

October 10, 2005

Katrina & Rita: the political toll



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Top Story

The two recent gulf hurricanes devastated large segments of Louisiana's physical landscape. Now state officials are saying the massive population displacement they caused may alter the state's political landscape as well.

SNCJ Spotlight

Hurricanes may change LA politics

Hurricanes Katrina and Rita sent more than a million LOUISIANA residents from their homes, many to shelters in other states. And Pelican State officials say the physical and psychological damage inflicted by the storms could keep hundreds of thousands of Louisianans out of the state permanently. In addition to the major blow that would be to Louisiana's economy, it could also significantly alter the state's political landscape. Due to its low-wage economy

and underperforming schools, Louisiana's population has been declining over the past decade, leading demographers and political experts to speculate that the state might lose one of its seven Congressional seats — and federal dollars along with it — after the 2010 census. Now, they say, that prospect is a virtual certainty. The hurricanes could also bring big changes at the state level. Just days after Katrina made landfall, Baton Rouge replaced New Orleans as the state's largest city. If displaced residents refuse to return to Orleans Parish, its influence over state politics — with 21 seats in the House and Senate located either inside or adjacent to its borders — could be reduced. Where New Orleans evacuees choose to reside could also have implications for the state's Democrats in general, who control both the Legislature and the governor's office. According to Roy Fletcher, a political consultant who helped elect former Republican Gov. Mike Foster, if large numbers of former residents of New Orleans' Ninth Ward — a solidly Democratic bloc of 30,000 mostly black voters — were to relocate to suburban or rural areas, "It would give a whole lot of a stronger foothold to Republicans in the Legislature and statewide." Elaborating, Fletcher said, "Louisiana has always been a swing state, a purple state that's both blue and red. You take the Ninth Ward out of that equation and you get a real shot of Republicans winning statewide office." (NEW YORK TIMES)

— By *KOREY CLARK*

Budget & taxes

KATRINA SPURS GOP RETURN TO ROOTS: With estimates of the federal costs for Hurricane Katrina relief and reconstruction approaching \$200 billion — on top of a current budget deficit of \$330 billion — Republican congressional leaders have begun work on a package of spending cuts to Medicaid and other programs. The leaders say they want to

The Week in Session

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

States in Skeleton Session: OH

States in Special Session: CT "b", MS "a", NM "a", PA "a", SD "a"

States in Recess: CA, IL, NH, NJ

Special Sessions in Recess: CA "a", DE "a", OK "a"

States Adjourned in 2005: AK, AL, AR, AZ, CO, CT, DE, FL, GA, HI, IA, ID, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, NC, ND, NE, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WV, WY

States in Special Session Adjourned in 2005: AK "a", AL "a", CT "a", GA "a", KS "a", ME "a", ME "b", MN "a", MO "a", MS "a", MS "b", MS "c", MS "d", NV "a", TX "a", TX "b", UT "a", VT "a", WI "a", WV "a", WV "b", WV "c", WV "d"

Letters indicate special/extraordinary sessions

Source: State Net, 10/07/05

solved is what specific areas of the state will be eligible for the tax breaks. The governor's emergency declarations did not specify particular parishes, and several of her proposals currently state that benefits would apply to people located in a region defined only nebulously as the "Hurricane Katrina impact area."

(TIMES-PICAYUNE [NEW ORLEANS])

MS APPROVES CASINO MOVE TO DRY LAND — ALMOST: The MISSISSIPPI Senate agreed last week to a House plan (HB 45) that would allow the state's hurricane-battered coastal casinos to move 800 feet onto shore. The measure approved by the House two weeks ago was nearly derailed in the Senate by the long-running religious debate over gambling as well as efforts by various members to alter its provisions. But pleas from coastal legislators finally won passage of the bill last Monday on a 29-21 vote. That was welcome news to Larry Gregory, director of the Mississippi Gaming Commission, who said plans were already in the works for "buildings bigger and better than what was on the Coast a month ago. It will be a first-class resort destination with plenty of jobs, opportunities and hope." Things took another turn, however, the following day when the chairman of the Senate Appropriations committee, Jack Gordon (D), held up HB 45 to leverage a deal on tideland leases that many casinos pay the state. The Senate completed that deal, passing a bill that would require casinos to pay 1 percent of their gross gaming revenues into the state's tidelands fund. But the House balked at the arrangement and, at press time, conferees from the two chambers were meeting to work out their differences. (CLARION-LEDGER [JACKSON], ASSOCIATED PRESS, BOSTON GLOBE, SUN HERALD [BILOXI])

BUDGETS IN BRIEF: The U.S. Supreme Court — led by new Chief Justice John Roberts — began deliberations last week on whether KANSAS can tax distributors who sell fuel to a gas station located on an Indian reservation. The 10th U.S. Circuit Court of Appeals in Denver, COLORADO ruled that the tax violated tribal sovereignty despite the fact that it was not directly imposed on the tribe. Thirteen other states that tax gasoline and have Indian reservations within their borders have filed a friend-of-the-court brief supporting the Sunflower State (ASSOCIATED PRESS, ARIZONA DAILY STAR, KANSAS CITY STAR). • Last week, New Orleans Mayor Ray Nagin laid off 3,000 city workers and warned that additional layoffs might be necessary. The city's tax revenue base is gone and negotiations for state and federal funding have so far proved fruitless (TIMES-PICAYUNE [NEW ORLEANS]). • MCI Inc. has agreed to pay \$331 million to 16 states and the District of Columbia to settle fraud accusations stemming from the telecommunications giant's tax filings from 1999 to 2002. State officials had



alleged that transfers between the company’s subsidiaries were illegally classified as business expenses, exempt from state taxation (RUTLAND HERALD). • NORTH CAROLINA’s Court of Appeals upheld a September 2001 law establishing a new 8.25 percent tax rate for the state’s highest wage-earners. The taxpayers who sued to block that law plan to appeal the decision (ASSOCIATED PRESS, WINSTON-SALEM JOURNAL). • The Federal Emergency Management Agency has asked more than 7,600 FLORIDA residents to give back \$30.3 million in emergency aid they received in connection with last year’s hurricanes. FEMA says many of those residents obtained insurance settlements after receiving the federal money and FEMA, by law, cannot duplicate insurance coverage (ORLANDO SENTINEL). • MICHIGAN Gov. Jennifer Granholm (D) signed a \$41 billion state budget that does not raise taxes, provides more money for K-12 education — the first such increase in three years — and spares low-income residents from being cut from the state’s Medicaid and welfare programs (ASSOCIATED PRESS, LANSING STATE JOURNAL).

Upcoming Stories

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

Feds push IPv6: Will states follow?

Bear of a problem: de-listing the grizzly

TEXAS telcos get free pass into cable; will other states follow suit?

And many more...

— *Compiled by KOREY CLARK*

Politics & Leadership

LABOR STRONG-ARMS SCHWARZENEGGER SUPPORTERS: For the past 6 months, CALIFORNIA’s powerful labor unions have been battering Gov. Arnold Schwarzenegger (R) with television attack ads, which have sent his approval rating tumbling. Now, with a special election on the governor’s “reform agenda” just weeks away, the unions have turned to a new tactic which has actually managed to raise the level of hostilities between the opposing camps. One of the Schwarzenegger-backed measures slated for the Nov. 8 ballot — Proposition 75 — would bar public employee unions from using dues for political purposes without the consent of their members, which unions fear would strengthen the power of big business at their expense. And although unions have amassed over \$70 million to fight Schwarzenegger’s proposals — more than twice as much money as the governor has raised — Prop. 75 is currently favored by a majority of the state’s voters, according to polls. That state of affairs evidently inspired labor leaders to send a letter last month to potential corporate donors to the Prop. 75 cam-



paign — including Bank of America, Chevron, Hewlett-Packard and dozens of others — warning that union members would be informed about which companies supported the measure. The message was not well received by the president of California’s Chamber of Commerce,

Upcoming Elections
 (10/06/2005 - 10/27/2005)

10/11/2005
 Mississippi runoff if needed
 House 086

Allan Zaremborg. “The letter was clearly intended to intimidate businesses and threaten them,” he said. Schwarzenegger’s communications director, Bob Stutzman — not one to mince words — called the letter “complete thuggery.” That comment prompted an equally belligerent retort from Assembly Speaker Fabian Nunez (D): “A lot of people I’m talking to feel they’re being shaken down by the governor’s fundraising team. They’re being threatened. And so, if anybody is using thuggery to get around, it’s the governor’s fundraising team.” Stutzman, unsurprisingly, shot back, saying, “the only time I’ve ever heard the word ‘shakedown’ used in this town is after people get off the phone with the speaker himself. He’d know a shakedown when he sees one.” (LOS ANGELES TIMES, KCRA.COM)

POLITICS IN BRIEF: Charles “Ken” Zisa’s narrow victory in the Sept. 15 special election to fill NEW JERSEY’s 37th District Senate seat was invalidated last week, when a superior court judge ordered the counting of five disputed ballots. The ruling effectively gave the seat, vacated by retiring Sen. Byron Baer (D), to Assemblywoman Loretta Weinberg (D). Zisa plans to appeal the decision (NEW JERSEY STAR-LEDGER [NEWARK], RECORD OF BERGEN COUNTY). • Also in NEW JERSEY, Gov. Richard J. Codey (D) has stripped Attorney General Peter Harvey of much of his control over the state’s Office of Counter-Terrorism (OCT). The move came in response to an ongoing turf battle between the attorney general and state police over anti-terror authority and funding, culminating in Harvey’s unauthorized transfer last Monday of 25 state troopers from the OCT to the FBI’s Joint Terrorism Task Force (TIMES [TRENTON], NEW JERSEY STAR-LEDGER [NEWARK]). • CONNECTICUT Gov. M. Jodi Rell (R) has called for a special session on Oct. 11 to consider campaign finance reform. The announcement earned the governor a gentle rebuke from the state’s Jewish lawmakers, who were “surprised and mildly perplexed” that the session was scheduled so close to the Jewish holiday of Yom Kippur, which begins at sundown Oct. 12 and ends after sunset Oct. 13. Rell responded that there was nothing to prevent lawmakers from breaking to observe the holiday (HARTFORD COURANT). • MINNESOTA Gov. Tim Pawlenty (R) sent a letter to the four top leaders of the Legislature last week that “cordially invited” them

Because, notes the *Atlanta Journal-Constitution*, Georgia lawmakers refused to require truck owners to buckle up, the state will forfeit money earmarked for highway safety programs. One legislator explained that opposition to a mandatory seat belt law is “legend” in rural Georgia, although some dispute that notion. Meanwhile, the Peach State remains one of only two states with no mandatory law. The other is INDIANA.

THE RIGHT TO LIE: A three-judge panel in WASHINGTON state has affirmed the right of political candidates to lie about their opponents — under the guise of free speech. According to the Associated Press, jurists overturned a conviction because the state law against making “false statements of material fact sponsored with actual malice” does not require that the defamed person suffer any damage to his or her reputation. So, in Washington now, it’s okay to accuse an opponent of, say, having once committed murder if, in fact, that opponent isn’t harmed by the accusation. That would seem to make it open season on politicians because any charge hurled during the heat of a political campaign is likely to be ignored by the public anyway and could, therefore, *never* damage someone’s reputation. It’s just political white noise.

— *By A.G. BLOCK*

In the Hopper

State Net’s database tracks tens of thousands of bills in all 50 states at any given time. Here’s a snapshot of what’s in the legislative works:

Number of 2005 prefiles last week: 83

Number of 2005 Intros last week: 344

Number of bills enacted/adopted last week: 408

Number of 2005 prefiles to date: 35,330

Number of 2005 Intros to date: 159,056

Number of enacted/adopted overall in 2005: 38,720

— Compiled By JAMES ROSS
(Measures current as of 10/06/05)
Source: State Net



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Graphic Design: Richard Hansen, Heather Conway
©2005 State Net ISSN: 1521-8449



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State Net Capitol Journal is published 40
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