

May 21, 2007

# Data Security



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The next issue of Capitol Journal will be available on June 4th.

## Top Story

*States have in recent years taken a hard line on forcing companies to inform consumers when they suffer a data security breach. But some states are now considering holding retailers financially responsible for those breaches as well.*

## SNCJ Spotlight

### Should retailers pay for security breaches?

In January, MASSACHUSETTS-based retail giant TJX reported that computer hackers had gained access to the financial information of more than 45 million of its customers, a number that could yet go even higher. Since then, the fallout over the breach has been exceedingly harsh to both the company's reputation and its bottom line. But that situation could get even worse — not only for TJX but for all retailers — if measures now under consideration in several statehouses become law.



to determine if the company is culpable in the breach.

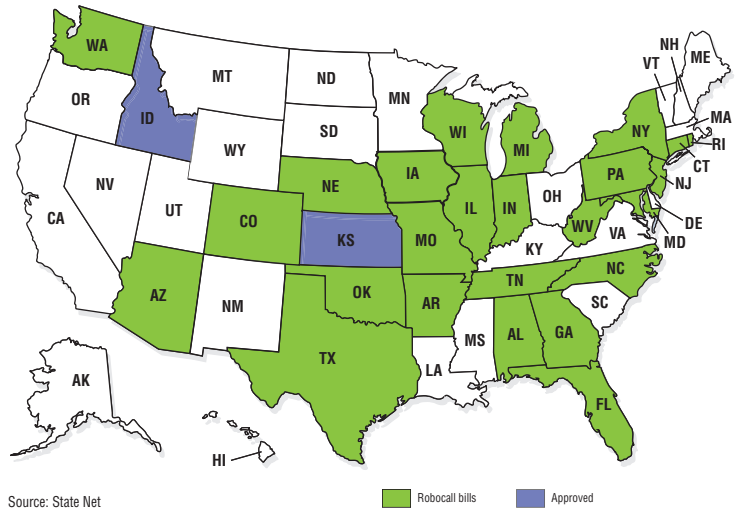
It doesn't end there, either. TJX is also facing a class action lawsuit from the MASSACHUSETTS Banking Association (MBA), which is seeking an as yet undetermined amount of money to cover the cost of replacing credit cards and other actions to deal with the breach. Aside from consumers, small to mid-size banks are considered to be the most likely to benefit from holding retailers accountable for data breaches, primarily because they generally do not have the same volume of business to absorb losses or the level of security employed by large banks to prevent them in the first place.

But not everyone agrees that holding retailers closer to the fire is the answer. Craig Shearman of the National Retail Federation says his organization believes bills like those in MASSACHUSETTS are overkill.

"This legislation is unnecessary at best," Shearman says. "Any time there is a breach that has costs associated with it, those costs already get passed on down the chain of banks, credit card companies and processors to the retailer. The contracts many large retailers have with those companies already require that the entity responsible for a data breach has to reimburse the banks for the cost of consumer notification and card reissuing."

Shearman says retailers are also already paying for the cost of fraud through the application of the 2 percent interchange fee, which banks and credit card companies charge retailers for each credit card transaction. He says that a big portion of that fee – which gets split up between the bank and the credit card company – is supposed

## Bird's eye view



### States look to hang up on political “robocalls”



Most people are familiar with political “robocalls,” which are regularly sent out these days during election season. Too often, these calls barrage potential voters with automated recordings urging them to go to the polls to vote a certain way. Because robocalls are considered to be political speech protected by the First Amendment, they are excluded from the National Do Not Call Registry that allows people to register to block telemarketing calls that push goods or services. But now, even many lawmakers have come to view these calls as an unacceptable nuisance synonymous with negative campaigning. According to the State Net database, 27 states this year have pondered a total of 92 bills aimed at restricting or banning political robocalls. However, while bills are still pending in many states, to date only two — KANSAS and IDAHO — have adopted robocall limitations.



to go to cover security and fraud costs. “VISA and MasterCard collected around \$36 billion last year in interchange fees,” Shearman adds.

“So we already have contracts that require retailers to pay for the costs of a breach as well as these interchange fees,”

he says. “If you add legislation that independently adds more charges to the retailer, it would literally mean that person is paying three times for a breach.”

But retailers are not the only ones who question whether bills like these would work. Mark Rasch, a data security expert with the New York-based FTI consulting firm, says that under our current legal system, “we can’t really define who the actual victim of a data security breach is.”

Rasch says that while it is logical to look at the consumer as the ultimate victim of a hacker getting into a retailer’s files, a host of other entities — from banks and retailers to credit card companies and insurance companies — are also victims. “I’m not sure it’s possible through legislation to determine in advance who is going to suffer harm from a data breach and to quantify how much that harm is going to be.”

Rasch also sees significant issues in how any state would implement such a statute, asking, “The law already holds someone responsible for causing another party a loss. How would you go about filing a claim in way that is different from filing a lawsuit?”

But while Rasch sees logistical problems with such bills, he also says that lawmakers are right to be pushing companies to do a better job of securing consumer data. “Companies absolutely need to understand that there are consequences for failing to take care of customer data. The minimum one is to have to compensate the people injured by that failure.”

CALIFORNIA Sen. Joe Simitian (D), the author of 2002’s AB 700 — the first state legislation to require companies to notify consumers of a data breach — also sees merit in states pushing the envelope on data security responsibility. But reflecting on how long it took to get that landmark measure into statute, he does not hold out high hopes for any of this year’s legislation.

“The underlying logic of these bills is sound,” he says. “But given the current political climate, I think they are going to be a very tough sale.”

That has so far been the case, as none of the bills has made it out of committee. But Simitian also notes that a huge, public event such as the TJX breach can quickly convince lawmakers to act. “We were struggling pretty hard in 2002, but then we had a very significant breach at a state data center that had financial information for thousands of state workers. That changed the climate overnight.”

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“I think when enough businesses get tired of paying for someone else’s security problems, the attitude of business itself will change,” he adds.

But Shearman calls it a huge “misconception” that companies are taking data security lightly, saying “retailers are doing everything humanly possible to protect customer data.”

“The most valuable asset any retailer has is the trust of their customers,” he says. “We have instituted multiple redundant layers of security. The problem is that we’re up against criminals. Every step we take to make data more secure, criminals find a

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Some retailers, however, make it easier on thieves than others. According to a recent study from the Michigan-based Ponemon Institute, a research firm that specializes in data security issues, 85 percent of all businesses have suffered a data security breach at some time. Of those, 46 percent fail to implement the most stringent data security measures,

such as data encryption, even after being hacked.

In MASSACHUSETTS, Martignetti says most companies probably think they are doing enough to guard customer data. The problem is when they are wrong. “TJX could have avoided this entire situation with just a very simple check of their security systems,” Martignetti says, who adds that no company that really keeps its records safe will ever suffer should these bills become law.

“If the information is kept safe, if it is never stolen, then we don’t ever get to the reimbursement aspect,” he says.

— By RICH EHISEN




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## Budget & taxes

**M**N LAWMAKERS DUEL WITH GOV OVER TAXES: Last week, MINNESOTA’s DFL-controlled Legislature passed a bill raising the gas tax — for the first time in almost two decades — 5 cents per gallon to provide funding for road construction and repairs.



For some legislators, the issue was personal. “I’ve been to several funerals, several in the past three years, where friends of mine lost their kids because the roads are in such terrible shape in the state,” said Sen. Steve Murphy (DFL).

But House Minority Leader Marty Seifert (R) foresaw a short life for the measure. “This bill is not going to be signed and the votes to override aren’t there,” he said.

Less than twenty-four hours later, half of his prediction was proven to be accurate, when Gov. Tim Pawlenty (R) vetoed the gas-tax hike, claiming that it would place an “unnecessary and onerous burden on Minnesotans that could weaken the state’s economy.”

It looks as though the rest of Seifer’s prediction may be bourn out as well. An override seems fairly likely in the Senate, where the DFLers already appear to have the 1 Republican vote they need to reach the 45 votes required. But 90 votes are needed for an override in the 134-member House, which means the Democrats will have to convince five Republicans to break rank with their party. (MINNESOTA PUBLIC RADIO [ST. PAUL], MINNEAPOLIS STAR TRIBUNE)

**RELL BACKTRACKS ON TAXES:** Back in February, CONNECTICUT Gov. M. Jodi Rell (R) proposed a state budget for next fiscal year that called for a 10 percent increase in the state income tax and a 49-cents-per-pack hike in the cigarette tax. But last week, she basically said never mind, declaring that state lawmakers could pass her \$17.5 billion budget with “no tax increases whatsoever.”

**“The governor sees a poll number, and she’s abandoning [her tax plan] faster than Little Orphan Annie.”**

According to the governor’s budget director, Robert Genuario, the reason for Rell’s sudden change of course is that his office has confirmed that the state will have \$1.2 billion more in revenue this fiscal year and the next two than it had projected at the time that Rell released her budget.

House Speaker James Amann (D), however, suggested that there was another reason for Rell’s turnaround: a Quinnipiac University poll showing that only 16 percent of the state’s residents support her proposed income-tax hike. “The governor sees a poll number, and she’s abandoning [her tax plan] faster than Little Orphan Annie,” he said in an interview.

Amann and his fellow Democrats in the General Assembly also said the governor’s action not only raises questions about whether her budget still “adds up,” but is part of a pattern of recent gubernatorial activity that is complicating budget negotiations. “Every day, there’s a new item,” said Rep. Cameron Staples (D). And Amann added, “I don’t even know what the governor’s budget is anymore or what we are even negotiating.” (HARTFORD COURANT)



**SCHWARZENEGGER PROPOSES BIG CUTS:** CALIFORNIA Gov. Arnold Schwarzenegger (R) presented a revised budget to state lawmakers last week that prescribed removing thousands of families from welfare, freezing cost-of-living adjustments for the elderly and dipping into public transit accounts to deal with a deficit that has grown \$1.6 billion since the start of the year. "I wish we could fund all of those programs," the governor said at a news conference. "But I have an obligation, which is a promise to the people of CALIFORNIA that I will bring down the structural deficit to zero, that we will be fiscally responsible." Democratic legislative leaders, skeptical that the state's budget situation is that critical and accustomed to the bipartisan approach the governor has taken since his fiscally conservative appeal directly to the state's voters was rebuffed in 2005, didn't respond favorably to the new budget plan. "When it's all said and done, this is reminiscent of the pre-postpartisanship governor," said Assembly Speaker Fabian Nunez (D). (LOS ANGELES TIMES)

## Upcoming elections

(05/17/2007 - 06/07/2007)

05/22/2007

### **Kentucky Primary Election**

US Senate Class II & III;  
US House District 1, 2, 3, 4, 5, 6  
Constitutional Officers: Governor,  
Lieutenant Governor, Secretary of  
State, Treasurer, Attorney General,  
Auditor of Public Accounts;  
Commissioner of Agriculture

05/29/2007

### **Massachusetts Special Primary**

Senate 1st Suffolk and Middlesex

### **New Hampshire Special Election**

House Hillsborough District No. 9  
(Manchester Ward 2)

06/05/2007

### **Florida Special Primary**

House District 24  
Senate District 3

### **New Hampshire Special Election**

House Merrimack District No. 9  
(Hooksett)

**PA VOTERS REJECT SCHOOL TAX PLAN:** Last Tuesday, voters across PENNSYLVANIA rejected referenda seeking to raise their local income taxes and lower their property taxes as an alternate way of funding public education. Gov.

**“When it’s all said and done, this is reminiscent of the pre-postpartisanship governor.”**

Ed Rendell (D) had campaigned hard for the tax-swap referenda, which had been mandated by property tax reform legislation passed last year (Act 1). But only 4 of the 501 school districts in the state that voted on the plan approved it, according to early returns. And in most of the districts where the measures were failing, they were doing so by a margin of at least 2 to 1, in some cases 4 to 1 or more. In a statement, Rendell said the defeat of the ballot questions might spur lawmakers to consider his other proposal to reduce property taxes by raising the state sales tax from 6 percent to 7 percent. But Republicans who control the Senate and have only one fewer seat than the

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Democrats in the House say the message of the voters is clear. “People don’t want taxes increased, period,” said House Minority Leader Sam Smith (R). (NEW YORK TIMES, PHILADELPHIA INQUIRER, PITTSBURGH POST-GAZETTE)

**BUDGETS IN BRIEF:** After hours of negotiations behind closed doors, the TEXAS Senate unanimously approved a toll road bill (SB 792) that could avert the veto Gov. Rick Perry (R) has promised for an alternate measure passed by the House (HB 1892). Both measures would impose a two-year moratorium on private toll-road contracts and shorten the length of time that those contracts are allowed to run, currently 70 years. But the Senate version provides more exemptions to the ban and permits private contracts to run for 50 years instead of 40 (AUSTIN AMERICAN-STATESMAN). • **MONTANA** lawmakers passed a \$400-per-household property tax rebate (HB 9), which will be issued to residents in the fall, before wrapping up their special session last week. Gov. Brian Schweitzer (D) had proposed the rebate last summer and many Democratic legislators had campaigned on it. Republicans had called instead for a more permanent form of property tax relief, but despite holding half the seats in the Senate and a one-seat advantage in the House, they failed to win enough support for their proposal (BILLINGS GAZETTE). • The **MICHIGAN** Court of Appeals will shut down for eight days this summer in an effort to shave \$845,000 off its \$19.6 million 2007 spending plan. Gov. Jennifer Granholm (D) has warned that there may be more partial shutdowns of government services to close the state’s overall \$700 million-plus budget deficit (BOOTH NEWSPAPERS [LANSING]).

— *Compiled by KOREY CLARK*

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## Politics & leadership

**TEX HOUSE SPEAKERSHIP STILL AT RISK:** Opposition to TEXAS House Speaker Tom Craddick (R) apparently hasn’t cooled any since the unsuccessful attempt to unseat him back in January. In fact, in addition to the group responsible for that failed coup, there is now a faction of Craddick “loyalists,” which includes a few committee chairman, that is pushing for a change of speaker before the session ends at the end of this month.

The odds of that actually happening, however, are only “50-50,” according to longtime Craddick foe Rep. Garnet Coleman (D). And Coleman suggested the reason for that is that the members simply can’t agree on who should replace him. “There are more than 76 House members (a majority) who want a new speaker. There are not 76 votes for any one person (successor) at this point,” he said.

But Republicans, anxious to avoid seeing the first GOP speaker in modern times ousted from his position, have also begun circling the wagons. Conservative activists



have been e-mailing lawmakers, warning them that the removal of Craddick would strengthen the Democrats in the next election and also jeopardize several major bills that are still under consideration. (HOUSTON CHRONICLE)

**CENSUS SUPPORTS ALTERNATE**

**EARLY PRIMARY STATES:** For a long time now, critics have argued that IOWA and NEW HAMPSHIRE are poor choices to kick off the presidential primary season because their populations are unrepresentative of the nation as a whole. Analysis of new Census data by the Associated Press supports that view.

The AP compiled demographic data on each state in 21 different categories, including age, race, education, income and urban and rural population density, and then ranked the states according to how closely they matched the data for the nation at large.

IOWA and NEW HAMPSHIRE were deemed to be among the least like the rest of the country, ranked 41<sup>st</sup> and 48<sup>th</sup> respectively. By the AP’s measure, ILLINOIS would actually be the best place to hold a truly representative primary, followed by OREGON, MICHIGAN, WASHINGTON and DELWARE.

Other Census data analysis found that minorities now make up a third of the nation’s population, and that the rise in the number of predominantly young Hispanics is creating a strong counter trend to the country’s aging white population. Which could lead to some political conflict in the coming decades, suggests Peter Morrison, a demographer at the RAND Corporation. “One population is going to form the core of the working age population by all indications. The other one is aging. [There are] two very different sets of economic interests: People who want health care vs. people who want jobs.” (ASSOCIATED PRESS, BOSTON GLOBE, USA TODAY)

**NATIONAL POPULAR VOTE EFFORT INTENSIFYING:**

Last month, MARYLAND became the first state to enact legislation committing its electoral votes to the presidential candidate who receives the most votes nationwide, rather than statewide, if enough other states to constitute a majority of the Electoral College do likewise. According to State Net’s legislative database, 40 other states have introduced such national popular vote measures this session. Two of those states — ARIZONA and COLORADO — rejected the idea. But it has advanced through at least one legislative chamber in several others, including CALIFORNIA and

**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: 165**

**Number of Intros last week: 2,060**

**Number of bills enacted/adopted last week: 1,478**

**Number of prefiles to date: 33,714**

**Number of Intros to date: 138,416**

**Number of enacted/adopted overall to date: 22,674**

— Compiled By JAMES ROSS  
(measures current as of 05/17/2007)  
Source: State Net database



ILLINOIS. And both chambers of HAWAII’s Legislature passed a national popular vote bill — SB 1956 — but it was vetoed by Gov. Linda Lingle (R). The measure was then actually overridden by the Senate, but the House adjourned without taking an override vote. (STATE NET)

**POLITICS IN BRIEF:** The ILLINOIS Legislature approved legislation last week shifting its presidential primary from mid-March to Feb. 5. If Gov. Rod Blagojevich (D) signs the measure as expected, the Prairie State will join the nearly two dozen others, including CALIFORNIA and NEW YORK, that plan to hold their primary on that same date (CQPOLITICS.COM). • MISSOURI Sen. John Loudon (R) has been stripped of his committee chair, at least temporarily, for adding language legalizing the practice of midwifery to a health insurance bill — which went on to pass both chambers of the General Assembly — without the approval of the body’s top leaders. “I have relieved him of his duties as chairman of the Small Business Committee, until further notice,” said Senate President Pro Tem Michael Gibbons (R).

— Compiled by KOREY CLARK

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# Governors

**S** PITZER WANTS CLAMPDOWN ON PUBLIC AUTHORITIES: Citing numerous examples of waste, fraud and mismanagement within the Empire State’s public authorities, NEW YORK Gov. Eliot Spitzer (D) and state lawmakers are now working together to craft what some people are saying is the most ambitious overhaul of those entities in years.

The legislation Spitzer and lawmakers are considering has many facets, including imposing broad financial disclosure requirements on the more than 700 local and state-level authorities. The measure would also grant state officials new powers to monitor and enforce compliance with those requirements, while mandating that public authorities’ board members swear an oath to uphold fiduciary responsibilities similar to the ones assumed by directors of public corporations. Most of the board members in question are appointed by the governor for fixed terms.

NEW YORK’s Public authorities have long been empowered with the ability to borrow money and to offer tax breaks, which in theory allows them to carry out some of the duties of public agencies with the speed of private corporations. But critics contend that power has also become a part of the problem. Public authorities, they say, face neither the accountability of elected officials nor the market pressures of truly private enterprises.

“Many authorities have become Soviet-style bureaucracies, cash cows and patronage mills for the political class and completely removed from control of democratic institutions,” said Assemblyman Richard Brodsky (D).



Spitzer is not the first governor to attempt to rein in public authorities. Former Gov. George Pataki (R) also worked with lawmakers in 2005 and 2006 to create a state budget office that gathers information on those authorities and an inspector general with some investigative power over them. Further limits were discussed last year, but failed when Pataki and lawmakers could not reach an agreement on legislation.

But Pataki was also among the many lawmakers who have over the years taken advantage of the authorities' autonomy. In the last half of 2006, Pataki and the Legislature borrowed nearly \$2 billion through the authorities, some of which financed projects run by politically connected companies or favored nonprofit organizations in lawmakers' districts.

And while most debt issued by the authorities is backed by their own revenue, such as tolls or parking fees, state officials — who are otherwise barred from borrowing money without voter approval — have also used the authorities as a conduit to borrow nearly all of the state's \$48.5 billion debt, which is among the highest per capita in the country.

Although Spitzer is also considering ways to consolidate or close as many as 200 authorities that are defunct or what he considers to be unnecessary, Lloyd Constantine, who is overseeing the administration's efforts, said the governor is not trying to completely move away from that system.

"At the end of the day, there will be authorities," Constantine said. "It's not a question of whether we turn away from them. The intention is to tweak them so they better serve the public interest." (NEW YORK TIMES)

**PALIN GETS GAS LINE:** The ALASKA Legislature gave its approval to Gov. Sarah Palin's (R) Alaska Gasline Inducement Act last week. Under the measure, producers and independent pipeline companies will be able to compete for the rights to build a pipeline that lawmakers believe will eventually ship trillions of cubic feet of North Slope natural gas to market.

It was a signature achievement for Palin, who introduced the bill in the wake of a clumsy and heavy-handed attempt last year by former Gov. Frank Murkowski (R) to negotiate a deal with the North Slope producers. Murkowski reached a deal with the three major North Slope suppliers, but lawmakers refused to consider the plan, saying it gave away too much to the oil companies.

Palin's version of the bill — which is designed to stimulate competition through inducements — met with more enthusiasm from lawmakers, if not as much

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from oil producers. BP PLC, Exxon Mobil Corp. and ConocoPhillips strongly opposed the measure, threatening to boycott the bidding process if some its more stringent requirements were not dropped.

But Palin, the state’s first-ever female governor, refused to budge, warning lawmakers that she would veto the bill if they watered it down to appease oil companies. Her efforts were later bolstered on May 4 when one current and two former state representatives were arrested on bribery and extortion charges related in part to last year’s efforts by Murkowski to secure the pipeline. That forced the oil producers to back off a bit, easing the way for the bill to get legislative approval. State officials say they expect to open the bidding process on July 1. (JUNEAU EMPIRE)

**EXECUTIVE ORDERS: MASSACHUSETTS** Gov. Deval Patrick (D) issues EO 10, which directs the state to reduce overall energy consumption at state buildings by 20% by Fiscal Year 2012 and 35% by 2020. The order also directs agencies to “procure 15% of agency annual electricity consumption from renewable sources by 2012 and 30% by 2020” (STATE NET). • **OKLAHOMA** Gov. Brad Henry (D) issues EO 20, which creates the Campus Life and Safety and Security Task Force (CLASS). The task force is charged with evaluating campus security at all Sooner State colleges and universities (STATE NET).

**GOVERNORS IN BRIEF: NEW JERSEY** Gov. Jon Corzine (D) filmed a 30-second public service announcement urging Garden State drivers to use their seat belts when behind the wheel. Corzine recently returned to his duties after suffering severe injuries in a single car crash on April 12. He was not buckled up at the time (PHILADELPHIA INQUIRER). • **VERMONT** Gov. James Douglas (R) is considering letting a bill that would expand the state’s medical marijuana law become statute without his signature. The new measure would add conditions that are chronic, progressive or debilitating, such as severe arthritis or shingles, to those already covered under the state law (TIMES ARGUS [MONTPELIER]). • Governors Bill Richardson of **NEW MEXICO** and Gov. Janet Napolitano (D) of **ARIZONA** lashed out at the Bush administration last week for its efforts to recruit border security guards to go to Iraq. The governors were upset that the administration hired a private security firm to recruit away Border Patrol agents to help train Iraqis in border security (ARIZONA DAILY STAR [TUCSON]).

— *Compiled by RICH EHISEN*

## Upcoming stories

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

- **Hiring illegal workers**
- **Predatory lending**
- **Credit scoring**

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# Hot issues

**B** **USINESS:** The **NEBRASKA** Legislature gives first-round approval to LB573, a bill that would make retailers or other adults who sell or give booze to minors liable for damages or injuries caused by intoxication. Retailers could be exempted if they can prove they were fooled by a fake identification (LINCOLN JOURNAL STAR). • **PENNSYLVANIA** officials begin posting to the Internet inspection reports for the Keystone State’s 2,600 businesses with kennel licenses. Supporters say the action will help ease the state’s reputation as “the puppy mill capital of the East” (PHILADELPHIA INQUIRER). • The **NEVADA** Assembly approves SB 302, which would bar “universal default clauses” on credit cards. Those clauses allow companies to boost interest rates if a customer misses a payment on a completely separate account. It goes to Gov. Jim Gibbons (R) for review (NEVADA APPEAL [CARSON CITY]). • The **SOUTH CAROLINA** House approves legislation that will, among other things, require employees seeking workers compensation to prove their injuries happened on the job. It moves back to the Senate (POST & COURIER [CHARLESTON]).

**CRIME & PUNISHMENT:** The **ARIZONA** Senate endorses SB 1029, a bill that would require anyone convicted of drunk driving to install an ignition interlock device on their vehicle in order to prevent the car from starting if they have been drinking. The device would have to stay in place for at least one year. The measure moves to Gov. Janet Napolitano (D) for review (ARIZONA DAILY STAR [TUCSON]). • The **LOUISIANA** House approves SB 39, which would ban cockfighting in the Pelican State as of August 15. The measure moves to the House, which has already passed a ban of its own, but which would not take effect for a year (ADVOCATE [BATON ROUGE]). • The **LOUISIANA** House also endorses HB 186, which would bar violent felons from owning or living with pit bulls or other dogs deemed to be dangerous. Violators could receive fines or up to six months in jail. It moves to the Senate (TIMES-PICAYUNE [NEW ORLEANS]).

**EDUCATION:** The **TEXAS** House approves legislation that would replace the Texas Assessment of Knowledge and Skills, or TAKS, test with a series of standardized end-of-year exams in English, math, science and social studies. A similar measure is also in play in the Senate (HOUSTON CHRONICLE). • **WASHINGTON** Gov. Christine Gregoire (D) signs legislation that guarantees the spouses and children of soldiers killed, wounded, captured or missing in action will receive free tuition at all Evergreen State public colleges and universities. It takes effect July 1 (SEATTLE POST-INTELLIGENCER). • **COLORADO** Gov. Bill Ritter (D) signs HB 1292, which requires school districts offering human-sexuality

courses to ensure the curriculum in those courses is based in sound scientific research (ROCKY MOUNTAIN NEWS [DENVER]). • A **MAINE** Legislative committee rejects a proposal to require public schools to track obesity trends by regularly measuring the height and weight of all students in kindergarten through ninth grade and reporting the data to state education officials. Lawmakers instead chose to ask schools to gather the information voluntarily (PORTLAND PRESS HERALD). • **FLORIDA** Gov. Charlie Crist (R) signs legislation that requires at least 2 1/2 hours of physical education each week for students between kindergarten and fifth grade. The measure also encourage middle and high schools to provide up to 3 3/4 hours of gym class weekly (WASHINGTON POST).

**ENVIRONMENT:** The **OREGON** House unanimously approves HB 2626, which would require manufacturers of TV sets, computers and monitors to register and pay a fee to the state, while also either providing direct recycling services or paying a state-approved organization to do it for them. The bill moves to the Senate (OREGONIAN [SALEM]). • The **NEBRASKA** Legislature endorses LB 659, which would permit public power districts to work with private developers and landowners to build wind farms and collect federal incentives for alternative energy production. The measure moves to Gov. Dave Heineman (R) for review (OMAHA WORLD-HERALD).

**HEALTH & SCIENCE:** The **TEXAS** Senate approved a measure that would give Lone Star State families a minimum of 21 days to transfer a relative to another facility once the hospital's ethics committee determines that further care is futile. The measure also establishes a process for families to seek a court order to keep a relative alive even longer. It moves to the House (DALLAS MORNING NEWS). • **CONNECTICUT** Gov. M. Jodi Rell (R) signs legislation that requires all hospitals to provide Plan B emergency contraception to rape victims. In deference to church-based hospitals that oppose birth control, the measure allows hospitals to contract with a third-party provider to give out the contraceptive (HARTFORD COURANT). • The **CALIFORNIA** Supreme Court upholds the constitutionality of a 2004 ballot measure that authorized the state to sell \$3 billion in bonds to fund embryonic stem cell research. The Golden State is thus expected to begin issuing research grants by July (LOS ANGELES TIMES). • The **OREGON** House approves HB 2700, which requires Beaver State insurers to cover birth control pills on health care policies. The measure goes to Gov. Ted Kulongoski (D), who is expected to sign it (OREGONIAN [PORTLAND]). • **MARYLAND** Gov. Martin O'Malley (D) signs legislation that extends the Old Line State's smoking ban to bars and restaurants (BALTIMORE SUN). • **MINNESOTA** Gov. Tim Pawlenty (R) also signs legislation that extends the state's existing indoor smoking prohibition to include bars, restaurants and bingo halls. It goes into effect Oct. 1 (GRAND FORKS HERALD).



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# Once around the statehouse lightly

**T**RUTH WINS OUT but not everyone is comfortable with it. FLORIDA state senators recently approved a bill that requires them to tell the truth. But according to the *St. Petersburg Times*, it took 15 minutes of “heated debate” to pass the measure, and three Democrats voted against it. The bill requires anyone testifying before the legislature to take an oath, and that includes lobbyists, legislative staff — and legislators. One Democrat voted “no” because the bill suggests that a legislator might lie. He also didn’t want to be held to the same standard as lobbyists.

**PARIS IN THE SPRING:** As reported last week, Paris Hilton recently appealed to CALIFORNIA Governor Arnold Schwarzenegger to set aside a 45-day jail sentence for driving with a suspended license. Now, another Golden State politician has revealed that he once had a professional encounter with Hilton. At same time, he has given the governor something to mull over while he considers a pardon. Some seven years ago, Republican Assemblyman John Benoit, then an area commander for the state Highway Patrol, was driving an unmarked car along Interstate 10 near Palm Desert when a new BMW flashed past him “like I was standing still.” Benoit took after the speeder, clocked at 110 miles an hour, and eventually pulled her over and issued a speeding ticket. It was Hilton, who was basically unconcerned. “It didn’t seem to matter to her,” Benoit told *Capitol Weekly*. “She was going to drive the way she was going to drive.”

**GOING BOLDLY WHERE** no CALIFORNIA news organization has gone before, “Pasadena Now,” a Web-based newsletter, has hired a pair of reporters to cover the Pasadena City Council. Two things stick out about the event: First, the two scribes will make \$19,200 *combined*. Second, both live in India. According to the *Los Angeles Times* and the Associated Press, the reporters will cover the council by watching its sessions on the Web. City officials are unconcerned — as long as the stories are accurate. The Web site’s developer, James Macpherson, defends the outsourcing because the coverage amounts to “routine stuff” that can be done with “much lower wages.” A spokesman for the UC Berkeley Graduate School of Journalism disagrees. “It just seems so fundamental to journalism to *be there*,” said Rob Gunnison, director of school affairs. “I still can’t believe it’s not a hoax.”

**POLLS MORE THAN TOLLS:** Getting ready for that long summer road trip? In addition to your maps and hotel reservations, you might want to download a handy list of election results from towns along your planned route. According to the



*Chicago Tribune*, economists at George Mason University in VIRGINIA have studied the ticketing habits of police from various towns and cities. Among their findings: Drivers have a 28 percent higher chance of getting a ticket in places where voters recently rejected an increase in property taxes. Apparently, police also issue fewer citations to 18-year-old women. On the other hand, towns that derive much of their revenue from tourists issue fewer tickets to cars with out-of-state plates. No one is quite sure what happens when voters in a tourist town reject a tax increase. The study was conducted using traffic information from MASSACHUSETTS.

**JUST PLAIN TOLLS:** Just because the vehicle in question is a police car doesn't mean that it will be exempt from paying tolls in WASHINGTON State. As the *Tacoma News Tribune* reports, the state's Transportation Commission recently recommended few exemptions for those who will use the new Tacoma Narrows bridge. Among those who will be assessed the \$3 toll: police cars, fire trucks and ambulances. All three will be excused from the toll if going to and from an emergency, however. That latter exemption wasn't enough for local law-enforcement agencies, which assumed they would be exempt from all tolls and thus did not budget for the fees. The tolls must raise some \$32.8 million in revenue by June 30, 2008, to pay off loans that financed the bridge.

— *By A.G. Block*



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