

WINDOM GALLIHER

MONTGOMERY UPDATE

MAY 1, 2015

Marsh ready to roll the dice on gambling

Senate leader offers up plan for lottery, plus expanded casinos

Senate President Pro Tem Del Marsh (R-Anniston), as expected, officially pitched gambling as part of the answer to a long-term solution for the state's budget woes.

As Senators left for the day Thursday, Sen. Marsh distributed the first iteration of a bill he likely will introduce Tuesday that would:

- Create a 5-person state gaming commission.
- Establish a lottery.
- Legalize full-scale gambling at four existing sites.
- Authorize Gov. Robert Bentley to negotiate a compact with the Poarch Band of Creek Indians that would have to be ratified by the Legislature.

Under Sen. Marsh's current plan, the expanded gaming at the existing sites would be dedicated to the General Fund. The lottery proceeds would be put into trust and the Legislature would convene within 30 days of the passage of a referendum to decide what to do with the money.

This draft might as well have been written in pencil, but it is the first move in a drama that will certainly consume a lot of legislative oxygen over the next four to six weeks.

On Monday, Sen. Marsh issued a news release to bring attention to a study he commissioned by the Auburn Montgomery Center for Institute for Accountability and Government Efficiency.

The AUM report claims that the state could take in \$400 million annually from



SENATE PRESIDENT PRO TEM DEL MARSH (R-ANNISTON) DELIVERED A DRAFT BILL TO SENATE COLLEAGUES TO START DISCUSSION ON GAMBLING

a state lottery and allowing existing facilities in Mobile, Shorter, Birmingham and Eutaw to operate with slot machines and table games. The report says expanding the offerings at the locations – essentially shuttered in the wake of court rulings and legal actions – would create 11,000 jobs.

"At a time when we are talking about either massive budget cuts or higher taxes, this is something we certainly need to look at and consider," Sen. Marsh said.

He indicated that his GOP supermajority has some skeptics, but only a few. Sen. Trip Pittman (R-Montrose) revealed himself as one of those who would oppose the effort.

"I'm more than a 'no,'" he said. "I'm a filibusterer."

The lottery may be an easier sell. Sen. Cam Ward (R-Alabaster) expressed his willingness to support a lottery, but wouldn't commit further.

Sen. Marsh said there are 5,000 fewer state employees than five years ago, and

that he remains committed to "right-sizing" government, but the state had long-term needs for Medicaid, prisons and other services that made finding revenue a priority. He underscored the Republican lack of appetite – aside from Gov. Robert Bentley – for any wide-ranging tax increases.

Downstairs, Speaker of the House Mike Hubbard (R-Auburn) didn't exactly embrace the idea. His spokesperson gave a tepid response.

"Speaker Hubbard is reviewing the study and formulating an opinion, but even if a referendum were held, it would take place well into the next fiscal year," she said "This proposal does not solve our 2016 budget problem and an immediate solution is still required."

Sen. Marsh pitched the idea of a bond issue to borrow against future earnings to help plug the hole. That, of course, presumes a referendum would be approved.

Gov. Bentley has danced around the

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Rogers ready to dam Birmingham Water Works plan

Waggoner's bill greeted with filibuster before it comes to the floor

Sen. Jabo Waggoner's (R-Vestavia Hills) quest to reform the Birmingham Water Works meandered through the Senate, twisting its way to the House of Representatives where Rep. John Rogers (D-Birmingham) aims to build a dam.



VETERAN SEN. JABO WAGGONER HAS PUSHED FOR BILL FOR THREE YEARS, AND WILL CONTINUE THE FIGHT

Whether Rep. Rogers can stop the flow of the Water Works reform bill is up the air, but there's no doubt he did a number on Thursday's agenda in the House.

With Speaker of the House Mike Hubbard (R-

Auburn) out for the day, the House scheduled a day with a 10-minute calendar filled with non-controversial bills to allow many members to get at least one of their bills passed.

Under the 10-minute calendar rules, a member has 10 minutes to pass the bill, including any amendments, other motions and any questions or debate.

If they can't get it passed in 10 minutes, then the bill goes back onto the regular order calendar where it is eligible for another day – but the member loses his turn on that bill for the day.

Angry that the Water Works bill was being considered and reported out of committee, Rep. Rogers warned the House on Tuesday that he didn't want the bill and would take steps to slow down the process.

He followed through on Thursday.



REP. JOHN ROGERS (D-BIRMINGHAM) HELD UP TWO DOZEN BILLS BECAUSE HE DOESN'T WANT THE WATER WORKS BILL TO COME TO THE HOUSE FLOOR

Rep. Rogers led a semi-filibuster of the perfunctory items at the beginning of Thursday's session.

He told the House – and those watching – that he was going to “kill off” the 10-minute calendar because leadership had allowed the Water Works bill to move. His only concession was to allow the first bill to pass – a bill to make the brown shrimp the official state crustacean.

While that might seem condescending, the reason why was that the legislation was the effort of Fairhope Elementary School students that were in attendance to see the bill receive final passage. The students had organized an effort to develop a bill and lobby for its passage.

The day's lesson was: 50 school kids could get a bill passed Thursday, but House members couldn't.

Speaker Pro Tem Victor Gaston (R-Mobile) started the day in the Speaker's chair, but he handed it off to Rep. Alan Boothe (R-Troy), who accepted Rep. Gaston's motion to adjourn rather than go through the motions of a three-hour filibuster.

On a voice vote, Rep. Boothe's keen ear heard enough “ayes” over the bellowing chants of “no” to rule that the votes were there for adjournment.

The House returns to session Tuesday with a new calendar.

As for the Water Works bill, the House substitute made two substantive changes: a) Board members' pay would be \$2,000 monthly rather than the \$1,000 monthly in the Senate version; and b) the bill becomes effective Jan. 1, 2017, rather than immediately upon becoming law as in the Senate version.

In a session that has trudged past the halfway point, Rep. Rogers' goal is to muck up the works enough and focus work on the two budgets where the legislation would fail for the third straight year. Killing the day, however, will likely motivate leadership to use cloture to speed the bill through sooner rather than later.

Rep. Rogers won the day, but may have ensured that he will lose the war. Undoubtedly, Sen. Waggoner will be pushing hard on his end to get this done.

Senate Democrats pass own Medicaid resolution

Part of the stilling of the choppy waters of the Senate came Tuesday when the GOP supermajority essentially stood down to allow the eight Democrats and one Independent to pass a resolution urging Gov. Robert Bentley to expand Medicaid.

A week prior, Republicans passed on a party-line vote a resolution to urge the Governor not to expand Medicaid. Democrats protested mightily, saying the resolution made it sound like it was the will of the entire body rather than just the GOP supermajority.

Tempers flared over the non-binding resolution and Senate President Pro Tem Del Marsh (R-Anniston) decided to adjourn the body quickly, rather than let emotions get away from members.

Since then, Sen. Marsh let the body slowly dispose of Sunset legislation on Tuesday and then allowed the minority to pass its version of a Medicaid resolution, which passed on an 8-2 vote. The only Republicans to vote were Sens. Trip Pittman (R-Montrose) and Greg Albritton (R-Range), who cast the two "no" votes. The minority resolution stated it was their wish that the governor expand Medicaid.

Medicaid long-term care bill drops

Two years ago, when the Medicaid regional care organization reform effort began, it was decided that long-term care reform would be put off for further study.

TEN-MINUTE CALENDAR

As the RCOs gear up to become the mechanism to treat Medicaid patients, the process by which nursing homes will join the reform effort started with bills introduced Thursday.

Sen. Greg Reed (R-Jasper) and Rep. April Weaver (R-Brierfield) dropped in identical bills for health czar Dr. Don Williamson to create "integrated care networks" to provide an RCO-like approach to long-term care.

Prison reform legislation moves forward

Sen. Cam Ward's (R-Alabaster) cause to overhaul the state's correction system and prevent federal intervention took another step toward the finish line.

Rep. Mike Jones (R-Andalusia), Sen. Ward's partner in the reform effort, substituted the bill with an updated version, and acknowledged it could be changed even more. More changes to the bill are expected. Even so, the day was a win for Sen. Ward and Rep. Jones.

The goal is to reduce the prison population by 4,500 over the next five years, hire 100 new parole officers and 35 additional pardons and paroles staff.

It is estimated the state would need to spend an additional \$26 million annually to pay for the plan.

Gambling

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the subject for months – he's been open-minded at times, then resolutely against gambling at others.

Most recently, he said he wasn't for it, and wasn't going to be satisfied until the Legislature generates the \$541 million in new revenue he says the state needs.

The most interesting reaction came from the Poarch Creek tribe, which operates electronic bingo casinos in Atmore, Montgomery and Wetumpka. For the past few months, the tribe had been say-

ing publicly that it had no obligation to enter into a compact with the state, but sending back-channel messages that would it would be willing to talk.

Once Sen. Marsh offered up his outline for a proposal, the Poarch Creeks floated a trial balloon of a \$250 million payment to the General Fund to cover the next budget year's anticipated shortfall as a precursor to a subsequent compact agreement for exclusive gaming rights in the state.

That wouldn't suit the desires of VictoryLand owner Milton McGregor, who once again sees opportunity to revive his operations 20 minutes east of downtown

Montgomery in Shorter.

It's not as if gambling is an unfamiliar topic in the halls of the Alabama Legislature, but it seems more possible than ever before as many Republicans aren't afraid to "go there."

Furthermore, it doesn't appear that the religious conservative community is as organized, nor perhaps as motivated as in times past.

The bottom line is that many that walk the halls – legislators and lobbyists, alike – see the need for money. Most perceive the public hates taxes more than gambling. Legislators may be willing to bet that their perceptions are right.

WINDOM, GALLIHER & ASSOCIATES

WWW.WINDOMGALLIHER.COM

334-241-0078

Note: The Windom Galliher Montgomery Update will publish weekly during the Legislative Session.