

Government Affairs

July 2011 / Kirk Lambright

Ads coming your way, Dodd Frank and budget still not balanced.

Federal Activity

The Federal budget is still an issue. Talks have not been going well and the Republican negotiators ended negotiations, which should resume again sometime soon. The main points are tax increases and the debt ceiling. Some are saying that if the debt ceiling is not fixed asap that people might not receive their social security checks and doctors might not receive Medicare payments.

The House Administration Committee approved the use of Skype and ooVoo for House Members to use to improve constituent communication.

Congress has introduced 18 pieces of legislation to try and cut their own salary and freeze automatic raises. Both the House and Senate froze salaries for 2011 and 2012 (\$174,000 for regular members, \$193,400 for minority and majority leaders and \$223,500 for Speaker of the House) and are already looking ahead to do the same thing for 2013.

A Federal Appeals Court ruled that President Obama's health care plan can require Americans to have minimum health care coverage. The decision will probably get appealed. There have been over 30 cases filed regarding various parts of the health care plan.

State Activity

California: The state tried to pass legislation that would have required default privacy setting on all internet social networks. The settings would make almost all user information not viewable by others without the users express agreement. The bill was voted on twice and failed both times. It faced strong opposition from social networking and internet companies.

California: The Legislature finally sent a budget plan to the Governor, who is expected to sign it. Both Republicans and Democrats were not happy with the plan but had a very difficult situation to handle.

Illinois: The Governor signed a bill that is a "comprehensive overhaul" to its workers' compensation system. It included changes that benefited both employers and employees.

Kansas: The legislature is adjourned until January.

Arizona: The Supreme Court struck down an Arizona law that tried to “level the financial playing field for candidates running against wealthy opponents”. The law tried to give publically financed candidates subsidies for money over the state spending limit raised by privately financed candidates.

Minnesota: The state government shut down as of a result of the politicians not being able to agree on the budget and the state’s \$5 billion deficit.

Other Items of Interest

Speaker Boehner committed to raise \$1 million to reduce the National Republican Congressional committee debt. It has \$7 million in debt remaining from 2010, although it has \$10.6 million in cash.

The Democratic National Committee raised \$10.5 million in May resulting in \$16.5 million in cash with \$13.5 million in debt. The Republican National Committee only raised \$6.2 million and has \$18.5 million in debt. The Democratic Senatorial Campaign Committee raised \$18.6 million while the National Republican Senatorial Committee raised \$17.7 million.

Get ready for TV ads for the Republicans running for President. Former MN Gov. Tim Pawlenty already ran some in Iowa.

Get ready for ads from PACs. PACs supporting both parties have started running ads in various states.

Jon Huntsman announced his run for Presidency. He is a former Governor of Utah and was President Obama’s ambassador to China until earlier this year. Michelle Bachmann (R-MN) announced she is officially running for President.

According to a number of news sources, Rick Perry, Texas Governor, plans to run for President. An official announcement is expected before the Iowa Straw Poll in August.

The SEC voted to adopt the proposed Dodd Frank rules amending the Investment Advisors Act in substantially the same format as originally proposed. You may read the news release and final rules at the following links, <http://www.sec.gov/news/press/2011/2011-133.htm> , <http://www.sec.gov/rules/final.shtml>.

For internal informational purposes only. This material provides only a general summary of certain legislative, legal or political items and is not intended in any manner to be legal advice or any type of guidance. Nothing herein should be relied upon or used as such. For specific information and possible changes please refer to the actual legislation, law or website.