

# The Times-Picayune

## Legislators' call for special session falters

**They'll give themselves a little more time**

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**By Ed Anderson**

BATON ROUGE -- A drive to get a majority of the Legislature to call a special session to deal with obligations of the state-run insurance company stalled Thursday, but the two major proponents of the initiative said they will extend the deadline to today or Monday to corral more support.

Rep. Jim Tucker, R-Algiers, and Sen. Tom Schedler, R-Mandeville, the co-chairmen of the Republican Legislative Delegation, set a self-imposed deadline of Thursday at 4 p.m. to get 53 House members and 20 senators to sign a petition calling lawmakers into session Nov. 8-22.

By the deadline, Tucker said he had at least 36 of the 103 House members signed up. Schedler said he had petitions signed by 12 of the 39 senators. Neither lawmaker released the names of those who signed.

Tucker said he could not provide an exact count because he was out of his office on business Thursday afternoon and did not have the head count when the deadline rolled around.

Schedler said the self-imposed deadline would probably be extended through this afternoon but Tucker said it may be extended to Monday to give the two a "a chance to work it over the weekend."

Another option

If a majority of the two chambers does not sign the petition calling a special session, there is still another route to take, Tucker said.

If one-third of the members of each chamber -- 13 in the Senate and 35 in the House -- sign the petition for a special session, the House speaker and Senate president must send out a ballot polling lawmakers on whether they want to have one. The names of those who voted for and against the session are public record after the mail ballots are returned.

Although the Constitution allows lawmakers to call themselves into a special session, they have not exercised that authority in modern time.

The petition includes two general areas for the session to address: speeding the issuance of grants by the Louisiana Recovery Authority to help victims of the two hurricanes last year and using some of the anticipated \$800 million surplus from the fiscal year that ended June 30 and some of the anticipated \$250 million to \$350 million surplus from the current budget year to pay off \$1 billion in bonds issued by the Louisiana Citizens Property Insurance Corp., the state-run homeowners' insurer of last resort. The plan would also use some of the surpluses to repay all homeowners for the assessments levied on their insurance policies to help cover Citizens' expenses.

Gov. Kathleen Blanco said she will call a special session in December to deal with the Citizens problems and possibly ante up money for a large manufacturing plant that is looking to build a plant in St. James Parish. Administration officials said they want to see how much of surplus is available before calling a session. The numbers will not be certified until revenue estimators meet in early December.

PAR weighs in

Before the votes were tabulated for the lawmaker-called special session in November, the nonpartisan Public Affairs Research Council said it opposed using the surplus revenue to bail out Citizens or pay rebates to homeowners already assessed by the company.

Those fees range from an average of 15 percent this year to 3.6 percent next year to 5.5 percent in 2008.

In a position paper, PAR President Jim Brandt said the surplus should be used to pay off existing debt, finance the unfunded state retirement obligations, meet capital outlay and road needs, and pay for coastal protection projects as the state Constitution requires. Spending on those items, Brandt said, would be "more fiscally responsible though much less politically popular" than reimbursing all homeowner policyholders for the Citizens surcharges.

Brandt said that some politicians -- he did not name them -- have indicated they want to use the surplus to issue rebate checks of \$100 to \$150 to offset the fees that have been tacked on all homeowners policies to pay of the obligations of Citizens. Brandt said the figures are based on assessments levied on homeowners who are now paying premiums of \$1,000.

"In a major election year, the opportunity to issue rebate checks to voters is a dream come true for incumbent candidates," Brandt said. "It is good politics, but not good policy. The state should spend its budget surplus on uses allowed by the (state) Constitution and developed through years of fiscal reform efforts.

"The problem of insurance affordability cannot be solved with the surplus and should not be attacked with a hastily constructed, election-year rebate plan."

He called the \$100 to \$150 rebate for policyholders "feel-good checks" to be issued "just before the 2007 elections."

Brandt said even if the surplus is spent on the constitutional requirements and the state supplants money earmarked for those programs to Citizens, that accounting procedure still "circumvents the intent of the Constitution."

He said that "the shortsighted approach of refunding and heading off the (future) surcharges offers mere distraction from Louisiana's bigger insurance problems -- rapidly rising rates and fewer insurance companies wanting to do business here."

The rebates will not do anything to reduce rising rates nor address the problem of affordability of insurance in the state, Brandt said. Blanco has indicated she will address those problems in the April regular session with a package of bills.

Blanco took issue with PAR's criticism, defending the use of the surplus to make the rebate payments.

"They (PAR officials) live in this pure world," she said. "We live in a world of reality."

Blanco said the rebates are necessary because Louisiana residents have been burdened with "many extraordinary expenses" since the storm.

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Capital bureau reporter Jan Moller also contributed to this story. Ed Anderson can be reached at eanderson@timespicayune.com or (225) 342-5810.