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Capitol Journal

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Noteworthy:

Although this year's regular legislative session officially came to an end on the evening of May 9, 2001, that didn't stop the Governor from calling a special session intended to confront the growth issues that the legislature failed to address during the regular session. After working an extended schedule from May 10 to May 21, the legislature decided to dismiss having yet to formally accept a public policy on growth. Will growth continue to remain in Colorado? Will Amendment 24 rise from the ashes like a great Phoenix to fight for us in the next election? I think you can count on it. Meanwhile, consider that it only cost the taxpayers of this state \$150,000 to debate that issue and not come up with any solution.

The Capitol Journal would like to extend our deepest appreciation to all those who have provided us with valuable feedback and continued support throughout the year!

ANTI-ASSOCIATION TAX LEFT OUT OF ADMINISTRATION'S 2002 BUDGET PROPOSAL

Information reprinted with permission from ASAE; leading the charge for associations today!

Holding true to a campaign pledge made last fall, the Bush Administration rolled-out its proposed budget for Fiscal Year 2002 without any provision to tax the investment income of trade and professional associations.

The "anti-association tax" had been introduced as a revenue-raiser in the previous two fiscal year budget proposals, but met with defeat on both occasions thanks to bipartisan opposition in Congress and a strong grassroots campaign mounted by ASAE and its members.

The plan would have jeopardized the financial futures of tens of thousands of associations by taxing their interest, dividend, royalty and rental income and by boosting their tax burden by an estimated \$1.5 billion dollars over five years.

While campaigning last fall, then Governor George W. Bush went on record saying he would not propose a tax on the investment income of association if elected. Bush had stated that "such a tax would reduce the resources available for vital (association) programs and services that help communities nationwide" and that he would "not discourage contributions made... for the public good."

ASAE expressed relief that the Administration's position on the "anti-association tax" has remained consistent, and extended thanks to the association community for its cohesive and clear stand against this plan over the past two years.

"Trade and professional associations rely on investment income to carry out the many important programs and services that benefit our nation's communities, as well as to guard against periods of economic downturn," commented ASAE President and CEO Michael S. Olson, CAE.

"This issue brought the association community together as few issues have, and we're thankful the current Administration appears to have heard our collective arguments against such a threatening proposal."

SENATOR HUTCHISON INTRODUCES SECTION 527 COMPROMISE

Senator Kay Bailey Hutchison (R-TX) has introduced compromise legislation that would do away with many of the new disclosure requirements placed on state political action committees as part of last year's disclosure law. The bill (S. 744) would eliminate the need for state PACs to file periodic reports under most circumstances. It is co-sponsored by Sen. Russ Feingold (D-WI) and Joe Lieberman (D-CT). While the proposal does not go as far as the ASAE-backed H.R. 527 or S. 527 bills, it would relieve many of the state PACs duplicative reporting burdens.

Sen. Hutchison has been very persistent in pushing for an end to this needless filing requirement. Previously, she introduced the compromise language as an amendment during the Senate debate over campaign finance. She ended up withdrawing the amendment when it became apparent that there were problems with initiating this legislation to the Senate. In a colloquy on the final day of the debate, Sen. Hutchison sought and obtained the support of Sen. John McCain (R-AZ) for the merits of the amendment that she had proposed and subsequently withdrawn.

On the House side, a similar bill introduced by Rep. David Vitter is rapidly gaining co-sponsors (52 at last count.)



ADMINISTRATION TO SUPPORT PATIENT CONFIDENTIALITY

Information reprinted courtesy of NAHU's Washington Update

HHS Secretary, Tommy Thompson, has announced that the Administration, at the direction of President Bush, will immediately implement patient privacy protections. The new comment period on the regulation that ended March 31 drew 24,000 comments. In his announcement, Thompson stated, "Today, I am pleased to announce that the President is taking a bold and definitive step to protect the rights of citizens to keep their medical records confidential. President Bush wants strong patient privacy protections put in place now. Therefore, we will immediately begin the process of implementing the patient privacy rule that will give patients greater access to their own medical records and more control over how their personal information is used." Secretary Thompson said that the rule would be modified in the following ways:

1. Doctors and hospitals will have access to necessary medical information about a patient they are treating and they will be able to consult with other physicians and specialists regarding a patient's care. This will allow health providers to make informed decisions about care and treatment.
2. Patient care will be delivered in a timely and efficient manner and not unduly hampered by the confusing requirements previously associated with consent forms. An example of this change would be pharmacists would be able to fill prescriptions over the phone.
3. Parents will have access to information about the health and well being of their children, including information about mental health, substance abuse, or abortion.

The effective date of the rule, as eventually modified, will be April 14, 2001. The implementation deadline is April 14, 2003. Although we are pleased that the Administration recognizes the need to fix major problems with the regulation, NAHU feels strongly that it would have been preferable to delay the effective date so that problems within the regulation would be taken care of before resources are spent on compliance. The organization is hopeful that the problems will be fixed expeditiously before entities have expended resources to comply with the original rule.

As of April, a small number of carriers were already putting the new rules into effect, which means that they may place compliance requirements on agents prior to the April 14, 2003 deadline. This is not illegal on their part, but it may be premature, as no one knows for sure what revisions will be made to the regulation. NAHU appreciates all of you who responded to our request for comments on the regulation and will work to keep you informed of developments as they occur. When the final changes are announced, NAHU will provide you with a summary of the regulation to assist you in compliance. For more information on the privacy issue, visit: www.nahu.org/government/issues/privacy_initiatives/index.htm

HEALTH INSURANCE TAX CREDITS

Congressman Arney introduced tax credit legislation which is similar to his Fair Care bill from the 106th Congress. The bill, number HR1331, provides a tax credit of \$1,000 for individuals and \$3,000 for families, which may only be used to buy coverage in the individual health insurance market. The bill also includes language requiring states to offer high-risk pools for uninsurable individuals, and a section that requires employers who offer coverage now to do so for five years after enactment of the legislation. We are working to improve the language currently in the legislation. Current co-sponsors are: Ballenger, Bonilla, Cantor, Tom Davis, Ford, Gillmor, Hostetler, Kolbe, McHugh, Pryce, Rogers, Sensenbrenner, Tancredo, Blagojevich, Bono, Cannon, Jo Ann Davis, De Mint, Fosella, Hart, Isakson, Lipinski, McKinney, Rehberg, Schaffer, and Chris Smith. The companion bill in the Senate is sponsored by Rick Santorum (R-PA). The bill number is S683. Current Senate co-sponsors are Zell Miller, Torricelli, and Bob Smith.

Additionally, Senator Jeffords has also introduced a tax credit bill. The tax credits would be available to individuals with gross income less than \$35,000 for individuals and \$55,000 for families in the following amounts: \$1,000 for individuals and \$2,500 for families who purchase coverage in the individual market and \$400 for individuals and \$1,000 for families for purchase in an employer-sponsored plan.



VERMONT SUPREME COURT

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was concerned about the implications the case held for associations in Vermont and nationally.

“This law presented a serious affront to free speech in that it singled out lobbyists based on the amount they spend to be heard,” commented ASAE President and CEO, Michael S. Olson. “ASAE will continue to aggressively oppose any attempt to obstruct the basic First Amendment right to petition one’s government.”

ASAE General Counsel, Jerald A. Jacobs, of the Washington D.C. based law firm Shaw Pittman, added: “the decision has ramifications far beyond Vermont. The court reviewed this tax on lobbying under a heightened scrutiny test and found that it violates the First Amendment of the U.S. Constitution. That should help deter other states or the federal government from enacting similar taxation.”

Kevin Dorn, a past president of the Vermont Society of Association Executives (VSAE) and

current CEO of the Home Builders and Remodelers Association of Northern Vermont, a plaintiff in the case, said all of the associations in Vermont that took a stand against the lobby tax are to be commended. “VSAE and the other plaintiff associations knew they were in for a tough battle with the state on this issue, and stuck it out through three years of legal proceedings,” Dorn said. “That took a lot of courage. We also could not have done this without ASAE and it’s intellectual, legal, and financial guidance.”

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FINAL THOUGHTS:

How to Kill Our Organization in 10 Easy Steps:

1. Don't attend meetings.
2. If you do attend, find fault.
3. Decline committee appointments, OR
4. Get sore if YOU are not appointed.
5. Do not work if you can help it.
6. Complain that social meetings are a waste of time.
7. Never accept a place at the head of the table.
8. If you are not asked to sit there, threaten to resign.
9. Oppose all banquets and parties as a waste of time and money.
10. Don't rush to pay your dues, after all, that's the bookkeepers problem.

