen states have also signed on to the Streamlined Sales Tax and Use Agreement (SSTUA), a joint venture put together by the NGA and NCSL to get states to streamline their tax codes to make it easier for remote sellers to collect sales levies. With all that state activity, federal action seemed inevitable.

But while SB 743 sailed through the Senate with bipartisan support — and without as much as a committee hearing — there is no guarantee it will do so in the House. The measure still has strong opposition from Internet retailers like eBay.com and Overstock.com, who believe it will do far more harm than good, as well as some House Republicans who contend it constitutes a new tax on consumers. Supporters refute that, saying it only requires online retailers to collect the tax on purchases made from states which have a sales tax, the same tax the consumer would pay if they were to buy a product at a retail store.

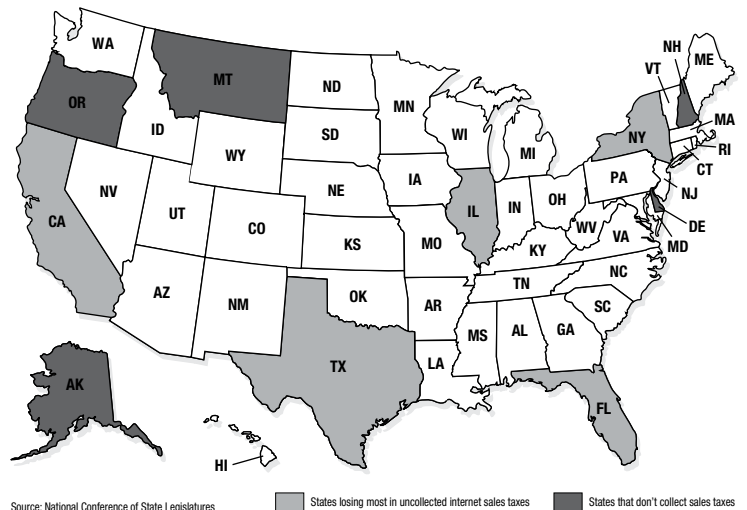
Even so, House Speaker John Boehner (R-Ohio) made it clear he was not sold, telling *Bloomberg Television* that he would “probably not” support the bill, but he has sent it off to the House Judiciary Committee to “see what they think.”

Committee Chairman Bob Goodlatte (R-Virginia) has expressed concern over the bill, but in a statement said he wanted to see it have “more uniformity” to ensure small online retailers would not “be forced to wade through potentially hundreds of tax rates and a host of different tax codes and definitions.”

Supporters counter that the bill also attempts to ease the burden on small online retailers, exempting those with sales of less than \$1 million annually. States that do participate must also simplify their tax processes (22 states have already started under the SSTUA), create a separate entity specifically for remote sales tax collection and provide remote sellers with free tax software.

The MFA isn't the only major piece of long-awaited legislation to land in the House's lap. Last Wednesday, the Senate endorsed SB 601, the Water Resources

Bird's eye view



Some states losing billions in uncollected internet sales taxes

Collectively states missed out on an estimated \$23.3 billion in sales taxes from online and catalog purchases last year, according to the National Conference of State Legislatures. California was the biggest loser by far, forgoing nearly \$4.2 billion, by NCSL's calculations. No. 2 state Texas' loss was about \$1.8 billion. The states that lost the least were the five without a sales tax: Alaska, Delaware, Montana, New Hampshire and Oregon.



Development Act, the first omnibus water infrastructure legislation since 2007. The \$12.5 billion bill, dubbed WRDA, would authorize U.S. Army Corps of Engineers flood control and mitigation projects across the country, including many in some of the most flood-threatened areas of the nation. It would also green light critical port improvements, wetlands restoration and coastal storm protection. Co-authored by California Sen. Barbara Boxer (D) and Louisiana Sen. David Vitter (R), it garnered even more bipartisan support than the online tax bill, passing by a 83-14 margin.

But the bill already has a wealth of critics, including environmental groups upset over language that would speed up the environmental review process for those projects, something many contend causes unnecessary delays and added costs in such projects. Some environmentalists say that means cutting corners on environmental reviews. That concern led Boxer and Vitter to insert a 10-year sunset clause on that portion of the bill.

Although the bill was made more Republican-friendly by avoiding any mention of climate change, it does address it by bolstering coastal infrastructure against the impact of extreme storms that scientists say warmer waters and higher sea levels exacerbate. That will likely draw support from insurers and others most concerned with lessening the fiscal hit such storms cause. Overall, the WRDA authorizes \$250 million annually for flood restoration and hurricane and storm damage reduction efforts.

Money and longstanding partisan divides are also likely to be a problem. Some Republicans have complained that the bill allows the Obama administration too much power to choose which water facilities receive support. Meanwhile, Democrats contend that Republicans are too spending-averse to give the bill a fair shot.

“The fate in the House of Representatives is unknown because you’ve got these extremist folks down there that think any kind of spending by the federal government is too much,” Florida Rep. Bill Nelson (D) told Orlando news radio station WMFE.

The bill does not yet have a hearing date.

(THE HILL, STATE NET, SACRAMENTO BEE, LOS ANGELES TIMES, BLOOMBERG TELEVISION, CNET.COM, RETAIL WIRE NEWS, MARKETINGLAND.COM, MASHABLE.COM, NATIONAL CONFERENCE OF STATE LEGISLATURE, NATIONAL GOVERNORS ASSOCIATION, WASHINGTON POST, ASSOCIATED PRESS)

— *Compiled by RICH EHISEN*

Budget & taxes

CA GOV DAMPENS BUDGET SURPLUS JUBILATION: A couple of weeks ago California officials announced the state was running a \$4.5 billion surplus this fiscal year due to a surge in income tax collections in April. (See TAX REVENUE SURGE YIELDS SURPLUS IN CA in May 13 issue of *SN CJ*.) Coming after years of multi-billion deficits and painful spending cuts, the news had Democrats who control the state Legislature nearly dancing in the halls of the Capitol.

But those lawmakers were shaken from their reverie last week when Gov. Jerry Brown (D) released a revision to his January budget predicting the state would end the current year with only a \$2.8 billion surplus — based on the assumption that the revenue surge now means the state will likely take in less later — and the state would actually finish next year with \$1.8 billion less than projected in his previous budget.

What's more, the revised budget increases spending only for education, including \$1 billion to implement math, English and other subject guidelines known as the Common Core Standards. Overall it actually scales the general fund spending plan from

“Everybody wants to see more spending,” he said. “That’s what this place is, it’s a big spending machine.”

January down by \$1.3 billion, to \$96.4 billion, while creating a \$1.1 billion cash reserve and holding the line on paying down the state’s “Wall of Debt.”

“This budget builds a solid foundation for California’s future by investing in our schools, continuing to pay down our debts and establishing a prudent reserve,” Brown said. “But California’s fiscal stability will be short-lived unless we

continue to exercise the discipline that got us out of the mess we inherited.”

When Brown took office, the state faced \$20 billion-plus annual budget deficits and \$35 billion in debt. The governor’s office said the state is now on track to lower that debt to \$4.7 billion by 2017 — an 86-percent reduction — thanks to the billions of dollars in permanent cuts made in the 2011-12 and 2012-13 budgets as well as the temporary income and sales tax hikes (Proposition 30) approved by voters in November.

“We have climbed out of a hole with a Prop 30 tax,” he said. “That’s good. But this is not the time to break out the champagne.”

That was the last thing many Democratic lawmakers wanted to hear. Even Senate leader Darrell Steinberg (D), one of Brown’s strongest allies in the Legislature, said he was disappointed by the failure of the governor’s revised plan to “begin making up for some of the damage done to tens of thousands of Californians.”

But Brown vowed not to give in to pressure from fellow Democrats and interest groups to ratchet spending back up.

“Everybody wants to see more spending,” he said. “That’s what this place is, it’s a big spending machine.”

He added: “I’m the backstop at the end. And I’m going to keep this place in balance.” (LOS ANGELES TIMES, SACRAMENTO BEE, CALIFORNIA GOVERNOR’S OFFICE, STATE NET)

LEGALIZED POT REVENUES MAY NOT MEET EXPECTATIONS:

Voters in Colorado and Washington legalized marijuana for recreational use last year at least partly because of estimates that doing so could bring in as much as \$2 billion in tax revenue over five years. But with some recent analysis poking holes in those projections, the states may not want to start spending that money just yet.

A widely cited study of Colorado’s marijuana law by the Colorado Center on Law and Policy predicted that legalization and the state’s 15 percent excise tax for school construction and 10 percent sales tax would generate \$60 million in new revenue and savings annually until 2017. But a recent study by the Colorado Futures Center at Colorado State University indicated that the revenue boost from marijuana sales might not meet those expectations. The study found that in order for the 15 percent tax to raise the \$40 million anticipated for schools, the cost to grow a pound of marijuana, given current consumption estimates, would have to be around \$1,100 a pound, almost twice earlier estimates and potentially raising the price of retail marijuana so high that it could drive users back to the illegal market.

“Our overall conclusion was while there is some revenue here, this is not a panacea for fiscal imbalance going forward,” said Phyllis Resnick, lead analyst for the study. “Our conclusion at the end was there is at least a risk, even with a high revenue number, once you take all this into account, there is not going to be a significant amount left over relative to the size of the [state’s budget] gap,” projected to be between \$3 billion and \$3.5 billion by 2025.

A government report in Washington predicted its marijuana law, which imposes taxes of 25 percent on producers, processors and retailers, could generate as much as \$1.9 billion over five years, “assuming a fully functioning marijuana market.”

But a major wrinkle in that projection is the fact that recreational pot sales is likely to be a cash-only business, potentially making it harder to collect sales taxes. The reason the business is likely to be cash-only is because, as with medical marijuana, no bank will knowingly approve or take deposits from credit card sales for the drug, since it’s still illegal under federal law.

“I don’t know how the state regulates or taxes an industry when it can’t follow the money, said Don Childears, president of the Colorado Bankers Association.

The questions raised by Childears, the Colorado Futures Center and others spurred Jeffrey Miron, a Harvard economist and analyst for the libertarian Cato Institute to conclude: “Nobody has any idea [about legalized marijuana revenue].” (STATELINE.ORG)

SUPER STORM SANDY VICTIMS TAKE ANOTHER FINANCIAL HIT: Thousands of vacation home and business owners in coastal areas of New Jersey slammed by Hurricane Sandy last October are getting hit with big increases in their flood insurance premiums this year.

Richard Bandazian, who owns a vacation home on the Point Pleasant Beach boardwalk that was actually spared the storm's devastation, saw his insurance bill go up 25 percent to \$4,700. And he was told it would keep going up by that amount every year until it reached an unspecified "full premium rate."

The reason for the rate spikes is that last year, before Sandy ever appeared on the radar, Congress passed two laws phasing out flood insurance subsidies the federal government began offering in the 1970s to get property owners and towns to join the federal flood insurance program, which is now deeply in debt.

Some members of New Jersey's Congressional delegation are now trying to convince their colleagues to reverse course on the issue to spare those still trying to recover from Sandy.

"It's a triple whammy," said Sen. Bob Menendez (D-New Jersey). "Even as we slowly recover from the worst natural disaster in our state's history, a man-made disaster is looming in the distance, jeopardizing our recovery. Those who cannot afford the higher premiums will be either forced to sell or abandon their homes."

New Jersey Gov. Chris Christie (R), likewise, has appealed to Washington for relief.

"Foisting the additional burden of a flood insurance increase on home and business owners as currently proposed would be financially devastating," he stated in a letter to Senate Majority Leader Harry Reid (D-Nevada) and House Speaker John Boehner (R-Ohio).

But Christie and Menendez face opposition from free-market conservatives and some environmentalists who contend that flood insurance rates should be higher to discourage developers from building in coastal areas.

Bandazian, meanwhile, points out a flaw in one of the arguments behind the insurance subsidy phase-out: that millionaires ought to shoulder more of the burden of insuring their beach houses.

Upcoming elections

(5/17/2013 - 6/7/2013)

05/21/2013

Alabama Special Election

House District 97

California Special Primary

Assembly District 80

Senate District 16

Pennsylvania Special Election

House Districts 42 and 95

05/28/2013

Massachusetts Special Election

Senate 1st Suffolk

Massachusetts Special Primary

House 8th Suffolk

Mississippi Special Election

House District 95

06/04/2013

Missouri Special Election

US House (CD 8)

New Hampshire Special Election

House Sullivan County District 4

New Jersey Primary Election

Assembly (All)

Senate (All)

Constitutional Officers: Governor,
Lieutenant Governor

“They’re saying only rich people are able to have houses at the Jersey Shore,” he said. “I worked a lifetime to get my beach house, and I’m not a rich guy.”
(NORTHJERSEY.COM)

BUDGETS IN BRIEF: A three-judge panel in **NEW JERSEY** has temporarily blocked Gov. Chris Christie's (R) plan to seize \$140 million dedicated to local affordable housing to help balance the state budget. Towns and housing advocates have said that plan could delay the construction of more than 3,000 homes for low-income and disabled residents ([NORTHJERSEY.COM](#)). • **ARIZONA** Gov. Jan Brewer (R) vowed last week to veto any bills sent to her until she sees progress from lawmakers on a new state budget and Medicaid expansion. The state Legislature headed into its 120th day last week without significant movement on either issue ([EAST VALLEY TRIBUNE](#), [STATE NET](#)). • **SOUTH CAROLINA** lawmakers are considering legislation that would levy a tax on e-cigarettes on top of the state sales tax. The bill (HB 4074) is modeled after legislation in **OKLAHOMA** that has been passed by the state's Senate but not the House, which would impose a tax of five cents per milliliter of vapor liquid in an e-cigarette and assess a five-cents-per-ounce tax on "tobacco-derived" products ([STATE](#), [STATE NET](#)).

— *Compiled by KOREY CLARK*

Politics & leadership

CITIES SPAR WITH STATES OVER SICK LEAVE: Under a law passed by the New York City Council this month, businesses with 20 or more employees will have to provide five paid sick days beginning in April 2014 and businesses with 15 or more workers will have to do the same by October 2015, while smaller employers will have to provide five unpaid sick days.

Supporters say the new city law will improve public health by keeping sick workers home.

“It will be a healthier city,” said New York City Council Member Gale Brewer, who sponsored the measure. “This is perhaps the most progressive legislation ever passed by the City Council.”

New York will now join several other cities that have already approved sick-leave rules, including San Francisco; Portland, Oregon; Washington, D.C.; and Seattle.

But many business leaders say that by increasing their costs, sick-leave laws will force them to lay off workers. That has spurred some states to ban such laws, including Arizona, Kansas, Louisiana, Mississippi, Tennessee and Wisconsin. A similar ban approved by Florida lawmakers — in response to a battle between

● supporters of a sick-leave campaign in the state and major employers such as Disney World and Darden Restaurants, parent company of Olive Garden and Red Lobster — is awaiting Gov. Rick Scott's (R) signature. And a similar measure is pending in Michigan's Legislature, despite the fact that no city in the state has approved a sick-leave law.

Michigan Rep. Earl Poleski (R), who sponsored the measure, said business leaders approached him because they wanted to get ahead of the issue, and they made the case that local governments shouldn't be allowed to set leave policies for private-sector employers.

"A well-managed business is going to have some sort of policy that deals with the inevitable times when an employee cannot be on the job," he said. "In this country we do not dictate to firms that they be well-managed."

Supporters, however, believe New York's new law marks a tipping point in their effort, which scored its first victory in 2006, when San Francisco voters approved a ballot measure mandating sick leave.

Ellen Bravo, executive director of Family Values @ Work, a network of state and local coalitions pushing for sick leave nationwide, said their movement has gained momentum over the last few months.

"The flu outbreak is reminding people that even if you have paid sick leave, the person who drives your bus or cooks your lunch may not."

Bravo said positive experiences in cities with sick-leave policies have also helped their cause. In San Francisco, for instance, 68 percent of businesses support the city's law and 70 percent have suffered no major impact on their profitability, according to a recent study by the Institute for Women's Policy Research.

Stephanie Porta, executive director of Organize Now, which is leading the sick-leave campaign in Florida, seems to think getting Gov. Scott to reject the statewide ban passed by lawmakers isn't even out of the question.

"A veto from him would be completely consistent with the governor's belief in letting local governments decide," she said. (STATELINE.ORG)

CONGRESSIONAL REPUBLICANS SAY BAC STATE ISSUE: The National Transportation Safety Board issued a report last week urging Congress to authorize grants for states that lower their blood-alcohol content limit for drunk driving offenses to 0.05 percent, more than 30 percent below the current standard.

NTSB chair Debbie Hersman said the recommendation was motivated by scientific research.

"We're really relying on the science that tells us that people are impaired at .05 BAC [blood-alcohol level]," she said. "Their cognitive functions and their visual functions diminish. Their judgment is affected and their reaction times are affected. We know they are 38 percent more likely to have a crash at .05."

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GOP leaders in Congress promptly issued a recommendation to the NTSB and politicians considering taking the agency's advice: Butt out.

"I think it's a state issue," declared Sen. Roy Blunt (R-Missouri), a member of the Commerce Committee.

Sen. John Barrasso (R-Wyoming), who chairs the Senate Republican Policy Committee, concurred.

"I think states should make that decision, and I don't want Washington telling Wyoming what to do."

But tying federal highway funding to states' drunk driving laws is a bipartisan practice dating back decades, and Congress used the very same tactic to prod states to lower the blood-alcohol threshold to its current 0.08 level. (MSNBC, POLITICO)

NC PART OF KOCH-BACKED PLAN: Republicans lost big nationally in the 2012 election, but they achieved considerable success in one southern state. Support from groups backed by the Koch brothers and others helped the GOP build a robust infrastructure and fundraising network in North Carolina that allowed the party to take control of the state's governor's mansion and Legislature in the same year for the first time since Reconstruction.

The Republican takeover came as a big surprise to Democrats, with Barack Obama having carried the state in 2008 and lost last year by only a couple of percentage points.

Tim Phillips, president of Koch-backed Americans for Prosperity, said North Carolina was part of a larger plan.

"Getting dramatic economic change at the federal level is very difficult," he said. "A few years ago, the idea we had was to create model states. North Carolina was a great opportunity to do that — more so than any other state in the region. If you could turn around a state like that, you could get real reform." (POLITICO)

POLITICS IN BRIEF: The **WISCONSIN** Assembly gave preliminary approval to a measure (AB 161) that would automatically stay judicial injunctions against state laws as soon as they are appealed. The effort to curb judicial authority was advanced by Republicans who control both chambers of the Legislature in response to a series of court rulings challenging some of their signature achievements of the last two years (MILWAUKEE JOURNAL SENTINEL, STATE NET). • Nearly 13,000 University of **CALIFORNIA** healthcare workers have threatened a two-day strike over a contract dispute. The AFSCME, the union that represents healthcare workers, said the UC is refusing to ensure adequate staffing at its five medical centers, creating unsafe working conditions (KPBS.ORG). • **NEW JERSEY** Gov. Chris Christie (R) vetoed a bill (SB 2364) that would have allowed early voting in the state. Christie called the proposal to allow voters to cast ballots at designated polling places in the

Upcoming stories

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

- **Prison reform**
- **Fracking**
- **Health care reform**

15 days prior to Election Day “hasty, counterproductive and less reliable” than the state’s current election system (NJ.COM, STATE NET).

— *Compiled by KOREY CLARK*

Governors

BROWN APPEALS PRISON RULING TO SCOTUS: California Gov. Jerry Brown (D) filed notice that the state would appeal to the U.S. Supreme Court a federal court’s ruling that it must cut 10,000 inmates from its prison population by December.

The move is just the latest action in a long battle the state has waged with federal courts over prison overcrowding. California has for years been under federal order to improve prison health care, which had fallen to unconstitutional levels due to major overcrowding.

In October, 2011, the state implemented AB 109, Brown’s so-called prison “realignment” plan, which has shifted tens of thousands of prison parolee violators and new low-level offenders to county jails. Even so, as of April the prisons were still operating at 150 percent of capacity. That prompted the judges to reject Brown’s request to return the system to state control. Brown has said the state will comply with the order from a three-judge panel if forced to but that the judges “did not fully or fairly consider the evidence that with our greatly reduced prison population, prison health care now exceeds constitutional standards.”

The Supreme Court rejected a similar appeal in 2009. Whether it could agree to hear the case again so soon is in question. (SAN JOSE MERCURY NEWS, STATE NET, CALIFORNIA HEALTHLINE)

GOVERNORS IN BRIEF: The doctor who performed the lap-band surgery on **NEW JERSEY** Gov. Chris Christie (R) has been sued for malpractice a dozen times in **NEW YORK** and another 11 in Australia (**NEW YORK POST**). • **GEORGIA** Gov. Nathan Deal (R) issued Executive Order 05.15.13.01, which bars state officials from collecting certain information related to the Common Core curriculum standards. The information prohibition relates to that on students and their families, including religious and political affiliation and voting history. Deal acknowledged that the Peach State has not actually been collecting the information, but wanted to make it “clear and unambiguous” that it is not allowed to (**ATHENS HERALD-BANNER**). • **KENTUCKY** Gov. Steve Beshear (D) introduced the state’s health benefits exchange web site, dubbed “Kynect: Kentucky’s Healthcare Connection.” Health exchanges are scheduled to begin enrolling members on Oct. 1 (**LEXINGTON HERALD**).

— *Compiled by RICH EHISEN*

Hot issues

BUSINESS: The **ARIZONA** Senate endorses HB 2281, legislation that requires landlords to provide written notice to tenants within five business days of their property going to foreclosure. The law previously only required notice if a provision was in the lease. It moves to Gov. Jan Brewer (R) for review (ARIZONA CAPITOL TIMES [PHOENIX]). • Also in **ARIZONA**, Gov. Brewer signs SB 1087, a bill that requires those who own or lease out taxis and other vehicles for hire to screen applicants for drugs at the time they are hired or allowed to lease the vehicles (EAST VALLEY TRIBUNE [MESA]). • Still in **ARIZONA**, Gov. Brewer vetoes HB 2271, which would have allowed the state's crematories and funeral homes to hire intern trainees. She said the bill could have unintended consequences (ARIZONA CAPITOL TIMES [PHOENIX]). • The **NEW YORK** Assembly endorses a bill that would grant agricultural workers collective bargaining rights, disability and unemployment benefits, an eight-hour workday and the expansion of the state sanitary code to cover farm and food processing labor facilities. The measure is now in the Senate (ALBANY TIMES-UNION, STATE NET). • The **CONNECTICUT** Senate approves HB 6540, which would allow beer and malt beverages to be sold in boxes and plastic pouches. It moves to Gov. Dannel P. Malloy (D) for review (CONNECTICUT POST [HARTFORD]). • **MINNESOTA** Gov. Mark Dayton (D) signs SB 523, legislation that prohibits most private employers from asking job applicants about criminal backgrounds until the point of an interview or a provisional job offer (MINNEAPOLIS STAR TRIBUNE, STATE NET). • The **OREGON** Senate approves HB 2654, a bill that bars employers from requiring workers and job applicants to disclose their social media access information. The measure returns to the House (PORTLAND OREGONIAN). • **WASHINGTON** Gov. Jay Inslee (D) signs a pair of bills (HB 1001 and SB 5607) that together allow movie theaters to sell beer, wine and liquor to patrons 21 and over (PORTLAND OREGONIAN). • The **WISCONSIN** Assembly approves AB 61, which would allow anyone with a liquor license to sue underage patrons or their parents if they misrepresent themselves as 21 or older in an attempt to buy or consume alcohol on the premises. Violators would face a fine of \$1,000. The bill moves to the Senate (APPLETON POST-CRESCENT).

CRIME & PUNISHMENT: Responding to a rash of incidents in which Centennial State police officers have shot and killed people's dogs, **COLORADO** Gov. John Hickenlooper (D) signs SB 226, a first-in-the-nation bill that requires local police and sheriff's departments to provide canine behavioral training to help officers better discern when a dog actually presents a threat (KDVR.COM [DENVER]). • Also in **COLORADO**, Gov. Hickenlooper signs SB 220, which adds emergency medical service providers to the list of persons who must report possible instances

of child abuse (COLORADO GOVERNOR'S OFFICE). • The **VERMONT** House and Senate give final endorsement to HB 200, which would decriminalize possession of up to five grams of hashish, a concentrated derivative of marijuana, and replace criminal penalties with civil fines similar to a traffic ticket for possession of up to an ounce of marijuana. It goes to Gov. Pete Shumlin (D), who is expected to sign it into law (BURLINGTON FREE PRESS).

EDUCATION: INDIANA Gov. Mike Pence (R) signs HB 1427, which authorizes the Hoosier State to temporarily halt adapting to federal “common core” curriculum standards. The standards will be on hold until state education officials conduct public hearings and a cost analysis of implementing the plan (INDIANAPOLIS STAR).

ENVIRONMENT: The United States Senate approves SB 601, the Water Resources Development Act. The \$12.5 billion proposal would authorize and fund a variety of flood control and environmental projects all over the nation. It is now in the U.S. House of Representatives (SACRAMENTO BEE).

HEALTH & SCIENCE: COLORADO Gov. John Hickenlooper (D) signs HB 1266, which among several things aligns the state's health insurance laws with the Affordable Care Act and enacts the state's list of essential health benefits insurers must provide with every health policy sold (COLORADO GOVERNOR'S OFFICE).

SOCIAL POLICY: The **VERMONT** House gives final approval to SB 77, which would allow physicians to legally assist terminally ill people to end their own life. It goes to Gov. Pete Shumlin (D), who is expected to sign it into law (BURLINGTON FREE PRESS). • **MINNESOTA** Gov. Mark Dayton (D) signs HB 1054, legislation that makes the Gopher State the 12th to legalize same-sex marriage. The law takes effect Aug. 1 (REUTERS). • The **NORTH CAROLINA** Senate approves SB 132, a bill that would require Tar Heel State educators to teach children that abortion causes later premature births. The bill, which opponents claim lacks scientific proof, moves to the House (WRAL.COM [RALEIGH]).

POTPOURRI: COLORADO Gov. John Hickenlooper (D) signs SB 201, which designates shelter pets as the Centennial State's official pet (KDVR.COM)

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: 195

Number of Intros last week: 1,870

Number of Enacted/Adopted last week: 1,484

Number of 2013 Prefiles to date: 25,173

Number of 2013 Intros to date: 117,029

Number of 2013 Session Enacted/Adopted overall to date: 23,242

Number of bills currently in State Net Database: 135,290

— Compiled By FELICIA CARILLO
(measures current as of 5/15/2013)
Source: State Net database

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— *Compiled by RICH EHISEN*

OFF ON THE WRONG FOOT: California Gov. Jerry Brown appears a lock to win another term next year. But that hasn't stopped former Lt. Gov. Abel Maldonado from setting himself up to challenge Brown in 2014. To kick start his campaign, Maldonado recently launched a ballot measure drive to repeal Brown's unpopular prison "realignment" plan, which has shifted thousands of state prisoners to county jails or county parole supervision. In a press conference a few weeks ago, Maldonado railed against the plan, showing large photos of a realignment parolee he said had committed murder. But as the *Sacramento Bee* reports, he was only half right. The crime did happen, but the man who did it was not part of the governor's program, and in fact had been out of jail since 2000. Oops. That sound you heard was the collective sigh of Golden State Republicans gearing up for four more years under Brown.

GOV. STAND UP: Speaking of Brown, he held his annual May budget revise presser last week. As always, it was part lecture and part sermon. But surprisingly enough for someone who can be so dour, it had more than a few laughs. Responding to a question about concern in wealthy communities over his plan to send more money to lower-income areas, Brown said “Ask somebody from Beverly Hills... ‘Would you like to move to Compton? Would you like to move to Watts?’ And if they say, ‘Yeah, let’s do it because I want to get the extra money,’ then I’ll believe it.” Later, when a reporter stumbled over her words when asking him to prognosticate on something, he cut in with “Prognosticate or pontificate? Actually, I’d rather obfuscate.” As usual, it took a second for us poor hacks to gather in what he had said before everyone laughed. Still always the smartest guy in the room, Brown is.

WHO WOULD JESUS VOTE FOR? The North Miami mayoral race was a real barn burner this year, with antics including one mayoral candidate being punched



in the mouth by an acquaintance who objected to his candidacy. But as the *Miami Herald* reports, that was not even the best highlight of the campaign. That honor goes to candidate Anna Pierre, who claimed to have been a victim of “voodoo” death threats, including having chicken feathers and food scraps left on her door step as a warning for her to get out of the race. But Pierre persisted. Why? Because, she told reporters, she had been endorsed by Jesus Christ, who came to her in a dream to tell her not to drop out. Although that would certainly seem to trump a nod from the local chamber of commerce, Pierre still finished seventh in the seven-person race.

In case you missed it

With the deadline to implement the Affordable Care Act fast approaching, it is clear that overhauling the nation's health care system will cost more, insure fewer people and probably take longer to implement than originally planned.

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

http://www.statenet.com/capitol_journal/05-13-2013/html#snclj_spotlight.

WIRED TO THE HOUSE OF CARDS: Maryland Gov. Martin O'Malley visited the set of the super popular NetFlix political drama “House of Cards” last week, getting a primer on the benefit of the Old Line State's tax incentive program for movie and TV productions. As dozens of cast, crew and staffers looked on, he heard all about how the incentives were producing thousands of jobs and helping small businesses, yada, yada, yada. All the while, the *Baltimore Sun* reports, it was surely hard not to notice that O'Malley was standing square in the middle of the set's highly realistic recreation of the White House's Oval Office. Speculation is rampant that O'Malley is planning a bid for the real thing in 2016. The governor even jokingly asked if he could come out and do campaign commercials from the set. It is not O'Malley's first brush with Hollywood — he has long been thought to be the inspiration for Tommy Carcetti, the fictional Baltimore mayor from the HBO crime series “The Wire.”

— By *RICH EHISEN*

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