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Government 101: Inside State Legislatures (Part 1) – Timing

Despite some federal oversight, Insurance is regulated primarily at the state level. That's why ERIE's Government Affairs team and our trade associations spend a lot of time engaging policymakers in state capitals.

State laws form the backbone of state government. While the political differences between states are a primary factor, the nuts and bolts of how each state legislature works can also determine the industry's legislative strategies.

A key distinction between state legislatures is how they operate, including full-time versus parttime, the length of legislative sessions, and whether bills can be "carried over" from year-toyear. Here's an overview with a focus on ERIE's footprint:

Full Versus Part-Time

This generally refers to the time demanded of legislators, but it also can signify the length or limits on states' legislative sessions as well as budgets and salary dedicated to legislators and staff.

The definition of full-time versus part-time, however, is more complicated than it seems. The National Conference of State Legislatures (NCSL) divides states into three primary groupings:

- Full-time (80%+ of job) Only 10 legislatures are considered full-time, including Pennsylvania, Illinois, New York, Ohio, and Wisconsin legislatures. D.C. would also fit that definition.
- **Truly part-time (half or less of a full-time job)** 14 legislatures are considered part-time nationally, including West Virginia.
- In-between/hybrid (between half and 80% of a full-time job) More than half of the country's state legislative bodies fall within this category, including Indiana, Kentucky, Maryland, North Carolina, Tennessee, and Virginia.

How Long in Session?

Legislative session length may be unrestricted or limited. Limits are set in a variety of ways, depending on the state – constitutional, by law, or in chamber rules. The limits can also be set indirectly by restricting the number of days for which a legislator receives compensation, expense, or mileage reimbursement. The limits usually set a certain date for adjournment during the first few months of the year and/or limits on legislative days or calendar days, and often differ in odd and even years, to ensure legislatures have more time to consider and enact two-year state budgets.

The regular session lengths are generally correlated with the employment treatment of legislators discussed above. In ERIE's states, this is certainly true:

- <u>No limits on session length</u>: Pennsylvania, D.C., Illinois, New York, North Carolina, Ohio, and Wisconsin all have no limits.
- Limits:
 - o Indiana: Odd years session concludes April 29; Even years March 14
 - Kentucky: Odd years 30 legislative days or March 30; Even years 60 legislative days or April 15
 - Maryland and Tennessee: 90 calendar days
 - Virginia: Odd years 30 to 45 calendar days; Even 60 calendar days
 - West Virginia: 60 calendar days

Start Over or Carry Over?

Another aspect of the legislative process is whether bills can "carry over" between years or sessions.

This means that bills introduced in the first year of a two-year session can be considered in the second year, versus bills "dying" at the end of the year, requiring reintroduction at the beginning of the new year. ERIE's states are mostly "carryover" with the exceptions of Maryland, Illinois, and Kentucky. North Carolina limits bills that are not passed out of their house of origin during its "long" odd-year session unless meeting certain qualifications.

What This Means for ERIE

As Government Affairs works to protect the business climate in each of our states, such fundamentals are critical to our preparation. Even if the industry has the votes or the political support, the timing window to get a bill through the legislature is still crucial. This can work in our favor when time runs out on a bad bill, or it can work against us when opponents have all year to resurrect adverse legislation or bring it back the next year.

For successful legislative efforts, understanding the difference between our legislatures and the timing of their operations is critical to achieving the best legislative results for ERIE, our employees, agents, and customers.

Look for Part 2 where we examine the structures and electoral terms of ERIE's state legislatures.