How can you be an ENVIRONMENTALIST and not support NUCLEAR ENERGY?

Eileen Claussen has devoted her career to working with policymakers and a wide range of stakeholders to develop sensible solutions to one of our most fundamental challenges, providing clean, secure, and affordable energy, while protecting our environment.

She knows that no single energy technology can meet our carbon reduction goals. However, nuclear energy produces more than 60% of America’s carbon-free electricity, preventing 2 billion tons of carbon each year. That’s the equivalent of capturing all emissions from nearly all of America’s automobiles.

Find out why some of the world’s leading environmentalists support nuclear energy.

Get the facts at nei.org/cleanair
#futureofenergy

The world needs to triple the amount of electricity it gets from non-carbon sources – like nuclear, wind, and solar – to provide the energy we need and reduce carbon emissions.
Dive deep into the most provocative issues of the day
You’ll get insight, ideas and a roadmap to solutions. See what you’ll find this summer in Seattle.

Legalizing Marijuana: Potholes and Possibilities
If marijuana may be in your state’s future, there are plenty of concerns. Learn about all the matters you may not anticipate.

Filling Up the Tank: Funding Transportation
Create a roadmap to a sound transportation plan that creates sustainable revenue, prepares for the future and meets immediate transportation needs.

Beating the Odds: Tapping Brain Potential
Learn about the economics of early childhood investment, and how pioneering programs are building human capital and a stronger workforce.

The Future of Everything
Take a glimpse into the future and what’s in store for people, jobs and commerce. How will you and your state face the future—seen and unforeseen?

NCSL Legislative Summit
August 3–6, 2015 | Seattle
Register now at www.ncsl.org/summit2015
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BY LOUIS JACOBSON
How will the rapidly growing Latino population affect politics and policy?

POWDERED PROHIBITION PAGE 21
BY HEATHER MORTON
The federal government has approved powdered alcohol, but state lawmakers continue to question whether it’s safe and too easily misused.

THREE-TIER CHEERS! PAGE 22
BY HEATHER MORTON
States are calling the shots when it comes to regulating alcohol producers, distributors and retailers.

ECONOMIES OF SHALE PAGE 28
BY KRISTY HARTMAN
Hydraulic fracturing has unlocked huge amounts of oil and gas, helping boost state economies even as it generates environmental and public health concerns.

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"There are no simple answers. There are trade-offs.”
Q & A with Russell Gold, reporter and author, on fracturing

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Lore Christopher, director, Oregon Legislative Human Resources
KENTUCKY LEADERS OF BOTH PARTIES AGREE THAT THEY WILL NOT IMPLEMENT EPA'S PROPOSED 111(D) GHG REGULATIONS

Speaker of the House, Kentucky House of Representatives
GREG STUMBO (D-PRESTONSBURG)

Coming from a coal producing county, I understand that keeping Kentucky's low kilowatt per hour is not a partisan issue, and I do not support what the EPA is doing. I will always remain a Friend of Coal.

— SPEAKER OF THE HOUSE GREG STUMBO, KENTUCKY HOUSE OF REPRESENTATIVES

Senate President, Kentucky State Senate
ROBERT STIVERS (R-MANCHESTER)

I have said and will continue to say that the EPA is primarily responsible for the problems facing the Kentucky coal industry, and I will continue to advocate for those coal miners and their families in fighting the draconian regulatory agenda of the EPA.

— KENTUCKY SENATE PRESIDENT, ROBERT STIVERS

FOR MORE INFORMATION ABOUT THE EPA'S PROPOSED GHG REGULATIONS, CONTACT THE KENTUCKY COAL ASSOCIATION AT 859.233.4743.

KCA
KENTUCKY COAL ASSOCIATION
WEBINARS
NCSL webinar season is in full swing. Sign up online; all begin at 1 p.m. Eastern Time.

- Traffic Safety, June 12
- NCSL Bill Information Service (for legislators and staff), June 16*
- Renewable Fuel Standard, June 19
- Food Safety Modernization Act, June 26
- Immigrants, Driver’s Licenses and REAL ID, July 10

*Begin at 3 p.m. Eastern.

SHORT TAKES on NCSL NEWS

“The states have been more concerned about consumer protection and privacy.”

“Anything new just takes time.”
—NCSL’s Mary Fairchild, on how children’s savings accounts are catching on in some states, in Stateline.

“It’s significantly more common to have them trying to find a balance rather than a blanket policy one way or the other.”
—NCSL’s Rich Williams on how states strive to find a balance between transparency and privacy when regulating police body cameras, in The Washington Times.

“Something new just takes time.”
—NCSL’s Mary Fairchild, on how children’s savings accounts are catching on in some states, in Stateline.

“Whatever states have been more concerned about is consumer protection and privacy.”

“It’s quite a different approach.”
—NCSL’s Douglas Shinkle on Wyoming becoming the first state in the nation to mandate—and appropriate money for—cameras on all public school buses to catch drivers who pass them illegally, in USA Today.

“Whatever states have been more concerned about is consumer protection and privacy.”

STATE VISITS
Each year, NCSL staff visit nearly all 50 states (and the territories) to get to know our members and their needs, and to offer assistance, training and expert testimony. Here are the states our frequent flyers have visited since December 2014.

We’re ready for NCSL’s 2015 Legislative Summit Aug. 3-6 in Seattle. Are you? Our agenda is streamlined, robust and engaging. You’ll find:
- “Deep dive” sessions into critical policy issues
- Networking with peers from across the country
- Professional development
- Exhibits
- And … exciting speakers:

*Sheryl Connelly (left), futurist and manager of Global Consumer Trends for the Ford Motor Co.

Ken Jennings (left), author and biggest Jeopardy! winner ever
*Piper Kerman (right), author of “Orange is the New Black”

For information and to register, visit www.ncsl.org/summit
YOUR TURN

Photos With the Famous

We asked for your photos and you responded. Here are a few examples. If you’d like to share your “famous” photo, please email it to photos@ncsl.org.

Former President Jimmy Carter shares a laugh with Georgia House Speaker David Ralston (R) on a visit to the Carter Center during NCSL’s 2013 Legislative Summit in Atlanta.

Renowned cellist Yo-Yo Ma poses with Arkansas Senator Joyce Elliott (D) before the arts in education session at the 2014 Summit in Minneapolis.

Former U.S. Supreme Court Justice Sandra Day O’Connor greets Anne Ziaja, executive director of the Massachusetts Senate’s Office of Education and Civic Engagement, at the Atlanta Summit.

More Author-Lawmakers

After highlighting lawmakers who wrote books in our April issue, we asked readers to help us find other legislator-authors. The emails—to magazine@ncsl.org—keep coming. Here are some more.

“Christology: A Look at Practical Christianity,” Oklahoma Representative and Dr. George E. Young Sr.

“Caring for the World: A Guidebook to Global Health Opportunities,” Ohio Representative Steve Huffman (along with Paul Drain, Sara Pirtle, and Kevin Chan)

“Deployment,” “Recovery,” “Overwatch” and “The Last Courier,” four military fiction novels by New Hampshire Representative John Martin

“Passing the Torch: Preserving Indiana’s Heritage,” Indiana Senator James W. Merritt Jr.

Go to ncsl.org/magazine for more information.
“Vaccines are one of the major health achievements of mankind.”

—California Senator and pediatrician Dr. Richard Pan (D) on his bill to eliminate personal and religious-belief exemptions from vaccine requirements, in USA Today.

Wyoming Representative John Patton (R), who served four stints in the Legislature in three different decades, died in April. He was 84. Patton served in the House for a year in 1961 and 1965 and in the Senate from 1967-1971. In 2009, he went back to the House and, as a respected champion of education, served as Education Committee chair when he died. Patton was active in NCSL’s Legislative Effectiveness Committee. “Being a legislator and still actively doing this up to age 84, you don’t do that for the money, you do that for the love,” said Senator Bruce Burns (R).

Cindi Markwell, secretary of the Colorado Senate, in May ended a public service career that spanned 35 years and included training, mentoring and assisting in the preservation of the historic and architectural integrity of the Capitol and its gold dome. Markwell began working for the General Assembly in 1980 in the Office of Legislative Legal Services. After 28 years at the agency, she shifted roles and became journal clerk and assistant secretary of the Senate. She became Senate secretary in 2011. She oversaw the restoration of the Senate chambers, helped plan new-member training programs and served on the Capitol Advisory Committee.

“We’re trying to make sure those benefits are used the way they were intended.”

—Kansas Senator Michael O’Donnell (R), supporting tighter restrictions on how long people can receive—and where they can spend—welfare benefits, in the Topeka Capital-Journal.
Illinois House Majority Leader **Barbara Flynn Currie** (D)—the first woman to serve in that position in the state—was honored by the Illinois ACLU for her nearly three decades of work on human rights and civil liberties in the legislature. She sponsored the first Illinois Freedom of Information Act, received the Roger Baldwin Award for Lifetime Achievement and was recognized for her work on same-sex marriage, criminal justice and reproductive health.

"I think they bring a fresh perspective."

—*Marsha Wise*, executive director of the Maryland Women’s Caucus on the four male lawmakers serving in the caucus, from the Washington Post.

Second-term Maine Representative **Stanley Short** announced he is leaving the Democratic Caucus to become an independent lawmaker. "I have come to realize that positive results are more important than partisan battles," Short said. House Majority Leader **Jeff McCabe** said he was "deeply disappointed" by Short's decision, adding that Short "has been a strong voice in the House Democratic Caucus for Maine's working men and women." House Republican Leader **Ken Fredette** said Short is more than welcome to attend GOP caucus meetings. With Short's switch, the House Democrats' majority is 78-68, with five independents.

The Pennsylvania House welcomed its newest member in April when **Martina White** (R) was sworn in after winning a special election to replace Democrat **Brendan Boyle**, who was elected to Congress. White is one of two Republicans to represent Philadelphia in the House. Her election gives the GOP a 120-83 advantage in that chamber.

Georgia House Majority Leader **Larry O'Neal** (R) resigned from the Legislature in April to become judge of the Georgia Tax Tribunal. O'Neal, a tax attorney for 40 years, was first elected to the House in 2001. He served as the governor's floor leader and chair of the House Ways and Means Committee before being elected majority leader. A special election will be held to fill his seat. Representative **Allen Peake** (R) is seeking O'Neal's leadership post.

Florida Senate President **Andy Gardiner** (R) has taken up a cause that is making Florida a national leader in education, savings and job opportunities for people with intellectual disabilities. Gardiner and his wife are parents of 11-year-old Andrew, who has Down syndrome. The package of bills provides tax-free saving accounts for people with disabilities; allows universities to set up career-ready courses to help people find employment; and increases funding for special education vouchers from $14 million to $50 million. "I have a very short window of opportunity to effect change," Gardiner said. "This time next year I’ll be heading home and somebody else will be here."
The Affordable Care Act: What’s Next?

The Affordable Care Act’s roller-coaster ride continues. In the second case to reach the U.S. Supreme Court on federal health care reform—King v. Burwell—the justices will soon decide whether the subsidies offered to middle- and low-income purchasers of insurance through federally run health exchanges are legal. The decision would have no effect on people in the 16 states (plus D.C.) who purchase insurance through state-run exchanges. About 7.5 million people in the 34 states that use the federal exchange (or a state-federal partnership) could lose their subsidies if the court rules in favor of the plaintiffs.

Who Could Be Affected?
(The number of people, and their share of the population, who are under age 65 and now receive subsidies in the 34 states with federally run exchanges or state-federal partnerships.)

<table>
<thead>
<tr>
<th>State</th>
<th>Number of Individuals</th>
<th>Percent of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>152,760</td>
<td>3.7%</td>
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<tr>
<td>Alaska</td>
<td>19,134</td>
<td>2.9%</td>
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<tr>
<td>Arizona</td>
<td>156,306</td>
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<td>Arkansas</td>
<td>57,802</td>
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<td>Delaware</td>
<td>21,030</td>
<td>2.7%</td>
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<tr>
<td>Florida</td>
<td>1,484,555</td>
<td>9.3%</td>
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<tr>
<td>Georgia</td>
<td>486,972</td>
<td>5.5%</td>
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<tr>
<td>Illinois</td>
<td>272,600</td>
<td>2.4%</td>
</tr>
<tr>
<td>Indiana</td>
<td>192,883</td>
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<td>Iowa</td>
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<td>Kansas</td>
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<td>Louisiana</td>
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<td>Maine</td>
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<td>Michigan</td>
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<td>Missouri</td>
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<td>Mississippi</td>
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<td>Montana</td>
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<tr>
<td>Nebraska</td>
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<td>Nevada</td>
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<td>New Jersey</td>
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<td>Pennsylvania</td>
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<td>South Carolina</td>
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<td>Tennessee</td>
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<td>Texas</td>
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<tr>
<td>Utah</td>
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<tr>
<td>Virginia</td>
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<td>West Virginia</td>
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<tr>
<td>Wyoming</td>
<td>19,194</td>
<td>3.8%</td>
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<tr>
<td>Total</td>
<td>7,387,340</td>
<td>3.7% (average)</td>
</tr>
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Officer, You’re on Camera

Video captured by a bystander on this past April shows a police officer firing eight shots and killing an unarmed man fleeing after a traffic stop. That video was crucial in determining which charges, if any, to file against the officer, as it provided an accurate picture of what occurred and whether deadly force was justified.

Just as tensions between law enforcement and the public have prompted calls for officers to wear body cameras, they also have more people using smartphones to film police interactions or arrests, in an attempt to record police conduct.

Lawmakers in several states have proposed measures to clarify the seemingly blurred line between actions that might interfere with legitimate law enforcement and constitutional protections enjoyed by citizens being able to record on-duty police officers. In Illinois last year, after an eavesdropping

It Takes Two

What is in the best interest of the child continues to be the top consideration when awarding custody. As the body of research grows on the benefits of having both parents fully involved in the lives of their children after a divorce, states are shifting away from awarding mothers full custody to awarding both parents shared custody.

Research shows that parents awarded custody are more likely to pay child support and spend money on other kinds of tangible support for their children, such as gifts, groceries, clothing and school supplies.

Currently, 49 states and Washington, D.C., have laws specifically allowing courts to award joint custody. New York’s law is the exception. While the statute does not specifically mention joint custody, case law has established legal precedent allowing judges to order joint custody. So far this session, New York lawmakers have introduced three bills that would define shared parenting and create a presumption that shared parenting is in the best interest of the child.

While all states are allowed to order joint custody, there is a new trend among state legislatures to provide more direction to the courts by both defining the term and encouraging the use of such orders.

In the last few years, several states have enacted legislation regarding shared custody, although the term can mean different things in different states, and is often used interchangeably with joint custody, shared custody and shared parenting time. Shared custody usually grants mothers and fathers the legal right to spend an equivalent amount of time with their kids, often defined as between 35 to 50 percent of the time. Parents also continue to share in making decisions about their children’s education, health care, activities and other needs.

Lawmakers in 19 states have introduced 25 bills this year related to shared custody requirements. Nearly half of those bills (12) would create a presumption that shared custody is in the best interest of the child, while other laws require or allow the court to order joint legal and physical custody unless there is a safety issue.

Laws in a handful of states—California, Minnesota, Oklahoma and Tennessee—have gone the opposite direction by stating that there is “neither a preference nor a presumption for or against” joint legal custody, joint physical custody or sole custody.

—Meghan McCann
Fossil fuel power plants are the largest source of greenhouse gas emissions in the nation, producing roughly one-third of the country’s emissions, according to the U.S. Environmental Protection Agency. Using section 111(d) of the Clean Air Act, EPA has proposed regulations to collectively reduce power plant emissions to 30 percent below 2005 levels by 2030. Final regulations are expected this summer.

Reduction targets, however, vary widely from state to state—from 10.6 percent in North Dakota to 71.6 percent in Washington. Vermont and Washington, D.C., are excluded from the rule, as neither generates fossil-fuel energy within its borders. New power plants will have to meet strict emissions requirements.

State responses have varied as widely as emission reduction targets, from support to concern to rejection to 15 states filing suit against EPA.

Proponents contend the reductions are essential to improving the country’s air quality and protecting public health and the environment. Opponents disagree, voicing concerns over the possible threat the regulations might pose to the reliability of the electric grid. They also question the legality of EPA’s authority to set the targets.

EPA’s proposed regulations rest on four “building blocks” the agency has identified to reduce carbon dioxide emissions: improving power plant efficiency, increasing the use of existing natural gas plants, using more carbon-free energy and increasing customers’ energy efficiency. States are responsible for developing plans on how they will meet the goals. If they don’t, EPA may create a plan for them.

The agency is encouraging states to work together and will grant those that do more time to develop their multi-state plans.

All of this leaves legislators with crucial questions. What are the next steps? Should we comply or resist? How will this affect constituents’ electricity bills?

Lawmakers in Arkansas, Arizona, North Dakota and West Virginia have passed bills this year that require legislative approval of the state plan before it is submitted to EPA, establish a review committee or study on developing the plan or require reports on the possible impact of the regulations on the electric grid’s reliability and on consumer energy bills. Twenty-seven other legislatures are considering similar bills.

—Jocelyn Durkay
Poison Preventers

Carbon monoxide poisoning continues to kill. More than 10,000 people in the United States are poisoned and require medical treatment each year, 4,000 of them are hospitalized and 500 of them die, according to the Centers for Disease Control and Prevention. Most all of the poisonings are caused by breathing in high levels of the gas inside homes and buildings.

Carbon monoxide is odorless and invisible. It’s found in fumes produced by cars, stoves, grills, fireplaces, gas ranges or furnaces. Symptoms of poisoning are similar to those of the flu: headache, dizziness, weakness, upset stomach, vomiting, chest pain and confusion.

Twenty-nine state legislatures have adopted laws requiring the use of carbon monoxide detectors. The laws vary in details and requirements. Some require every enclosed room to have a detector, while others require them only in rooms with smoke alarms. Ten states require them in all new construction.

Florida requires detectors in every room with a boiler. Illinois requires them within 15 feet of every sleeping room, while Massachusetts and Minnesota require them within 10 feet. North Carolina and West Virginia require them in every dwelling with a fossil-fuel-burning heater or fireplace or with an attached garage.

Texas requires detectors in day care centers, while Maryland requires them in public school buildings. Wisconsin targets public buildings in which people sleep.

Montana requires them in rental units, and Delaware, Maryland and Virginia prohibit tampering with detectors installed by landlords. Tennessee requires detectors in recreational vehicles that are rented or leased.

And Alaska requires state fire marshal approval of detectors installed in buildings.

—Doug Farquhar

Cavities and Cholesterol

Don’t be surprised if the next time you go to your dentist for a routine cleaning you also are screened for high blood pressure or diabetes. Screening for common chronic diseases while visiting the dentist is a growing practice to improve care, reduce hospitalizations and save money. When the health care provider is paid by the state, this could mean significant savings. Medicaid enrollees with diabetes, for example, cost states more than double those without the disease.

Every year, nearly 20 million Americans visit a dentist but not their doctor, according to a 2014 study in the American Journal of Public Health. Considering that about half of all adults have one or more chronic health condition, the study estimated that “medical screenings for diabetes, hypertension and [high cholesterol] in dental offices could save the health care system between $42.4 million and $102.6 million a year.”

Dental schools at universities in Iowa, Maryland and New York are training students to screen for high blood pressure, tobacco use and diabetes. The University of Iowa also added blood pressure and tobacco screening to the electronic health record system that dentists fill out during patients’ visits. Students and faculty at the University of Maryland School of Dentistry now offer certain patients diabetes screenings and referrals to medical professionals.

Since 2013, lawmakers in Colorado, Missouri, North Dakota and Washington have passed legislation to include or enhance Medicaid coverage of adult dental care. Sixteen states provide extensive dental benefits for Medicaid beneficiaries and another 16 provide limited benefits. Several states also reimburse dentists for counseling Medicaid patients to quit smoking.

Treating gum disease may also lower annual medical costs and reduce hospital admissions for people with type 2 diabetes, people at risk of stroke or heart disease and pregnant women.

On the flip side, at least 34 state Medicaid programs reimburse primary care doctors and nurses for performing oral exams and screenings, and providing preventive oral health services, such as fluoride treatments and parent education.

—Tahra Johnson
STATELINE

1 FORFEITURE FORTUNE
Iowa civil forfeiture laws are under scrutiny after the Des Moines Register reported law enforcement agencies collected nearly $43 million from forfeitures since 2009. The laws allow police to take property if they believe it’s being used in drug smuggling or other crimes. Officials argue they are powerful tools against drug and human-trafficking enterprises that move millions of dollars across interstate highways. The Register ran the story of a 20-year-old Chicago man stopped in Pottawattamie County for traveling 5 miles per hour over the limit. A deputy seized more than $15,000 from the car, the man’s life savings. The man, who had no criminal record or illegal drugs, is suing. Representative Jake Highfill (R) believes the laws violate civil and property rights and wants them abolished.

2 SPECIAL NEEDS PRISON PROPOSED
A bipartisan group of Washington lawmakers wants to build a 700-bed prison for inmates with mental illnesses. The proposed $189 million facility, which would open in 2020, would help ease overcrowding and be staffed to deal with the state’s 3,500 offenders diagnosed with a mental illness. Representatives Hans Dunsmee (D) and Richard DeBolt (R) are co-sponsors of the bill. Dunsmee told the Olympian that if overcrowding forces lawmakers to build a new prison, he wants one that can turn lives around, not “just another box to throw people away in.”

3 BREW-HAHA
Beer drinkers, be forewarned. When you order a pint in Maine, you may not get a full 16 ounces. Some establishments that advertise beer in pints actually use 14-ounce glasses. The shorting has not gone unnoticed. Senator John Patrick (D) introduced a bill to require bars and restaurants that advertise pint beer to serve it in 16-ounce glasses. The bill, however, was vetoed by Governor Paul LePage (R), who said businesses are already overregulated. Patrick was disappointed, but not frosted.

4 SUN SPOTS
The Solar Energy Industries Association has named the states with the most solar industry jobs. The winners are:
1. California
2. Massachusetts
3. Arizona
4. New York
5. New Jersey
6. Texas
7. Nevada
8. North Carolina
9. Florida
10. Ohio

And the states with the most solar capacity installed are:
1. California
2. Arizona
3. New Jersey
4. North Carolina
5. Nevada
6. Massachusetts
7. Hawaii
8. Colorado
9. New York
10. Texas

5 EAGER BEAVERS
The Beaver State lives up to its nickname at the ballot box. Oregonians eagerly turn out to vote, routinely boasting some of the highest voter-turnout rates in the nation. In 1998, Oregon was the first state to switch to all-mail voting, leading to voter participation higher than 70 percent. This year, legislators passed a law to automatically register eligible residents to vote if they have a driver’s license or state identification card. The measure is expected to add between 300,000 and 400,000 voters to the polls.
NO TANF FOR THEME PARKS
Kansas lawmakers passed some of the strictest new spending restrictions on families receiving government assistance. Starting in July, Kansans receiving Temporary Assistance for Needy Families (TANF) will be unable to spend the money at swimming pools, movie theaters, concert halls, casinos, spas, nail salons, liquor and tobacco stores, lingerie shops, cruise ships, theme parks, sporting events, fortune tellers, tattoo and body-piercing parlors, or sexually oriented businesses. The new law also limits ATM withdrawals to $25 a day, and sets a 36-month lifetime limit for receiving the benefits. Supporters argue the restrictions will reduce fraud and help families become more responsible. Opponents describe the limits as mean-spirited.

COLD CASE CARDS
Colorado jails and corrections facilities are dealing out cards to inmates, but they are a far cry from the Hoyle variety. Each card includes information on an unsolved homicide, including a photo of the victim and a police contact number. The Colorado Bureau of Investigation, which runs the program, hopes they will spark inmates’ memories and help crack some of the state’s 1,330 unsolved homicide cases. Colorado’s Summit Daily News reports that, in 17 states with similar programs, 40 cases have been solved and hundreds of phone tips have been received.

HARVEST GOLD, ANYONE?
A visit to the North Dakota governor’s residence may spark memories for many of the Ford and Carter eras when “Mediterranean” was a type of decor and avocado green a color of choice. The 55-year-old blond-brick home, featuring shag carpeting and vinyl flooring, has appliances so old they qualify for AARP cards. Unfortunately, the Bismarck home reflects its age, isn’t wheelchair friendly and may contain lead paint, asbestos and mold. Although Governor Jack Dalrymple (R) opposes replacing the gem, many lawmakers disagree, and a bill to appropriate $5 million would have accomplished that. But, as the price of gas has tanked, so have the state’s oil revenues, and the bill went down as well. After touring the house, however, Representative Jim Kasper (R) revived a version of the bill, but its fate is uncertain, unlike that of striped polyester pants and eight-track tapes.

TOPS IN TRANSPARENCY
Ohio’s online database of state expenditures, named the best in the country in 2014, is expanding to include local governments. Ohiocheckbook.com, launched by Ohio Treasurer Josh Mandel, has been lauded by the U.S. Public Interest Research Group for transparency and user-friendliness. The home page, for example, lists the biggest state expenditures and companies that have received the most money. Mandel recently sent letters to 18,000 townships, school boards and other entities, inviting them to add their data. The rest of states in the Top 10 were Indiana, Wisconsin, Oregon, Louisiana, Connecticut, Massachusetts, Florida, Iowa and Illinois.

SWATTING BACK
After New Jersey Assemblyman Paul Moriarty (D) introduced a bill to stiffen the penalties against pranksters who make fake 911 calls to get police and SWAT teams rushing off to phony emergencies, he became a victim of one of those hoaxes. Same thing happened in California to then-Senator Ted Lieu (now a U.S. representative) after his bill passed in 2013. “This incident brings up emotions you never want to experience,” his local paper reported him saying at the time. Expensive, dangerous and potentially deadly, so-called “swatting” is on the rise, with several false reports of hostage situations and armed intruders occurring this spring. Under Moriarty’s bill, hoax callers would be liable for the costs incurred by police and could be fined up to $150,000 and sent to jail for up to 10 years. “If you are calling out the SWAT team and they show up, guns blazing ... you’re putting lots of people in danger,” Moriarty told NJ.com.
One of the most notable demographic developments today is the growth of the Latino population in America—a development that’s having a big impact on politics and policy.

Since 1970, the number of Hispanics has increased 592 percent; that’s more than 10 times the overall U.S. growth rate. By 2050, the Census Bureau estimates the number of people of Latin-American or Spanish-speaking descent will reach 106 million, representing the largest segment of a new “majority minority.” Whites by then are expected to make up slightly less than 50 percent of the U.S. population.

What does this mean for the nation generally, and state politics and policy specifically?

**Similar yet Diverse**

Although the terms Hispanic and Latino are used interchangeably to identify the Hispanic population as a whole, the group is far from monolithic. Individuals differ in several important ways.

One is national origin. Hispanics of Mexican descent are the nation’s largest subgroup by far, accounting for 64 percent of all Hispanics in 2012. But they are hardly the only subgroup. Next in size are Puerto Ricans, Salvadorans and Cubans. And Hondurans, Panamanians and Venezuelans have increased most recently. In fact, people with roots in 11 Latin American countries have populations greater than 1 million in the U.S.

National origin often correlates with educational level, English skills, homeownership rates, poverty rates, income levels and average age.

Cuban-Americans are a good example of how national origin can affect other demographic factors. “There are well-known differences between Cubans, especially older Cubans, and other Hispanics,” says Melissa R. Michelson, a Menlo College political scientist. “Cubans tend to be wealthier, better educated and older” than Hispanics generally.

Because Latinos have arrived in the United States in waves,
generational affiliations often shape individual outlooks.

Currently, the Hispanic population skews young: Each month, about 67,000 Latinos turn 18—about 800,000 per year, says Arturo Vargas, executive director of the National Association of Latino Elected and Appointed Officials (NALEO). All told, nearly one in four Americans under 18 is Latino.

The new “U.S.-born, young Latinos are not as religiously affiliated as other Latinos, they get their news from the Internet more than other Latinos and they use technology just as much as other young Americans,” says Mark Hugo Lopez, director of Hispanic research at the Pew Research Center. “This group will shape the views and characteristics of adult Latinos moving forward.”

“Growth Is Widespread

“The Latinization of the U.S. population and its spread to states throughout the nation” was inevitable, says Douglas Massey, a Princeton University sociologist.

As California stepped up security at its border in the 1990s, unauthorized border crossings shifted to Arizona, pushing Mexican and Central American immigrants toward new destinations across the United States—from the East Coast to suburban communities.
just about everywhere, says James Aldrete, a political consultant based in Austin, Texas.

The 10 states with the fastest growing Hispanic populations between 2000 and 2011 ranged from South Dakota to Georgia, but were mostly concentrated in the Southeast. In each, the Hispanic population more than doubled during that period, sometimes from a relatively small base.

But it is not immigration that’s driving most of the growth currently. It’s birth rates. At the moment, the growth is not coming from unauthorized immigration, says Jeffrey Passel, a senior demographer at the Pew Research Center. “In fact, more unauthorized immigrant Latinos are leaving the country than are arriving. The legal immigrant Latino population is increasing steadily, but a large majority of the growth is coming from fertility,” he says.

Massey says that Hispanics constitute 17 percent of the U.S. population and around 25 percent of new births, “and both percentages will continue to rise for the indefinite future.”

In 2013, the fertility rate for Hispanic women was 2.15 children, while the rate for non-Hispanic whites was 1.78, according to the National Vital Statistics System.

Stricter border patrols may have lowered the large numbers of undocumented immigrants crossing the border back and forth, but they also encouraged many to settle down and have families. So, even though the number of undocumented immigrants coming into the country has leveled off or even decreased since 2008, Massey says, the high birth rate guarantees long-term growth will be substantial, regardless of what happens to the immigration rate.

“Even if another immigrant never crosses the border,” says Sylvia Manzano, a principal at the polling firm Latino Decisions, “the demographic changes under way mean the train has left the station.”

A Growing Political Influence

As the population increases, so do voters. The number of Latinos who voted in the 2012 presidential election was 47 percent higher than the number from 2004, says Vargas of NALEO.

Even though older Latinos are likelier to vote, the sheer number of young Latinos turning 18 makes them “a force,” says Louis DeSipio, a political scientist at the University of California-Irvine, since they will mature into the years when voting is more common among all demographic groups.

Aldrete adds that the Latino vote already has flexed its muscle. In 2012, Latino voters in the swing states of Colorado, Florida, Nevada, North Carolina and Virginia helped...

Landmark Election for Latinos

The 2014 election was a landmark for Latinos in state politics. In addition to hitting new highs in state legislatures, Latinos gained 8 percent of the seats in Congress, the highest portion ever, with 29 members in the House and three in the Senate.

Other notable state-level achievements last November, according to the National Association of Latino Elected and Appointed Officials (NALEO) Educational Fund, include the following.

- In Michigan, the number of Latino state representatives doubled from three to six.
- Kentucky voters elected their first Latino state legislator, Ralph Alvarado, a Republican.
- Voters in Alaska and Nevada elected their first Latina state legislators, Liz Vazquez and Victoria de la Guerra Seaman, respectively, both Republicans.
- California elected its first Latino secretary of state, former state Senator Alex Padilla, a Democrat.

The Hispanic Share

Percentage of total population as of July 1, 2013

shape the dynamics in the presidential election; 71 percent of Hispanics voted for Barack Obama and 27 percent for Mitt Romney, according to the Pew Research Center on Hispanic Trends.

Latinos voters “will be able to make a difference if they cohere,” says Rodolfo de la Garza, a professor at Columbia University.

But don’t think of Latino voters as a “sleeping giant,” says DeSipio, since the electoral influence of Latinos can run high or low, depending on where the election is and what the issues are. Their influence is growing incrementally, not exponentially, he says. 

Hispanics are less likely to register and vote than other groups due to factors that include low incomes, less education, younger median age and traditionally weaker partisan ties—factors that contribute to lower turnout rates in any ethnic group, says Michelson of Menlo College.

Issues of Common Concern

In most places, Latino voters want the same things all voters want—“safe neighborhoods, clean air and water, good schools, equal opportunity and sufficient income to raise a family,” says Alex Padilla, a former state senator who in 2014 was elected the first Latino secretary of state in California. “These have been, and will continue to be, the priorities for most Californians.”

Similarly, in Florida, the economy “continues to be the No. 1 issue for Hispanics and non-Hispanics alike—keeping taxes low, helping businesses succeed, reviving the housing market, spurring the economy to increase hiring,” says Aubrey Jewett, a University of Central Florida political scientist.

One portion of education policy that’s especially important for Latinos is instruction in English. “We have a significant number of Latino students that come from homes that do not speak English as their first language,” says Maryland Representative Joseline A. Peña-Melnyk (D), who was born in the Dominican Republic. “This is an additional service that school systems need to provide to ensure these students can have the same quality education as their peers and graduate.” In addition, she says, social service agencies must actively recruit providers who can speak Spanish to more effectively serve the community.

Latinos’ views on four important state issues suggest a bit of partisan heterodoxy. While Latinos are more likely than the rest of the country to support gun control and increasing the minimum wage, they are less likely to want marijuana legalized and abortion rights expanded, the Pew Research Center found.

But the two issues Hispanics were the most likely to care about, according to a 2014 national poll, were immigration and govern-

Asian Americans Increasing, Too

The U.S. Hispanic population is not the only population group growing at a faster rate than whites. Between 2012 and 2013, the Asian population grew to 19.4 million, with a growth rate of 2.9 percent. The difference is the Asian growth rate is mainly fueled by immigration, while Hispanics are increasing due to a high birth rate. According to the Pew Research Center analysis of Census data, 74 percent of Asian adults in 2012 were foreign born, and immigration accounted for 61 percent of the total change in the Asian American population from 2012 to 2013.

“Education is also a big issue, as Hispanic families … want quality schools so that their kids can improve their prospects.”

Indeed, the same basic priorities recur almost everywhere. “Hispanics are an important constituency for K-12 education at the state and local levels and an important voting bloc for cities and school districts,” says Floyd Ciruli, a Denver-based independent pollster.

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ment services—the safety net for those in need. This includes health care: In states such as Florida and Texas, a significant share of the uninsured population is Latino, so the decisions made by these states regarding the expansion of Medicaid under the Affordable Care Act are of great importance to the Latino community.

Meanwhile, immigration reform was either the most important or one of the most important issues in shaping how Latinos voted, says Vargas, of NALEO. And the issue remains deeply personal: The poll found that 58 percent knew a family member, friend, co-worker or someone else who was undocumented.

These attitudes are shared by Latinos rich and poor, notes Amy Walter of The Cook Political Report. “Even individuals who are personally far removed from the immigration process and have historical roots in the United States likely have relatives or close friends who are personally affected,” Michelson adds.

Frustrated at what they describe as Congress’ unwillingness to act on the issue, California legislators last month proposed a package of bills to aid those in the country illegally. “We respect immigrants and recognize the contribution they have made to this state from the very beginning,” said Senate President Pro Tem Kevin de León (D) at a news conference announcing the proposals. “This is who we are and who we always have been—a nation of immigrants. By forcing undocumented immigrants to live and work in the shadows, we all lose.”

The safety net is the other distinctive issue shared by most Latinos. “They want government involved in social-service policy at a rate much higher than whites do,” says de la Garza, of Columbia University. “It’s not about freebies—they believe that if you try to work hard and can’t make it, the state can help. They just want access to opportunity.”

Gains, and Prospects for Growth

In the 2014 elections, Latinos made gains in the nation’s state legislatures. Nationally, they reached a new high, with 73 serving in state senates and 229 in lower chambers. Latinos now serve in 38 state legislatures, one more than before the 2014 elections. Still, that’s only 4 percent of all legislative seats—so in the coming years, there’s still a lot of room to grow.

“Years ago, I heard a Latino elected official say, ‘We’ve come a long way, but we have a long way to go,’” says Padilla, the California secretary of state. “That was two decades ago. Since then, Latinos have gained significant influence in government, industry and our economy. The influence of the Latino community will continue to rise.”
The federal government has approved powdered alcohol, but state lawmakers continue to question whether it’s safe and too easily misused.

BY HEATHER MORTON

Lawmakers are not exactly bellying up to the bar to get the first taste of powdered rum or freeze-dried vodka. Instead, in Alaska, Indiana, Louisiana, North Dakota, South Carolina, Tennessee, Utah, Vermont and Virginia, they have passed laws prohibiting the sale of powdered alcohol. And in Colorado, Delaware, Michigan and New Mexico, legislators have added powdered alcohol to their statutory definitions of alcohol so that the product can be regulated under existing law. Minnesota has a temporary statutory ban until June 2016, and a proposed ban in Arizona was vetoed by the governor in April.

The U.S. Alcohol and Tobacco Tax and Trade Bureau just this March (after retracting an initial approval in 2014) OK’d Palcohol for sale in the United States, unless otherwise prohibited. When added to 6 ounces of water, one pouch of Palcohol turns into the same amount of alcohol as one shot. Initially, it will come in vodka and rum versions, as well as three cocktail varieties—Cosmopolitan, “Powderita” (think margarita) and Lemon Drop. The makers hope to appeal mostly to backpackers and hikers who want a lightweight, easily portable form of liquor.

State policymakers have raised concerns about the potential misuse of the product, by snorting, inhaling or combining it with other alcoholic beverages. Debate has also centered on how to keep minors from consuming it.

Lipsmark, the Arizona company developing Palcohol, refutes the idea that people will inhale or snort the product because it’s painful and time-consuming to do so. “It takes approximately 60 minutes to snort the equivalent of one shot of vodka,” according to the company website. “Why would anyone do that when they can do a shot of liquid vodka in two seconds?”

Two states were ahead of the pack on addressing concerns about this new product. During the 1985-86 session, Delaware lawmakers added “powders” to the definition of a concentrated alcoholic beverage, so that powders and crystals could be regulated under the existing alcohol statutes. Ten years later, the Alaska Legislature added restrictions on the kinds of alcoholic beverages a person may not sell, including one that “is intended for human consumption and is in powdered form.”

Action revved up in the states in 2014, after Lipsmark first sought its approval. Lawmakers in Louisiana, South Carolina and Vermont passed legislation prohibiting the sale of powdered alcohol, while Michigan legislators added powder containing 0.5 percent or more of alcohol by volume to the definition of “alcoholic liquor.”

More than 70 bills in 37 states, the District of Columbia and Puerto Rico have been introduced so far this year. Three bills have been approved and one has been vetoed as of May 1. The Colorado General Assembly defined powdered alcohol; Utah lawmakers made it illegal for anyone, including retailers, to use, buy, sell or possess powdered alcohol (or offer to do any of those for others); and Virginia legislators created a Class 1 misdemeanor for anyone who offers to or does buy, sell, possess or use a powdered or crystalline alcohol product and prohibited containers sold in or shipped into the state from including it.

Lipsmark argues that powdered alcohol should be regulated, not banned, to prevent the creation of a black market, and the company supports requirements that it be sold in licensed liquor stores to keep it away from kids. It hopes to have Palcohol available on shelves, in states that allow it, by the summer.

Heather Morton is a principal in Fiscal Affairs at NCSL.
Last year was a busy one for U.S. alcohol makers. Wineries bottled 719 million gallons. Breweries produced 192 million barrels of beer. And distilleries bottled 405 million gallons of whisky, vodka, rum and other alcohol, according to the U.S. Treasury’s Alcohol and Tobacco Tax and Trade Bureau.

And as the alcohol production business expands, so does the related tourism industry. At breweries, wineries and distilleries across the country, millions of visitors are comparing flowery bouquets, discovering hints of smoky aromas and spending money on locally produced spirits like never before.

As a result of all that brewing, aging, distilling and selling, the federal government collected $10.4 billion in alcohol excise taxes in 2014, while states collected $6.2 billion.

More and more small or craft producers open shop every year, while consumers’ purchasing expectations continue to change. Now, 82 years after the end of Prohibition, state regulation of alcohol is evolving with these market changes.

States have largely maintained a three-tier system in which producers, distributors and retailers are regulated separately, although the lines differentiating the groups have blurred a bit, raising concerns that the familiar system may disappear.

States have updated the three-tier system in two important ways: by allowing smaller producers to sell directly to consumers and by strengthening laws that keep distributors independent from producers.

Consumers Direct

All 50 states, the District of Columbia and Guam now have statutes that authorize tasting samples, either for a fee or for free, through manufacturers, retail package stores or at festivals and farmers markets. Allowing adults to taste and sample alcoholic beverages enhances the tour experience and is an effective way for producers to share with and teach consumers about their products.

More than 35 states, the District of Columbia and Guam also allow breweries, small brewers or brewpubs to sell directly to consumers who take the products elsewhere for consumption. At least 40 states and the District of Columbia allow wineries to sell on-site to consumers, and at least 25 states and the District of Columbia allow distilleries of various sizes to do so as well. Proponents argue that the sales increase the manufacturers’ visibility and in the long run can help all three tiers of the regulatory system.

For example, Alaska lawmakers enacted legislation last year allowing small distillers to sell up to 1 gallon a day to a person for consumption off the premises. The legislation puts small distilleries on par
with microbreweries in the state. “Outdated, Prohibition-era rules prevented similar treatment of reasonably priced, hand-crafted Alaska spirits, and the market continued to be dominated by large-scale, out-of-state manufacturers,” House Minority Leader Chris Tuck (D) says. “I’m pleased to remove a competitive disadvantage from our local Alaska businesses so they may cater to visitors and better promote Alaska-made products.”

In November 2014, New York lawmakers enacted the Craft New York Act that reduced costs and increased the annual production cap for farm breweries, farm distilleries and wineries, while the governor launched several craft beverage grant programs to raise the profile of New York producers.

Supporters of the changes felt that cutting some regulations would give craft beverage producers more opportunities to succeed and grow. They argued that the industry plays such a vital role in many communities—by boosting tourism, generating economic activity and creating new jobs—that it is well worth any support the state can give. “This legislation relieves burdensome obstacles that prevent manufacturers from getting their products to consumers and will help continue growth in the marketplace for our state’s beverage manufacturers,” says New York Senator Carl L. Marcellino (R).

In a recent report on the economic impact of craft beer on New York’s economy, Stonebridge Research found that the number of craft brewers has more than doubled from 95 in 2012 to 207 in January 2015.

California allows direct-to-consumer sales of beer, wine and brandy, but not of other distilled spirits. California Assemblyman Marc Levine (D) wants to change that. He is sponsoring legislation to allow up to three bottles of distilled spirits per person per day to be sold at distilleries. “States that have overturned Prohibition-era laws have seen a booming craft distilling industry. Direct-to-consumer sales have been particularly beneficial for small distilleries,” he says. “California distillers are currently unable to truly market themselves, build brand recognition and remain competitive due to the regulatory hurdles dating back to Prohibition.”

Caution When Mixing

Others involved in the three-tier system urge caution in changing state alcohol laws, fearing that too many changes could weaken the American regulatory system and alcohol marketplace.

“Each state needs to proceed carefully when considering laws that would allow brewers, distributors or retailers privileges outside of their tier,” says Craig Purser, president and CEO of the National Beer Wholesalers Association. “What may appear to be a small exemption or carve-out aimed at economic growth for one segment of the industry can often negatively impact other industry participants, the public and the system as a whole.”

The states created the three-tier system to prevent the excesses—manufacturers not only making the alcohol but also owning the bottling companies and many of the saloons where the alcohol was sold—that led to Prohibition.

But over the years, approximately 11 states have allowed breweries to own and operate distributorships, either through the lack of language in existing state laws or through legislative changes.

Since 2010, however, nine states have repealed their exemptions and closed some loopholes—preventing large brewers from owning distributorships—to protect the three-tier system. Kentucky is a case in point.

Until this year, Kentucky statutes and case law allowed out-of-state brewers to own distributorships. But recent events raised concern that big breweries like Anheuser-Busch were taking over too many distributorships, weakening the state’s three-tier system. In 2014, Anheuser-Busch sought to purchase its second distributorship in Kentucky.

Kentucky House Speaker Greg Stumbo (D) introduced legislation to prevent this vertical integration into the state’s alcohol indus-

**Alcohol Sales By the Numbers**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in spirits sales by volume</td>
<td>2.2%</td>
</tr>
<tr>
<td>Growth in beer and cider sales</td>
<td>0.9%</td>
</tr>
<tr>
<td>Craft brewers share of U.S. beer sales</td>
<td>11%</td>
</tr>
<tr>
<td>Increase in the number of operating breweries</td>
<td>19%</td>
</tr>
<tr>
<td>Number of total breweries operating in the U.S.</td>
<td>3,464</td>
</tr>
<tr>
<td>Number of craft breweries operating in the U.S.</td>
<td>3,418</td>
</tr>
<tr>
<td>Production by small distillers</td>
<td>3.5 million cases</td>
</tr>
</tbody>
</table>

**Note:** All statistics reflect data from 2014 or the one-year change from 2013 to 2014.

*Sources: The Distilled Spirits Council, the National Beer Wholesalers Association, the Brewers Association, 2014*

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—California Assemblyman Marc Levine
America’s Beer Distributors

Fueling 130,000 Jobs
Supporting an Open and Competitive Marketplace
Helping America’s 3,000 Brewers Grow
Delivering Choice and Value to Consumers

National Beer Wholesalers Association • www.nbwa.org  @NBWABeer
try. “All this bill does, when boiled down to its simplest terms,” he says, “is bring the distribution of beer into compliance with current law that exists for wine and distilled spirits.”

But he and the bill’s supporters also argued that allowing brewers to act as distributors put independent distributors—and their employees—at risk. Big brewers, they argued, would naturally attempt to reduce competition by distributing only their own products, making it more difficult for new brands to enter the market.

Opponents countered that jobs at the brewer-owned distributors were safe, evidenced by the number of new brands breaking into the thriving craft beer market.

“Given the significant investment Anheuser-Busch has made in our brands, we should have a say in how our products are delivered to customers. In that regard, we share the same commitment to ensuring brand quality throughout the distribution chain as any other manufacturer or distributor would. Our experience in Louisville bears that out,” says Bob Kelley, Anheuser-Busch region vice president for sales.

Stumbo’s legislation, passed in March, however, and Anheuser-Busch will have to sell its two distributorships in the state. “This bill is the ultimate assault on private property rights,” argued Representative Julie Raque Adams (R). “It retroactively takes from Anheuser-Busch what they lawfully obtained. It will require divestiture of its assets.”

In April, Tennessee enacted similar legislation prohibiting beer manufacturers from owning or having financial interests in businesses with a wholesale or retail beer license.

The beer distribution industry employs more than 130,000 people in the U.S. and contributes nearly $10.3 billion in federal, state and local taxes in addition to nearly $11 billion in excise and consumption taxes. Wine and spirits wholesalers account for more than 63,000 jobs and contribute about $34 billion in taxes to state and local governments.

The way states regulate alcohol puts them into one of two categories. They are either control states or license states. Seventeen states—Alabama, Idaho, Iowa, Maine, Michigan, Mississippi, Montana, New Hampshire, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, West Virginia and Wyoming—along with Montgomery County, Md., are classified as control states because they operate the distribution tier and also may participate in the retail tier through state-run liquor stores.

The other 33 states do not participate in the distribution or sales of alcohol, including Washington, the most recent state to switch from the control state group. It privatized all liquor sales in 2012, as a result of a 2011 voter-approved initiative.

Legislators in Alabama and Pennsylvania have recently introduced legislation to remove their states from the retail liquor business as well. Speaker of the House Mike Turzai (R), sponsor of the legislation in Pennsylvania, believes the state’s current system is antiquated, unnecessary and burdensome. “Only a business can act like a business and be successful,” he says.

“Government has many responsibilities, such as providing an education, safe communities and clean air and water, but selling wine and liquor is not one of them. We need to get the state out of the business of buying and selling alcohol.”

Looking for ways to save the state money, Alabama Senator Arthur Orr (R) proposed legislation to require the Alabama Alcoholic Beverage Control Board to phase out retail sales operations before Oct. 1, 2016.

Both bills are pending in this year’s legislative sessions.

**Two Types of Regulators**

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**Bills Brewing in Congress**

State legislatures aren’t alone in tackling alcohol issues. Congress has a few bills to consider involving excise taxes. Currently, the federal excise tax rate on beer is $18 a barrel (or 31 gallons) with a reduced rate—established in 1976—of $7 on the first 60,000 barrels for breweries that annually produce less than 2 million barrels.

The Small Brewer Reinvestment and Expanding Workforce Act (aka, the Small Brew Act) is supported by The Brewers Association, which represents craft brewers. It would cut the excise tax rate in half on the first 60,000 barrels for brewers that annually produce less than 2 million barrels.

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The Fair Brewers Excise and Economic Relief Act of 2015 (aka, the Fair Beer Act) is supported by the Beer Institute. It would create a more tiered tax structure. The per barrel excise tax would be eliminated on the first 7,143 barrels, $3.50 would apply on barrels 7,144 to 60,000, $16 on barrels 60,001 to 2 million and $18 on barrels over 2 million.

For small producers of distilled spirits, there currently is not a similarly reduced excise tax rate, but the Distillery Excise Tax Reform Act of 2015 seeks to change that. It would establish a $2.70 per proof tax on the first 100,000 gallons with a top rate of $9 on all spirits above the 100,000 gallon limit. Currently, the federal excise tax rate is $13.50 per proof gallon. The Distilled Spirits Council and the American Craft Spirits Association support this legislation.

**What’s Ahead?**

Times are good for alcohol producers of all varieties—from wine to beer to distilled spirits, from microbrewers to giant companies.

“The legacy of the 21st Amendment,” says Craig Wolf, president and CEO of Wine & Spirits Wholesalers of America, “is an eight-decade record of constantly evolving and expanding a variety of products from suppliers across the country and around the world delivered to neighborhood markets, bars and restaurants in every corner of the nation. Nowhere else in the world is so much diversity of product distributed to so many locations offering consumers such an array of choices with guaranteed product integrity.”

For many, that calls for a toast.
Russell Gold is an award-winning investigative journalist who has reported from five continents and the Arctic Circle. He is currently the senior energy reporter for the Wall Street Journal and author of “The Boom: How Fracking Ignited the American Energy Revolution and Changed the World.” The book chronicles the rise of hydraulic fracturing and attempts to answer the critical questions of our time: Where will the energy come from to power the world—and what price will we have to pay for it?

STATE LEGISLATURES: You’ve covered hydraulic fracturing and oil and gas topics for many years. Were there any surprises as you researched material for your book?

GOLD: I didn’t realize just how far back the petroleum industry has been trying to crack open rocks and the different ways they’ve been going about it. Modern hydraulic fracturing pumps in water, but in the 1860s the industry was using dynamite sticks to create new fractures, and in the 1960s and ’70s, nuclear bombs. It wasn’t fracking as we know it today, but this whole idea that we need to get down there and crack open the rocks is really as old as the industry itself.

What are your views on state regulations created in response to this fast-growing industry?

Without a doubt, the states have been playing catch-up. When modern hydraulic fracturing started in and around Fort Worth, in 2002, 2003, the states hadn’t really seen this type of intensive energy extraction going on right around communities and in cities. A number of states—Texas, obviously, and Oklahoma—have very strong oil and gas regulations on the books, but this was really different. It was a new type of extraction.

Kristy Hartman, an NCSL senior policy specialist, conducted this interview for State Legislatures magazine.

The wells were covering entire counties and having a lot more community impact. And there were places like Pennsylvania, which really hadn’t seen much oil and gas activity for a long time, all of a sudden becoming one of the largest gas-producing places in the world. States had to step back and ask: Do we have the right regulatory framework? We’re still not fully there. The states are still figuring out how we regulate air emissions, how to regulate these earthquakes resulting from waste-water injection. There’s still a lot of work being done.
Is there a role for the federal government in regulating fracking?

There’s been a lot of talk about the federal government setting minimal standards, but much like the rocks, every state is different. We talk about shale and this is what people are fracking, but in every place the geology is really different. So there are a lot of good reasons for the states to individually create their own set of rules as long as they meet minimum requirements that really are necessary to have a safe operating environment.

Traveling the world as a reporter, do you see other countries being able to replicate the oil and gas boom we’ve seen in the U.S.?

The United States has drilled more wells than anywhere else in the world. It has a much bigger oil field service community, which made it much better prepared for a big technological jump like this. But the other big difference in the United States is that mineral rights, generally, are owned by the people who own the real estate. They have an economic incentive to put up with the trucks, the compressor stations, the noise, because of the deals, the money, they receive from it. If you go to other places in the world, governments tend to own those mineral rights, and local people don’t have the same economic incentive to put up with the inconveniences. No other place in the world has really figured that out. There are enormous oil and gas deposits still out there, in Russia, Argentina and China, that I suspect eventually, maybe after 2020, we’ll see developed as well.

For those who haven’t read your book, tell how the natural gas boom affected you personally.

My parents bought 100 acres in north-central Pennsylvania in the 1970s, land no one else wanted. It was rocky and hilly, and the local dairy farmers wanted nothing to do with it. It was a cheap place to go to on vacation. Then in 2008 my mother got a call from a land man saying they wanted to drill for natural gas on it. It turns out this spot in north-central Pennsylvania is one of the sweet spots in the Marcellus Shale formation, the largest natural gas field in the U.S.

That began very difficult discussions for my parents. Obviously, there was the money factor. But they also were curious whether this exploration might ruin the land. They were asking: Is developing more natural gas a good thing? Would it help create a better future? What is the best energy future for the country? What about greenhouse gas emissions? It made me realize there are no simple answers. There are trade-offs.

Natural gas is cheaper, it’s cleaner than most energy we have right now, it enables more renewables to come onto the grid—it offers all sorts of benefits. But at the same time, development brings a lot of activity, changes to rural areas. That’s really what the energy boom is all about—trade-offs. We get some good and we get some bad, and how do we balance that?

Editor’s note: This interview is part of a series of conversations with national leaders. It has been edited for length and clarity. The opinions are the interviewee’s and not necessarily NCSL’s.

 Millions of people face barriers to good oral health.

And while funding is always a problem, it’s far from the only problem. That is why the ADA and its member dentists developed Action for Dental Health, a nationwide, community-based movement to provide care now to those suffering from untreated dental disease, strengthen and expand the public and private safety net, and bring education and disease prevention into the nation’s most needy communities.

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North America’s energy outlook has significantly changed over the last decade. With the widespread use of hydraulic fracturing and horizontal drilling, oil and natural gas resources—previously locked within thick, dense shale and tight sandstone formations—are no longer as expensive to develop.

These new technologies have helped boost the domestic supply of crude oil and natural gas, and they continue to reshape the U.S. energy economy. In fact, the United States is the world’s largest natural gas producer and third largest oil producer—with oil production reaching a 30-year high.

The processes involved in hydraulic fracturing—injecting water, sand and chemical additives deep into the ground at high pressure to create and expand fissures in the rock, allowing oil and gas to flow to the surface—have led to a shale revolution.

But the rapid spread of fracturing, or “fracking,” has also generated concerns and drawn the attention of state legislators and their constituents. This year alone, lawmakers in 31 states have introduced more than 200 bills relating to hydraulic fracturing.

Barrels of Benefits

Oil and natural gas development can offer tremendous benefits to state and local economies, but the recent drop in global oil prices isn’t helping some states. After five years of stability, the price of a barrel of oil has fallen by almost 50 percent, dropping from a high of more than $100 in 2014 to a low of $48 in January this year.

Oil and gas revenues and their associated economic activity have taken huge hits in the oil-producing states of Alaska, Louisiana, North Dakota, Oklahoma and Texas. In North Dakota, to boost production, lawmakers recently passed a bill to lower the extraction tax on oil and to eliminate the current practice of tying the tax to the price of crude oil. Opponents of the bill argued that the new tax structure could prevent the state from receiving future revenue. But supporters “thought it would be beneficial to have a stable tax system,” says House Majority Leader Al Carlson (R), which, he argued, would ultimately boost production.

Targeting Severance Taxes

Many of the bills would change the severance taxes states place on oil and gas development. Thirty-four
states levy a fee or tax on the extraction (severance), production or sale of oil or natural gas, which in 2013 generated more than $16 billion nationwide. In Alaska, North Dakota and Wyoming, severance taxes generate more than 40 percent of total state tax revenue. Alaska tops the list with 78 percent of its total state tax revenue coming from severance taxes.

Only three natural gas-producing states have no severance tax, with Pennsylvania being the largest. The state hasn’t totally missed out on benefiting from the boom, however. Since 2012, it has imposed an impact fee on every oil- and natural gas-producing well in the state. Supporters, such as Pennsylvania’s Budget and Policy Center, estimate that a severance tax will bring in greater revenue than an impact fee, while severance tax opponents argue that the tax will deter natural gas production.

Pennsylvania’s tax structure could change now that Governor Tom Wolf proposed the Pennsylvania Education Reinvestment Act, which includes a 5 percent severance tax on natural gas and charges 4.7 cents per 1,000 feet on the volume of natural gas extracted. Its future is uncertain, however, as the General Assembly has several similar severance tax proposals to consider this session.

“Most Pennsylvanians agree that we should enact a drilling tax as a matter of sound public policy, but the discussion at this point is what that tax will look like and what priorities it would fund,” says Representative Gene DiGirolamo (R).

The use of revenue from oil and gas severance taxes varies among states, but includes conservation efforts, education and transportation projects. Colorado, Michigan and Oklahoma, for example, all use a portion of the funds for conservation or environmental remediation projects. In Arkansas, 95 percent of the state’s revenue from the natural gas severance tax is dispersed according to its Highway Distribution Law.

Revenue is also often redistributed to assist local governments or set aside in a trust fund to help alleviate budgetary shortfalls when needed. Kentucky deposits half of its severance tax revenue into a Local Government and Assistance Fund. Local governments close to extraction sites can apply for assistance from the fund. In Utah, revenue in excess of $77 million is deposited into the state’s Endowment Fund.

Playing It Safe

Vermont passed a ban on hydraulic fracturing in 2012, and New York followed with a similar announcement last year. But most state legislatures are considering a variety of measures to ensure that fracturing is well-regulated, transparent and protects public health and the environment. Recent concerns over earthquakes in states with oil and gas drilling have prompted studies examining whether there is a direct link between seismic activity and the wells used in hydraulic fracturing.

Oklahoma’s Geological Survey recently released a statement identifying such wells as the likely cause of the majority of the state’s earthquakes. In neighboring Texas, lawmakers are considering an almost $2.5 million plan to fund a seismic monitoring program, designed to detect and locate earthquakes precisely. The Texas House has formed a sub-committee on seismic activity, and the state’s Railroad Commission hired a seismologist and approved rules that require companies to submit more information before drilling disposal wells.

A few state legislatures have taken more dramatic action with efforts to delay hydraulic fracturing until more is known about its effects. Maryland is the latest. It may become the third state to prohibit fracking altogether, as lawmakers there sent a bill that would ban the method in the state for the next two years to the governor in April. But as of May 7, it was unclear whether the governor planned to sign the measure. And at least seven other state legislatures were still considering bills calling for additional studies or temporary moratoriums.
Another topic gaining the attention of state legislators is what level of authority should be granted to local governments to regulate hydraulic fracturing. Colorado, Oklahoma and Texas are considering legislation that would explicitly preempt local oil and gas regulation. At least eight bills in Oklahoma and 11 bills in Texas were filed this session to prevent cities and counties from banning drilling operations. Some of the proposed measures would allow for certain ordinances such as those related to road use, traffic, noise or odor, but would prevent outright bans.

While state legislators explore what other regulations are needed, the federal government continues to issue new rules. In March, the U.S. Bureau of Land Management published its final rules for hydraulic fracturing on federal and Indian lands. The rules set new standards for well construction and wastewater disposal and require the disclosure of chemicals used in the fracturing fluids.

Meanwhile, Colorado and North Dakota have joined Wyoming in a lawsuit questioning the Bureau of Land Management’s authority to impose a regulatory framework on what has traditionally been under the jurisdiction of state officials.

Additionally, in 2015:

• Lawmakers in at least seven states are considering bills requiring additional disclosure rules for the fluid chemicals and additives used in fracturing.
• Legislators in 10 states have proposed restrictions on where wells can be located, how close they can be to each other, how much water can be withdrawn from them and how they are constructed.
• In at least nine states, lawmakers are considering measures to regulate the transport, treatment or disposal of wastewater associated with hydraulic fracturing.

When it comes to oil and gas development, two things are fairly certain. Hydraulic fracturing will continue to extract enormous amounts of oil and gas from underground shale formations, providing tremendous economic benefits to state and local economies. At the same time, as advanced technologies, like hydraulic fracturing, allow access to more of these resources, policymakers will continue their efforts to ensure that these new practices are safe for the public and the environment.
OREGON LEGISLATIVE HUMAN RESOURCES DIRECTOR LORE CHRISTOPHER

Lore Christopher has been human resources director for the Oregon Legislative Administration for the last 17 years. For 14 of those years, she moonlighted as volunteer mayor of her hometown of Keizer, Ore. When she stepped down as mayor earlier this year, she took with her a “First Citizen” award from the Keizer Chamber of Commerce and loads of wisdom about what it takes to live a full—and human—life.

How did your experience as a mayor influence your view of the legislature?
I understand the role of excellent staff in providing policy alternatives and options for policymakers. A policy decision is only as good as the information it is based on.

Did you pick up any leadership skills in the legislature that you applied to your mayoral job?
As a human resource director, my business is human relations as it relates to an employment relationship. Working for the Oregon legislature has exposed me to a plethora of human relations experiences and numerous ways to work with a wide variety of individuals. Being a local mayor is also a human relations job as it relates to public policy. There is no substitute for experience, regardless of where you get it.

What was your biggest challenge as a mayor, and what has been your biggest challenge as HR director?
As a mayor, it was having confidence that I had enough information to make a solid policy decision for my hometown. I wanted all of the information available before committing resources. As an HR director, it is constant vigilance to seek positive solutions to complex human relations issues.

At one point while you were a legislative employee and mayor, you were working on a master’s degree. How did you manage that?
I pursued a master’s of public administration from Portland State University because of its evening and weekend classes. My work as a mayor was conducted mostly during the evenings and weekends. I could schedule meetings around my availability, so it worked. I also have a strong family and husband who supported my goals and commitment to my community. Often my hometown events and obligations became family events.

What challenges do legislatures face as they start replacing staff?
Technology has changed the world, and the priorities of younger workers have changed. We can work anywhere, and that ability allows for a better work-life balance. The challenge is for “traditional” managers to be open to changing their definitions of an “employee.” Today’s employees are seeking more independent responsibility sooner, flexibility in scheduling and work duties, and compensation options.

What should people think about when recruiting legislative staff?
One, know the job you are hiring for. Have a position description and minimum qualifications. Two, make sure your compensation package is competitive. Three, hiring an employee is a human action. Be flexible and human! A job represents about one-third of a person’s life—job satisfaction and employee loyalty come when you meet the needs of an employee on and off the job.

What leads to loyalty?
As long as you meet the “hygiene” needs—competitive salary, competitive time off, competitive insurance—then it turns to quality of life. People want to do interesting work, so if you are up front that there will be mundane tasks, but also interesting tasks that they will have autonomy over, that goes a long way. People just want to know they are making a fair wage and that they are respected as humans.

What book is on your nightstand?
Philippa Gregory’s “Cousins’ War” series (British historical fiction).
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