

1 A bill for an act

2 relating to the environment; providing specifications
3 for review and waivers of 401 certification under the
4 federal Clean Water Act; establishing fees; amending
5 Minnesota Statutes 2004, section 115.03, subdivision
6 4a.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. Minnesota Statutes 2004, section 115.03,
9 subdivision 4a, is amended to read:

10 Subd. 4a. [SECTION 401 CERTIFICATIONS.] (a) The following
11 definitions apply to this subdivision:

12 (1) "section 401 certification" means a water quality
13 certification required under section 401 of the federal Clean
14 Water Act, United States Code, title 33, section 1341; and

15 (2) "nationwide federal general permit" means a nationwide
16 general permit issued by the United States Army Corps of
17 Engineers ~~and listed in Code of Federal Regulations, title 40,~~
18 ~~part 330, appendix A~~ under section 404 of the federal Clean
19 Water Act, United States Code, title 33, section 1344; and

20 (3) "professional review" means review of federal permits
21 or licenses that require section 401 certification before
22 issuance by professional or technical agency staff experienced
23 with 401 water quality certification.

24 (b) The agency commissioner is responsible for providing
25 section 401 certifications for nationwide federal permits or
26 licenses that require section 401 certification before issuance

1 of the federal permit or license.

2 (c) Before making a final decision on a section 401
3 certification for regional conditions on a nationwide federal
4 general permit, the agency commissioner shall hold at least one
5 public meeting outside the seven-county metropolitan area.

6 (d) In addition to other notice required by law, the agency
7 shall provide written notice of a meeting at which the agency
8 will be considering a section 401 certification for regional
9 conditions on a nationwide federal general permit at least 21
10 days before the date of the meeting to the members of the senate
11 and house ~~of representatives environment and natural resources~~
12 ~~committees, the senate Agriculture and Rural Development~~
13 ~~Committee, and the house of representatives Agriculture~~
14 Committee policy committees with jurisdiction over environment
15 and agriculture.

16 (e) Beginning July 1, 2005, the commissioner shall collect
17 a fee on individual section 401 certifications in the amount of
18 \$350 per certification and an additional \$200 for each acre of
19 wetland or surface water that is subject to the section 401
20 certification. All fees collected by the commissioner under
21 this section shall be deposited in the environmental fund and
22 are appropriated to the agency for the purpose of providing
23 professional review and notification.

24 (f) A decision by the commissioner to waive review of
25 section 401 certification must include a written notice to
26 project applicants that they remain responsible for complying
27 with all water quality standards and other applicable statutes
28 and rules and that the commissioner retains the authority to
29 enforce violations of applicable standards, statutes, and rules,
30 including assessment of penalties.

31 (g) The commissioner shall provide access to all public
32 notices of applications for section 401 certification, their
33 status, and the decision to certify, deny, or waive any
34 application on the agency's Internet Web site, and may publish
35 these documents in any other appropriate public medium. All
36 public comments must be attached to the official public record

1 waiver decision and be available for review upon request. All
2 publications shall include the project's location, including
3 county, township, range and section, street address or
4 directions.

5 [EFFECTIVE DATE.] This section is effective the day
6 following final enactment.

Fiscal Note – 2005-06 Session

Bill #: S1123-1E **Complete Date:** 04/11/05

Chief Author: HOTTINGER, JOHN

Title: FEDERAL CLEAN WATER ACT

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: Pollution Control Agency

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
Environmental Fund		140	140	140	140
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
Environmental Fund		140	140	140	140
Revenues					
Environmental Fund		140	140	140	140
Net Cost <Savings>					
Environmental Fund		0	0	0	0
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
Environmental Fund		1.40	1.40	1.40	1.40
Total FTE		1.40	1.40	1.40	1.40

Bill Description

This bill provides the specification for the MPCA to conduct Clean Water Act Section 401 waivers and certification.

MS 115.03 Subd. 4a (a)(2) replaces the permit of concern from nationwide permit to wider category of federal general permit that are issued by the U.S. Army Corps of Engineers.

MS 115.03 Subd. 4a (a)(3) defines professional review by the MPCA of federal permits or licenses.

MS 115.03 Subd. 4a (b) changes the stated responsibility for this of the MPCA to provide section 401 certifications under the federal Clean Water Act to federal permits or licenses from nationwide permits.

MS 115.03 Subd. 4a (c) changes the requirement that MPCA conduct a public meeting when certifying conditions for a federal general permit from when certifying a nationwide permit.

MS 115.03 Subd. 4a (d) changes the requirements of the Agency to provide written notice, when certifying a nationwide permit, to the Environment and Natural Resources committee, the senate Agricultural and Rural Development committee and the house Agricultural committee; to a requirement to supply a notice, when certifying a federal general permit, to the policy committees over environment and agriculture.

MS 115.03 Subd. 4a (e) requires the MPCA to collect an application fee for an individual 401 certification of \$350 per application plus \$200 per acre wetland subject to certification. These fees will be deposited in the environmental fund and appropriated to the agency the purpose of a professional review and notification.

MS 115.03 Subd. 4a (f) requires the MPCA to provide a written notice to applicants receiving a waiver of that they remain responsible for complying with all water quality standards and other applicable statutes and rules and that the MPCA can enforce violations and assess penalties.

MS 115.03 Subd. 4a (g) requires the MPCA to provide on a web site the public notice, project location, application status, and decision for 401 certifications. All public comments must be part of the official public record waiver decision and be available for public review.

Assumptions

There would be expenditures by the agency to conduct a professional review of applications for Clean Water Act Section 401 Certification. The agency would experience a one time cost associated with establishing a web based public notice page for the 401 applications and determinations that may be in the range of a 40 hour staff effort. In addition there would be ongoing web page updating and maintenance. Anticipated revenue from application fees is based on 2004 application records that there were 54 applications for 401 certification and 600 acres impacted. The proposed new fees to process a 401 certification include \$350 per individual application plus \$200 per acre of wetland subject to Section 401 Certification. The MPCA estimates that 1.4 FTE, at an estimated \$100,000/year /FTE, would be required to comply with the professional review and notice of 401 certification required under the bill.

Expenditure and/or Revenue Formula

Summary of Impact on Revenues:

401 Certification Application Fees:	54 applications X \$ 350 each	= \$18,900
Additional fee per acre of wetland impact:	600 acres X \$200/acre	= \$120,000
Total Revenue		\$138,900 ~ \$ 140,000

Long-Term Fiscal Considerations

The MPCA anticipates the expenses would be annual for the duration of the 401 certification program. The revenue generated by the 401 application fees is proposed to offset the expenditure for MPCA operation of the 401 certification review and determination.

Local Government Costs

There would be no increase in local unit of government cost due to administration of this bill, however, if a local unit of government is an applicant for a 401 certification they would then be subject to the 401 application fee.

References/Sources

- Mark Schmitt
- Lawrence S. Zdon
- MN Rules 7001.1400 - .1470
- MN Statutes chapter 115.03 Powers and Duties
- U.S. Code title 33 section 1341 and section 1344

I have reviewed the content of this fiscal note and believe it is a reasonable estimate of the expenditures and revenues associated with this proposed legislation.

Fiscal Note Coordinator Signature: _____ Date: _____

Agency Contact Name: MARK SCHMITT (651-297-8574)
FN Coord Signature: GLENN OLSON
Date: 04/11/05 Phone: 297-1609

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LEONIE HUANG
Date: 04/11/05 Phone: 296-5779

1 A bill for an act
2 relating to natural resources; providing for enhanced
3 roadside wildlife habitat; establishing a fee for
4 permits to field train dogs; appropriating money;
5 amending Minnesota Statutes 2004, sections 97B.005,
6 subdivisions 1, 3, 4, by adding a subdivision; 160.232.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. Minnesota Statutes 2004, section 97B.005,
9 subdivision 1, is amended to read:

10 Subdivision 1. [FIELD TRAINING; PERMIT REQUIRED FOR
11 CERTAIN PERIOD.] A person may not train hunting dogs afield from
12 April 16 to July 14 except by special permit. The commissioner
13 may issue a special permit~~7-without-a-fee7~~ to train hunting dogs
14 afield on land owned by the trainer or on land that the owner
15 provides written permission. The written permission must be
16 carried in personal possession of the trainer while training the
17 dogs.

18 Sec. 2. Minnesota Statutes 2004, section 97B.005,
19 subdivision 3, is amended to read:

20 Subd. 3. [PERMITS FOR ORGANIZATIONS AND INDIVIDUALS TO USE
21 GAME BIRDS AND FIREARMS.] The commissioner may issue special
22 permits~~7-without-a-fee7~~ to organizations and individuals to use
23 firearms and live ammunition on domesticated birds or banded
24 game birds from game farms for holding field trials and training
25 hunting dogs.

26 Sec. 3. Minnesota Statutes 2004, section 97B.005,

1 subdivision 4, is amended to read:

2 Subd. 4. [USE OF RACCOONS.] The commissioner may issue
3 special permits~~, without a fee,~~ to possess one raccoon to train
4 dogs for raccoon hunting.

5 Sec. 4. Minnesota Statutes 2004, section 97B.005, is
6 amended by adding a subdivision to read:

7 Subd. 5. [PERMIT FEE.] The commissioner shall assess a fee
8 of \$30 for permits issued under this section. Permit fees
9 collected under this section shall be deposited in the game and
10 fish fund and are appropriated to the commissioner for the
11 roadsides for wildlife program.

12 Sec. 5. Minnesota Statutes 2004, section 160.232, is
13 amended to read:

14 160.232 [MOWING DITCHES OUTSIDE CITIES.]

15 (a) To provide enhanced roadside habitat for nesting birds
16 and other small wildlife, road authorities may not mow or till
17 the right-of-way of a highway located outside of a home rule
18 charter or statutory city except as allowed in this section and
19 section 160.23.

20 (b) On any highway, the first eight feet away from the road
21 surface, or shoulder if one exists, may be mowed at any time.

22 (c) An entire right-of-way may be mowed after July 31.
23 From August 31 to the following July 31, the entire right-of-way
24 may only be mowed if necessary for safety reasons, and but may
25 not be mowed to a height of less than 12 inches.

26 (d) A right-of-way may be mowed as necessary to maintain
27 sight distance for safety and may be mowed at other times under
28 rules of the commissioner, or by ordinance of a local road
29 authority not conflicting with the rules of the commissioner.

30 (e) A right-of-way may be mowed, burned, or tilled to
31 prepare the right-of-way for the establishment of permanent
32 vegetative cover or for prairie vegetation management.

33 (f) When feasible, road authorities are encouraged to
34 utilize low maintenance, native vegetation that reduces the need
35 to mow, provides wildlife habitat, and maintains public safety.

36 (g) The commissioner of natural resources shall cooperate

1 with the commissioner of transportation to provide enhanced
2 roadside habitat for nesting birds and other small wildlife.

3 Sec. 6. [APPROPRIATION.]

4 \$..... in fiscal year 2006 and \$..... in fiscal year
5 2007 are appropriated to the commissioner of natural resources
6 from the game and fish fund for coordination and implementation
7 of the roadsides for wildlife program, including roadside
8 wildlife management training for road managers and adjacent
9 landowners, development of local partnerships to maximize
10 roadside habitat benefits, identification and cataloguing of
11 existing and needed technical resources, and development of a
12 steering group to monitor the progress of the program and
13 identify and resolve issues of concern for wildlife management
14 in roadsides. Of these amounts, \$..... each year is from the
15 waterfowl habitat improvement account under Minnesota Statutes,
16 section 97A.075, subdivision 2, and \$..... each year is from
17 the pheasant habitat improvement account under Minnesota
18 Statutes, section 97A.075, subdivision 4.



Department of Natural Resources Fact Sheet



ROADSIDE HABITAT LAW CHANGE HF 1534/SF 1928

Summary

This bill amends Minnesota Statutes, section 160.232, to reinforce and encourage efforts to manage roadsides for enhanced habitat for nesting birds, insects, and small animals.

160.232. This bill is the result of the committee process of reviewing and suggesting amendments to the existing mowing restrictions.

It is needed because

The Department of Natural Resources (DNR), as well as the Department of Transportation (Mn/DOT), has been managing roadsides across the state for improved wildlife habitat value since the mid-1980s. This law change will assist in focusing additional efforts on wildlife habitat and provide guidance to the state and local road authorities as they develop roadside management plans and make day-to-day decisions related to planting, mowing, and maintaining roadsides. Specifically, the changes address two issues: 1) utilizing low maintenance native vegetation that will provide wildlife habitat and maintain public safety; and 2) directing DNR and Mn/DOT to cooperate in the development of a comprehensive roadside wildlife management program.

For further information contact:

Wayne Edgerton, DNR Agriculture Policy Director at (651) 297-8341 "wayne.edgerton@dnr.state.mn.us"

March 15, 2005

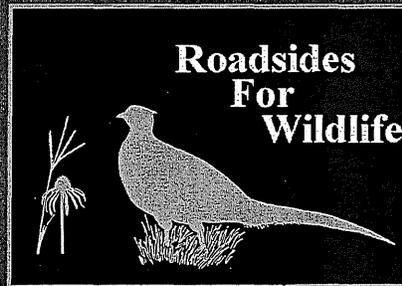
Financial Implications

None.

Background

The 2004 Legislature passed a law (2004 Session Laws Chapter 215 (H.F. 2368) Section 37) that requires the Minnesota Department of Natural Resources (DNR), in consultation with the Minnesota Department of Transportation (Mn/DOT), and others to study the issue of wildlife habitat improvement along roadways. The law required a report be developed and submitted to the Legislature that included an analysis of the current mowing restrictions and recommendations for changes to those restrictions, under Minnesota Statutes, section

Minnesota Department of Natural Resources
Division of Fish & Wildlife



1

Why are grassy
roadsides important
to wildlife?

2

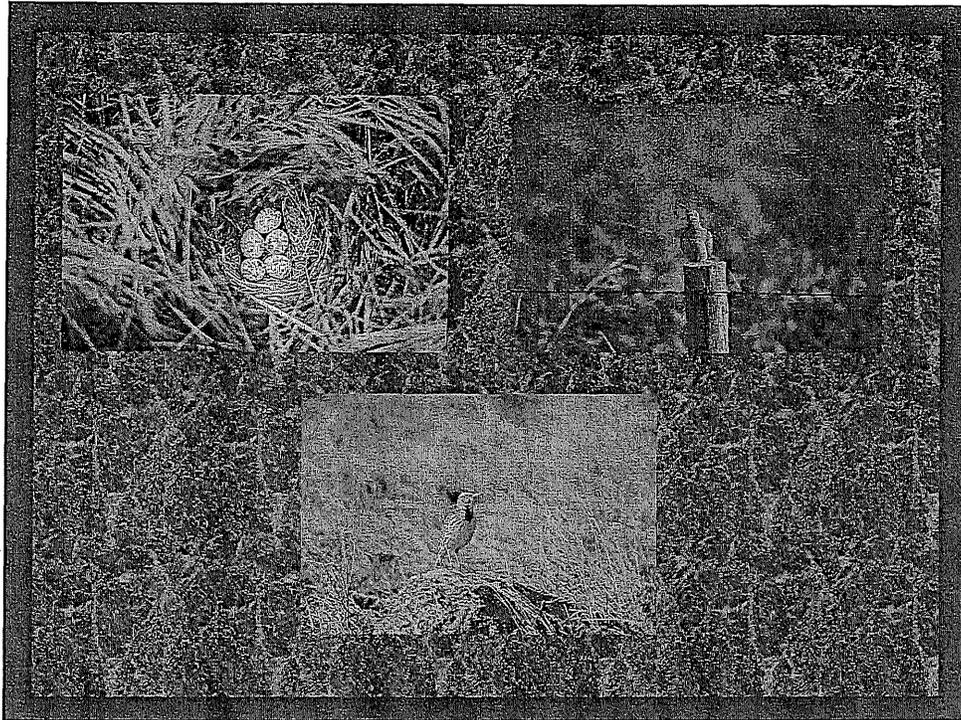


3

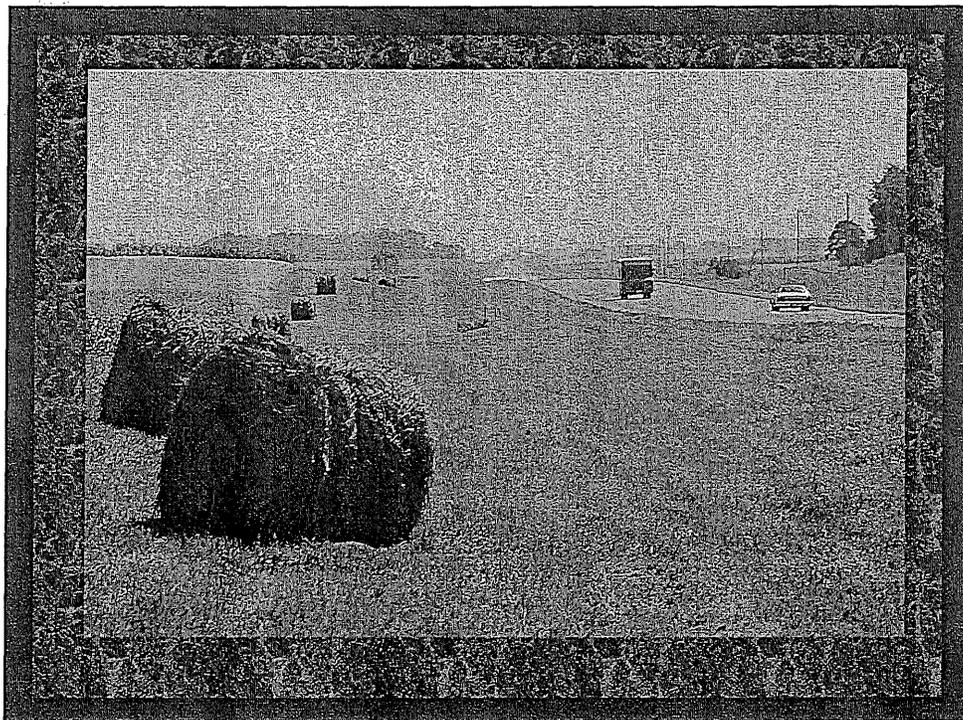
<u>Citation</u>	<u>Nests/Acre</u>	<u>% Hatch</u>
Baxter and Wolfe 1973	1.91	14
Camps and Best 1994	0.27	
Dunke and Pils 1979		25
Farris 1974	0.97	38
Leif 2004	0.41	31
Leif 2004	0.19	31*
Trautman 1982	2.00	22
Warner et al. 1987	2.71	29
Warner et al. 1987	1.09	26

*Nests of late-starting or re-nesting birds.

4



5



6

Other disturbance factors (e.g. - lawns and agricultural encroachment) have increased in east-central, south-central, south-east, and west-central regions.



7



8

Roadsides for Wildlife Program



9

Program's Goal

(1) to make people more aware of the importance of roadsides as wildlife habitat.

10

Don't Mow Ditches!

PHEASANTS FOREVER

Program

Goal

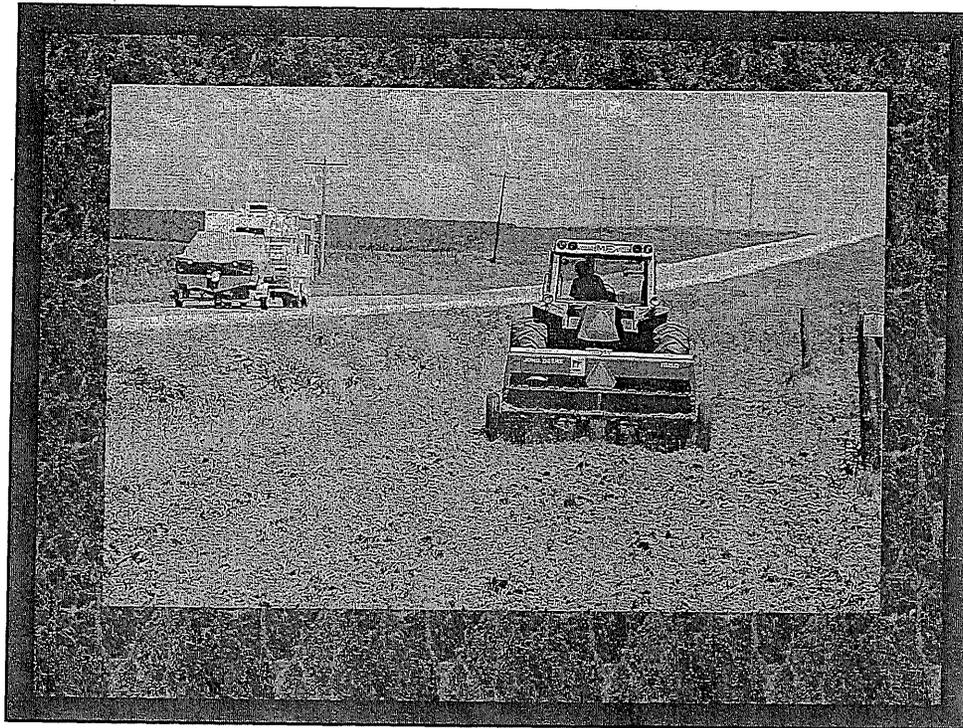
11

(2) to reduce disturbance and destruction of roadside wildlife and habitats, especially during the spring and summer nesting season

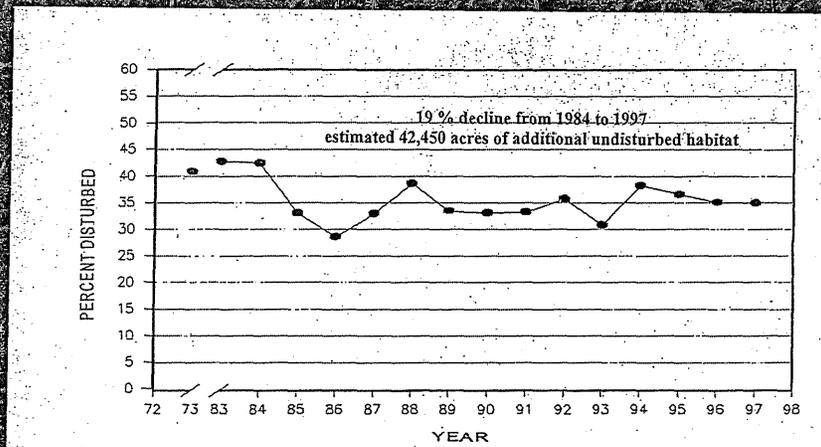
Program's Goal

(3) to improve the quality of roadside habitat for the benefit of wildlife.

12



13



14

Fig. 2. Estimated percent of all roadside disturbance (primarily mowing) during June and July for the years 1973 and 1983 through 1997 within Minnesota's pheasant range. (Data for 1984-1997 also included mowing that occurred 1-15 August.)

Disturbance Factor

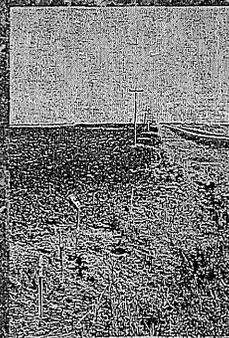
Mowing of the ditch bottom and backslope before August 1. Early mowing destroys many nests and kills incubating females.



15

Disturbance Factor

Farming encroachments (row crops)



16



17

05 - 0422

**ROADSIDE WILDLIFE HABITAT
LEGISLATIVE REPORT**

JANUARY 15, 2005

Submitted by

MINNESOTA DEPARTMENT OF NATURAL RESOURCES

**500 Lafayette Road
St. Paul, MN 55155-4020
(651) 297-8341**

In consultation with

MINNESOTA DEPARTMENT OF TRANSPORTATION

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INTRODUCTION:

The 2004 Legislature passed a law (2004 Session Laws Chapter 215 (H.F. 2368) Section 37) that requires the Minnesota Department of Natural Resources (DNR), in consultation with the Minnesota Department of Transportation (Mn/DOT), and others, to study the issue of wildlife habitat improvement along roadways. This law requires that a report be developed and submitted to the Legislature by January 15, 2005. This report is in response to that law, and the culmination of a number of meetings, and discussions, with a broad range of government agencies, organizations, and others about this issue.

HISTORY:

In 1985, the DNR initiated the Minnesota Roadsides for Wildlife Program (RFW) to: (1) promote roadside habitat awareness; (2) reduce spring and summer roadside disturbance; and, (3) improve quality of roadside habitat.

To accomplish these objectives DNR staff used a variety of public relations techniques and roadsides seeding demonstration projects to create a grassroots interest in roadside management so that other individuals and groups become involved in managing roadside vegetation for the benefit of wildlife.

Methods used to disseminate information to target audiences over a wide area included radio and TV public service announcements and in-studio appearances, newspaper and magazine interviews, news releases, and mass mailings of fact sheets and color brochures.

"Networking" with DNR area wildlife managers, sportsmen groups, and interested individuals have also been utilized as much as possible.

DNR staff responded to requests for technical assistance and personal contacts from the public using slide presentations, displays, phone calls, personal letters, and mailings of informational packets upon request. DNR staff personally contacted road officials to discuss how their goals for roadside maintenance could be integrated with wildlife habitat management.

Information was provided in two ways to youth groups in several hundred schools located within Minnesota's agricultural zone. A "Roadsides are for the Birds" Poster Contest was held annually within participating schools in cooperation with Pheasants Forever Inc., the Minnesota Wildlife Heritage Foundation, and the Minnesota Environmental Education Board. In addition, a "Roadsides for Wildlife" school curriculum was also developed and was available to teachers upon request.

Demonstration seedings are being used to show road authorities how the establishment and management of low-maintenance, native prairie vegetation can meet long-term needs as well as provide good wildlife cover. In addition, a cost-share program provides local road authorities with partial reimbursement for DNR approved prairie seed mixtures for use on newly re-graded roads if they agree to certain management conditions for a period of ten years. Adjacent landowners agree to voluntarily reduce mowing as a prerequisite for cost-sharing.

Special roadside management surveys completed in 1973 and 1983 indicated that roadside disturbance was negatively impacting wildlife habitat on more than 40 % of roadsides. Each August, since 1984, the RFW Program conducted a management survey that coincides with the DNR's roadside wildlife counts to measure the Program's impacts and determine management trends. Roadside mowing dominated roadside disturbance.

Passage of the 1985 roadside mowing law has resulted in reduced roadside mowing. Weather is also a factor. Undisturbed roadside vegetation has remained relatively stable since 1987. The greatest reductions in roadside disturbance have occurred in east-central and west-central regions. The peak of mowing activity during summer has remained the same since 1984 with about 80 % occurring during July 1-31 mainly by farmers mowing the roadside for hay production. Other disturbance factors (lawns and agricultural encroachment) have increased in east-central, south-central, south-east, and west-central regions.

A public relations approach to roadside management has brought about changes in legislation, mowing behavior, and greater participation by road authorities. Future Program emphasis will continue to include integrated roadside vegetation management and increased use of native prairie vegetation.

Researchers in the Midwest have found that roadsides are important nesting areas and contribute significantly to pheasant populations (Linder et al. 1960, Chesness 1965, Chesness et al. 1968, Joselyn et al. 1968, Baxter and Wolfe 1973, Trautman 1982, Warner and Joselyn 1986). Roadsides are preferred nesting cover for gray partridge (*Perdix perdix*) in Iowa (Bishop et al. 1977) and North Dakota (Carroll 1987). Roadsides can also provide nesting habitat for waterfowl, mourning doves (*Zenaida macroura*), killdeer (*Charadrius vociferus*) (Oetting and Cassel 1971), greater prairie-chicken (*Tympanuchus cupido*), sharp-tailed grouse (*T. phasianellus*) (Svedarsky 1977), meadowlark (*Stumela* spp), savannah sparrow (*Passerculus sandwichensis*), and several other songbirds.

Since 1996, improved compliance with the mowing law, and additional emphasis placed on education and technical assistance has resulted in reduced efforts from the DNR in direct roadside habitat improvement. More emphasis has been placed on establishing large wildlife habitat complexes consisting of blocks of cover that are more productive for nesting wildlife than narrow, linear, habitats such as roadsides.

The Mn/DOT educational efforts have focused on staff training relative to the importance of improved roadside plantings and integrated roadside vegetation management (IRVM) practices aimed at reducing roadside disturbance and maintenance costs. These improved plantings result in improved wildlife habitat and wildlife populations, as well as the improved soil and water conservation benefits of native vegetation in roadsides.

These educational efforts, coupled with the rising cost of energy and labor inputs, have led to a more "hands off" approach to roadside management on a majority of the

maintained roadsides in Minnesota. This has been made possible by greatly increased use of native species that require less maintenance. Reduced mowing, especially during the critical months when ground-nesting birds are vulnerable, results in less disturbance and more diverse roadside vegetation complexes. Undisturbed roadsides are valuable wildlife corridors that can connect other blocks or wildlife habitat. The DNR continues to cooperate with Mn/DOT in promoting sustainable roadside management practices.

EXISTING ROADSIDE MOWING LAW:

Chapter Title: ROADS, GENERAL PROVISIONS
Section 160.232 Mowing ditches outside cities.

(a) Road authorities may not mow or till the right-of-way of a highway located outside of a home rule charter or statutory city except as allowed in this section and section 160.23.

(b) On any highway, the first eight feet away from the road surface, or shoulder if one exists, may be mowed at any time.

(c) An entire right-of-way may be mowed after July 31. From August 31 to the following July 31, the entire right-of-way may only be mowed if necessary for safety reasons, and may not be mowed to a height of less than 12 inches.

(d) A right-of-way may be mowed as necessary to maintain sight distance for safety and may be mowed at other times under rules of the commissioner, or by ordinance of a local road authority not conflicting with the rules of the commissioner.

(e) A right-of-way may be mowed, burned, or tilled to prepare the right-of-way for the establishment of permanent vegetative cover or for prairie vegetation management.

HIST: 1985 c 127 s 2; 1986 c 398 art 27 s 1; 1989 c 179 s 1

Also, refer to M.S. Chapter 103A.204 Subd. 5., and M.S. Chapter 18.063, which relates to the use of chemicals (herbicides/pesticides) when managing state lands.

SCOPE OF THE ISSUE:

Minnesota has over 135,000 miles of roads. These road miles are managed by a number of government entities including (figures are approximate):

MnDOT	11,900 miles
County	45,500 miles
Township	58,000 miles
City	19,000 miles
Nat. Forest	1,200 miles

State Forest 1,200 miles
State Parks 165 miles
Military 186 miles
Indian Res. 379 miles

In terms of "green space", Mn/DOT alone claims approximately 175,000 acres of roadside right-of-way, potentially valuable for wildlife habitat. As a comparison, the statewide Minnesota RIM Reserve Program has enrolled approximately 58,000 acres of land for wildlife habitat since it began in 1986.

2004 ROADSIDE HABITAT STUDY LEGISLATION:

The 2004 Legislature passed, and Governor Pawlenty signed this law:

2004 Session Laws Chapter 215 (H.F. 2368) Section 37.

17.19 Sec. 37. [ROADSIDE WILDLIFE HABITAT STUDY; REPORT.]
17.20 The commissioner of natural resources, in consultation with
17.21 the commissioner of transportation and other interested persons,
17.22 shall study and make recommendations to improve and promote
17.23 wildlife habitat within the right-of-ways of public roads in the
17.24 state and the impact of those recommendations on public safety.
17.25 The study must include, but is not limited to, an analysis of
17.26 current mowing restrictions and any recommendations for changes
17.27 to those restrictions, under Minnesota Statutes, section
17.28 160.232. By January 15, 2005, the commissioner of natural
17.29 resources shall provide a report of the study and
17.30 recommendations under this section to the senate and house
17.31 committees with jurisdiction over natural resource policy and
17.32 transportation policy.

ROADSIDE HABITAT ADVISORY COMMITTEE ESTABLISHED:

Recognizing the important nature of this work, DNR and MnDOT staff met to exchange ideas about forming a study committee. They set the framework for who to invite to be a part of an advisory committee, what should be discussed, and a proposed time table. The following agencies/groups were invited to attend: Minnesota Farm Bureau, Minnesota Farmers Union, Soybean Growers, Association of Minnesota Counties, Minnesota Township Association, League of Minnesota Cities, Minnesota Department of Public Safety, Pheasants Forever, Legislators, Mn/DOT, and DNR. See APPENDIX for meeting notes and a list of attendees.

OUTCOMES:

REVIEW OF THE EXISTING ROADSIDE MOWING LAW:

The underlined wording, below, are suggested changes to the existing law for consideration by the legislature:

160.232 Mowing ditches outside cities.

(a) In order to provide enhanced roadside habitat for nesting birds, and other small wildlife, road authorities may not mow or till the right-of-way of a highway located outside of a home rule charter or statutory city except as allowed in this section and section 160.23.

(b) On any highway, the first eight feet away from the road surface, or shoulder if one exists, may be mowed at any time.

(c) An entire right-of-way may be mowed after July 31. From August 31 to the following July 31, the entire right-of-way may only be mowed if necessary for safety reasons, and may not be mowed to a height of less than 12 inches.

(d) A right-of-way may be mowed as necessary to maintain sight distance for safety and may be mowed at other times under rules of the commissioner, or by ordinance of a local road authority not conflicting with the rules of the commissioner.

(e) A right-of-way may be mowed, burned, chemically treated, or tilled to prepare the right-of-way for the establishment of permanent vegetative cover or for prairie vegetation management.

(f) Where feasible, road authorities are encouraged to utilize, low maintenance, native vegetation that will reduce the need to mow, provide wildlife habitat and maintain public safety.

(g) the commissioner of natural resources shall cooperate with the commissioner of transportation to provide enhanced roadside habitat for nesting birds and other small wildlife.

[NOTE: In a letter to the DNR dated December 28, 2004, the Association of Minnesota Counties and the Minnesota County Engineers Association stated that they support the current law without changes.]

UNRESOLVED ISSUES:

Two issues were discussed:

- 1) NPDES storm water permit requirements that mandate actions that conflict with best management standards for establishing roadside vegetation.
- 2) How to address roadside habitat damage from ATV use in road right-of-ways.

In reference to item 2, above, the committee agreed to the following statement:
This committee supports efforts to limit the use of ATVs on road right-of-ways in an attempt to minimize disturbance to wildlife and wildlife habitat.

FOCUS OF THE STUDY:

The Roadside Habitat Advisory Committee expressed considerable concern about the types of wildlife this study would be encouraging along roadsides. It was agreed that any efforts that would result in additional deer/vehicle collisions would be discouraged. Rather, it was the consensus of the group that the focus of any improved wildlife habitat should be directed to birds, small mammals, and insects. The practical challenge is how to improve wildlife habitat along roadways that does not result in more deer/vehicle encounters.

OPPORTUNITIES:

The following “concept scenarios” were developed by sub-groups of the advisory committee. They were instructed to develop no more than 3-scenarios based on: 1) no additional funding for roadside management; 2) \$100,000 of additional funding for roadside management; and 3) \$500,000 of additional funding for roadside management. These scenarios are not intended to suggest any particular allocated dollar amount. Rather, the scenarios should be viewed as an effort to outline what the identified dollar amounts could provide in enhanced roadside habitat management.

The following issues are not listed in any particular order of priority:

1) Issue Statement: Fully implement the DNR “Roadsides for Wildlife” program. This should be accomplished through representation from interagency and stakeholder participation/cooperation.

Based on \$0, we can do this.

With no additional funding the program will continue to be staffed with a (DNR) 0.1 NR Specialist Senior (Wildlife), a 0.25 NR Wildlife Technician and a 0.3 clerical. Salaries and support totals approximately \$50,000. There is currently approximately \$16,500 annually (PHIP) for cost-share with county and township road authorities.

There may be opportunities to re-direct current efforts from project specific assistance to training efforts at local Mn/DOT and County Highway Department training venues including the Mn/PIE pesticide applicator recertification sessions and local Mn/DOT District integrated roadside vegetation management (IRVM) planning committee meetings. With this level of staffing and zero additional funding dollars there would be no chance of fully implementing the DNR Roadsides for Wildlife Program

Based on \$100,000 we can do this.

With \$100,000, a full time (DNR) Natural Resource Specialist/Roadsides for Wildlife Program Coordinator (approximately \$58,000 annually including benefits – plus approximately \$12,000 for support costs such as fleet equipment, supplies, printing,

travel, etc.) could be hired. Approximately \$30,000 additional money would be available for project implementation.

The coordinator would work closely with Mn/DOT Office of Environmental Services resource specialists, local Mn/DOT and County maintenance staff, sportsman groups, and the general public. Primary responsibilities of the coordinator would include promoting the development and implementation of local IRVM plans, promoting the use of native prairie vegetation regimes, and promoting timely use of roadside maintenance activities such as mowing and weed spraying to minimize disturbance to nesting birds in roadside cover.

Another possible approach could be a 50:50 partnership program between DNR and Mn/DOT (and possibly conservation groups) that would implement a roadside management position using County State Aid Highway (CSAH) funds administered through Mn/DOT.

Based on \$500,000 we can do this.

With \$500,000, all of the above work could be completed, but at a greater scale. Additional staff could include a full-time (DNR) NR Wildlife Technician, and 2 student interns (approximately \$75,000). Approximately \$30,000 annually would be necessary for support (fleet equipment, supplies, printing, travel, training, networking at conferences, computers and GPS units, and cell phones). Approximately \$325,000 would be available for implementation of more projects (see \$100,000 scenario above). This would include a provision for native prairie and wildflower seed, seeding equipment (drills, hydroseeders) and prescribed burn equipment projects.

For all scenarios more than 40 species of wildlife would benefit including pheasants gray partridge, ground-nesting waterfowl, grassland songbirds, small mammals.

2) Issue Statement: Develop an integrated roadside training program for road managers, adjacent landowners and the public. Utilize interagency, existing venues where possible. Format content around public policy and legal framework, and address all concerns.

Based on \$0, we can do this.

With no additional funding we could train Mn/DOT, County, and township road managers and maintenance personnel through existing venues including the Minnesota Pesticide Information and Education (Mn/PIE) recertification sessions for licensed pesticide applicators, the annual Minnesota Spring Maintenance Expo, and Circuit Training Assistance Program (CTAP) training. Mn/DOT Office of Environmental Services natural resource staff are available to provide IRVM training to Mn/DOT maintenance staff at any time. Likely the DNR ¼ time Roadside's for Wildlife, and other DNR wildlife specialists could be utilized for Mn/DOT and County roadside vegetation management training venues. Current staffing shortages limit spending time on training programs for adjacent landowners and the public.

Based on \$100,000 we can do this.

With \$100,000, we would be able to do the above plus contract with the University of Minnesota to develop a "Minnesota Rural Roadsides for Wildlife Program" technical manual to be used in Integrated Roadside Vegetation Management (IRVM) training sessions. We could do one or two demonstration projects involving adjacent landowners. "Do Not Mow" signs could be placed (as allowable) on roadside segments seeded to native prairie grasses and wildflowers.

Based on \$500,000 we can do this.

With \$500,000, we would be able to complement all of the above by adding public service announcements on radio and television and developing interactive displays for County Fairs and the State Fair in order to educate and engage the public. We would be able to do several demonstration projects involving adjacent landowners along interstate, state and county highways in several counties. We would also be able to hold an annual IRVM training session for Mn/DOT and County Highway maintenance workers with speakers from other states, the University of Minnesota College of Natural Resources and DNR (hopefully with a full-time Roadside Wildlife Program Coordinator) and Mn/DOT natural resource specialist staff.

Wildlife - Our goal would be to increase the use of native grasses and wildflowers and to attract nesting song birds, pheasants and other game birds, and butterflies, while, at the same time, discouraging deer feeding/browsing along the roadside.

3) Issue statement: Haying of roadsides only allowed by permit/permission of the road authority and adjacent landowner. The underlying ownership of R/W presents difficulty in implementation. Discussed management approaches vs. enforcement. Rotate haying on annual/multi-year cycle, delay haying, or hay by vegetation type. Must be willing and able to enforce. Enforcement options may not be practical.

Based on \$0, we can do this.

With no additional funding the development of corridor integrated roadside vegetation management (IRVM) plans based on existing and desired vegetation type(s) could be done as existing time and staff allows. Such plans would include rotational haying activities. In-slopes would continue to be mowed by the road authority for safety purposes. Back-slopes could be made available for haying by the adjacent landowner or the permit holder and the permit holder would be allowed to keep the hay for their own use. Note: This would probably only work for fee title roadsides, as landowners can pretty much do what they want on easement roadsides. Road authorities would be encouraged to plant native species when they re-seed new construction projects. Any

haying on the interstate system would have to conform to the Mn/DOT District IRVM plan and be done only under permit.

Based on \$100,000 we can to this.

We could develop an incentive program to encourage landowners to manage (hay) their adjacent roadside back-slopes according to a corridor IRVM plan. This would include allowing the landowner to keep the hay they take. We could also develop a limited cost share program to convert roadsides from non-native cover to native cover. Native cover planting would be of species native to that region of the state (i.e., prairie, woodland edge, etc.) and would consist of herbaceous species of grasses, forbs and graminoids. Additional funding could also be used to develop a limited roadside conservation easement program whereby easement roadsides are managed (hayed) by adjacent landowners according to an IRVM plan. This program could be used to protect roadside prairie remnants from mismanagement.

Based on \$500,000 we can to this.

We could fund all of the above at a higher level. Additional funding could be used to identify and purchase the easement of certain roadsides (convert to fee title ownership).

Wildlife – the types of wildlife attracted to roadsides planted with native grasses, graminoids and forbs are expected to be insects (attracted to forbs), small mammals and ground nesting birds (attracted to the insects and to seeds for food, and vegetation for nesting cover, etc.).

4) Issue Statement: Develop local partnerships to implement management practices that maximize roadside habitat benefits, but takes into account safety and agricultural interests.

Based on \$0, we can do this.

With no additional funding, development of local partnerships centering on roadside management will continue to be done as it is now only as time and interest of existing staff allows. Currently the DNR's Roadsides program is staffed with a ¼ time person. With this level of staffing and \$0 funding it is unlikely that more than one project could be accomplished per year.

Based on \$100,000 we can do this.

With \$100,000, we would be able to hire one full time staff person (~\$68,000) to develop local partnerships and initiate demonstration projects. An annual budget of approximately \$32,000 would be available for implementation. Assuming an average contribution of \$7,500 per project approximately four projects could be completed per year. Significant effort would be invested in leveraging by using multiple funding sources. Assuming a 3:1

leveraging effect approximately \$150,000 could be invested annually in projects which improve roadside wildlife habitat. Projects could include: Improving cover through planting native grasses and forbs, acquiring larger buffers around stormwater ponding areas and managing the buffers for wildlife, conduct burns of native or planted native grasslands, creation of wildlife corridors along roadsides that connect major habitat blocks (e.g. connects two wildlife management areas or a wildlife management area with a river corridor, etc.), development of managed roadside haying/mowing which balances safety, agricultural and wildlife needs, etc.

Based on \$500,000 we can do this.

Results with \$500,000 would be similar to those described above but on a much larger scale. To effectively spend \$500,000 per year would require two full time staff at an annual cost of ~\$136,000. This would leave \$364,000 for implementation. Projects at this level would likely be much larger and more expensive. Due to limitations in staffing approximately 15 projects could be completed on an annual basis. Again assuming a 3:1 leveraging effect, there would be approximately \$1,200,000 invested annually in developing roadside habitat.

5) Issue Statement: Identify & catalog existing technical resources and identify needs/gaps. Make information easily accessible to landowners & other professionals.

Based on \$0, we can do this.

Assuming that we can find a volunteer coordinator, we can begin gathering existing technical resources at one central location (likely MN/DOT or DNR). Ideally the information would be electronically available through a web based search engine (similar to a library's electronic card catalog) using subject, author, key word, etc. Furthermore, the existence of such a database would be widely advertised through brochures and links from MN/DOT, DNR, BWSR, SWCD, NRCS, FSA, Pheasants Forever and other habitat based conservation groups web sites.

Based on \$100,000 we can do this.

With \$100,000, existing technical resources could be collected and cataloged at one central location and be made electronically available through a web based search engine (similar to a library's electronic card catalog) using subject, author, key word, etc. Technical resources could be made electronically available for downloading either using the native electronic document or using scans documents in a PDF format. The database would be widely advertised through brochures and links from MN/DOT, DNR, BWSR, SWCD, NRCS, FSA, Pheasants Forever and other habitat based conservation group's web sites. Sufficient staff time would be made available to keep the database current and to assist users in locating and interpreting resources.

Based on \$500,000 we can do this.

With \$500,000, we can accomplish all of the above plus publish a newsletter, attend State and County fairs and develop other staffed outreach opportunities. An annual journal of new publications could be made available and widely distributed. There would be opportunities to coordinate with roadside programs in other states. There would also be considerable staff time and financial resources available for demonstration and research projects. Minnesota could become a nationwide leader in roadside management.

6) Issue Statement: Must identify the current sources of funding, and the funding gap that needs to be filled. All potential sources should be considered.

Based on \$0, we can do this.

(Also see issue 1 above.) Current sources of funding are limited to DNR Game and Fish funds (O&M and Pheasant Stamp). The current level of commitment allows little room for additional work unless additional funding is provided.

As time allows, current roadsides for wildlife work concentrates on cost-sharing with county and township road authorities in establishing native prairie vegetation in roadsides and in public relations work.

Outside grants and/or gifts could possibly be sought and additional coordination with road authorities can be attempted but time constraints and other priorities, for current part-time employees, limits these opportunities.

Based on \$100,000 we can do this.

(Also see issue 1.) Current sources of funding are limited to DNR Game and Fish funds (O&M and Pheasant Stamp). Additional funds would be needed to expand the Roadsides Program. \$100,000 would allow for the hiring of a full time Roadsides for Wildlife Coordinator.

Finding additional funding sources will present a challenge. Possibilities include:

- * Creation of a new stable funding source (e.g. Roadsides Trust Fund) could be created by the Minnesota legislature using funds from the road tax and/or general fund.
- * A legislatively proposed portion of sales tax revenue dedicated to natural resource work could be a possibility if passed.
- * Revamping the county noxious weed control program could be "piloted" within county government to establish roadside managers within the county highway departments similar to the Iowa roadside program.
- * Create a 50:50 partnership program between DNR and Mn/DOT (and possibly conservation groups) that would implement a roadside management position using County State Aid Highway (CSAH) funds administered through Mn/DOT.
- * Apply for and obtain grants such as transportation ISTEA funds (temporary), and/or LCMR grants (temporary).

Additional funds as outlined could be used for roadsides habitat improvements, education, training, development of roadside management plans (IVRM), and research.

Based on \$500,000 we can do this.

(also see issue 1.) Current sources of funding are limited to DNR Game and Fish funds (O&M and Pheasant Stamp). With \$500,000, roadsides work could be completed but at a greater scale. Finding additional funding sources will present a challenge. (See list above in the \$100,000 scenario.)

For all scenarios, more than 40 species of wildlife would benefit including pheasants gray partridge, ground-nesting waterfowl, grassland songbirds, small mammals.

7) Issue Statement: Develop a steering group that meets twice per year to monitor progress, identify issues of concern, and seek resolution of these issues. This group should be made up of legislators, agencies (road authorities MDA & DNR), volunteer conservation groups, landowners, and other interested groups.

Based on \$0, we can do this:

In order to build greater understandings of all the factors and needs surrounding roadsides for wildlife and traveler safety through accident prevention, we propose that a steering group be established with membership from interested parties. The mission of the group is intended to be one of monitoring progress on the balance between safety and roadside habitat for wildlife, to identify issues of concern and seek resolution of these issues. The goal would be to maintain an optimal balance that best serves the public interest.

The group would convene twice a year and consist of legislators, agencies (all jurisdictions for transportation, MDA, and DNR), volunteer conservation groups, landowners, and other interested parties (either organized or unorganized). The initial group list would consist of those currently in this study group. This effort would bring differing views together and go beyond looking only at wildlife and safety and include discussions on impact to local governments and landowners. This provides a good forum for building understandings of the current law allowances and the concerns about visibility and deer/vehicle crashes.

The group would establish measures that would indicate progress at one of their early meetings and continue to measure and report.

There is no other scenario with a dollar amount attached to this issue. It was recommended that this steering group be convened regardless of funding being provided.

NEXT ADVISORY COMMITTEE MEETING:

The group decided to meet again in June of 2005 to review legislative changes, if any, and to discuss partnership opportunities. DNR agreed to convene this meeting.

APPENDIX

Roadside Habitat Advisory Committee

Meeting Attendance List

September 8, 2004

MnDOT Arden Hills Training Center

<u>NAME</u>	<u>REPRESENTING</u>	<u>E-MAIL</u>
Leo Holm	MnDOT	leo.holm@dot.state.mn.us
Dan Gullickson	MnDOT	daniel.gullickson@dot.state.mn.us
Tim Zierden	MnDOT	tim.zierden@dot.state.mn.us
Don Theisen	Washington County	don.theisen@co.washington.mn.us
Carol Lovro	Ass'n. Mn. Counties	clovro@mncounties.org
Bob Weinholzer	MnDOT	robert.weinholzer@dot.state.mn.us
Bob Jacobson	MnDOT	robert.jacobson@dot.state.mn.us
Virginia Lockman	DPS-Traffic Safety	virginia.lockman@state.mn.us
Jim Tunheim	MN Farmers Union	jim.tunheim@mfu.org
George Welk	MnDOT	george.welk@dot.state.mn.us
Tom Hackbarth	Mn. House of Rep.	
Bill Penning	Mn. DNR	bill.penning@dnr.state.mn.us
Bob Vasek	MnDOT	robert.vasek@dot.state.mn.us
Sen. Satveer Chaudhary	Mn. Senate	
Matt Holland	Pheasants Forever	ringneck@tds.net
Ken Varland	Mn. DNR	ken.varland@dnr.state.mn.us
Chris Radatz	Mn. Farm Bureau	cradatz@fbmn.org
Bruce Kleven	Soybean Growers	klevlaw@aol.com
Terry Lemke	MnDOT	terry.lemke@dot.state.mn.us
Wayne Edgerton	Mn. DNR	wayne.edgerton@dnr.state.mn.us

ADVISORY COMMITTEE MEETING NOTES:

First meeting:

Roadside Habitat Advisory Committee

Meeting Notes

September 8, 2004

MnDOT Arden Hills Training Center

Meeting Convened

Wayne Edgerton convened the meeting at 9:05 a.m. He reviewed the draft agenda and referenced the law requiring the development of a report to the Legislature by January 15, 2005.

Attending: (See above)

Introductions

Everyone introduced themselves and the agency/group they represented relative to the roadside wildlife issue.

Welcome/Opening Comments

Representative Tom Hackbarth, and Senator Satveer Chaudhary (and his child Arjun) welcomed the attendees to the meeting and thanked them for taking the time to help with this project. They each made a few comments about the importance of wildlife habitat and encouraged the group to use common sense when looking at the issue of enhanced wildlife habitat on roadsides. They look forward to seeing the recommendations in the final report.

History/Planned Actions-Setting the Stage

Short (10 minute) presentations were made by Leo Holm, MnDOT; Ken Varland, DNR; Carol Lovro & Don Theisen, Mn Counties; Matt Holland, Pheasants Forever, Inc. The farm groups also made a few comments relative to the use of roadside vegetation for forage. It was noted that the representatives from the League of Mn. Cities, and the Township Ass'n could not attend this meeting and may wish to report at a future meeting.

Listing Ideas/Issues

Terry Lemke, MnDOT (meeting facilitator), then assisted the group in an exercise to begin the development of a list of ideas/issues that should be considered when developing the final recommendations.

This exercise was accomplished by responding to the following scenario: *The year is 2010, over the past 5-years many wildlife habitat improvements have occurred within the public roads rights-of-way. In looking back from 2010 to 2004, what has been done to improve and promote wildlife habitat within public roads rights-of-way?*

The following list of ideas was developed (some were combined that were similar).

- A. Additional wildlife positions were funded
- B. DNR roadside program was reinstated
- C. All road agencies followed the suggested DNR 5-Point recommendations for roadsides-limited mowing was allowed that maintained safety "sight line" considerations
- D. An effective public communications campaign was developed-ORV use of ditches was limited-developed "on line" information for technical resources and cost-share assistance was provided
- E. Haying of roadsides was done by permit/permission only
- F. Local partnerships (including landowners) demonstrated safety/benefits-"adopt-a-roadside" was instituted
- G. Planting guide was developed/used-adequate technical assistance was available
- H. "roadside coordinators" became "ecological coordinators"-public & private partnerships were formed to enhance habitat and secure native seed-improved habitat around ponding areas
- I. Used technology to make roads more "permeable" (easier for wildlife to cross)
- J. A steady source of funding was provided
- K. A partnership was developed to monitor the success and resolve problems as they developed
- L. Training program was developed for R/W managers
- M. Roadside habitat near buildings was posted to reduce hunter/landowner conflicts.

The group then voted on the top priorities from the list above. The results were:

- #1 with 20 points=D & J (tied)
- #3 with 15 points=F
- #4 with 12 points=B
- #5 with 5 points=H
- #6 with 4 points=A, E, G, K (tied)
- #10 with 2 points=C
- Receiving 1 point=I, L, & M

The larger group then divided into small groups to define or "flesh-out" the top items listed above. Each group discussed two items.

Item D: The group included: Bob V., Tim Z., Don T., and Bob J. Issue statement: Develop an integrated roadside training program for road managers, adjacent landowners, and the public. Utilize interagency, existing, venues where possible. Format content around public policy and legal framework, and address all concerns.

Item E. Issue statement: Haying of roadsides can only be done by permit/permission of the road authority and adjacent landowner. The underlying ownership of R/W presents difficulty in implementation. Discussed management approaches vs. enforcement. Rotate haying on annual/multi year cycle, delay haying, or hay by vegetation type. Must be willing/able to enforce. Enforcement options may not be practical.

Item J: The group included: Sen. Chaudhary, Ken V., Virginia L., and George W. Issue Statement: Must identify how much money is needed, what are the current sources, and what is the funding gap that needs to be filled. All potential sources should be considered.

Item K: Issue Statement: Develop a steering group that meets twice per year to monitor progress, identify issues of concern, and seek resolution of these issues. This group should be made up of legislators, agencies (road authorities & DNR), volunteer conservation groups, landowners, and other interested groups (organized and unorganized).

Item F: The group included: Bill P., Leo H., Jim T., and Matt H. Issue Statement: Develop local partnerships to implement management practices that maximize roadside habitat benefits, but takes into account safety and agricultural interests.

Item G: Issue Statement: Identify & catalog existing technical resources and identify needs/gaps. Make information easily accessible to landowners & other professionals.

Item B: The group included Carol L., Bob W., Chris R., and Dan G. Issue Statement: Fully implement the DNR roadsides for wildlife program. This should be accomplished through representation from interagency and stakeholder participation/cooperation.

Additional Issue Statement: Limit ATV use from public rights-of-way during nesting season (May thru July). Is this restriction already in law? Needs clarification.

The group was then given the assignment to share these items with their respective groups between now and the next meeting. They should also evaluate the pro/con of each item, and identify what will result if these become recommendations to the legislature (i.e. safety concerns, fiscal impacts, etc)

The next meeting will also include specific suggestions/recommendations relative to M.S. section 160.232.

Next Meeting

The next meeting is scheduled for Wednesday October 13 2004 at the MnDOT Arden Hills Training Center, starting at 9:00 a.m. and adjourning no later than 2:30 p.m.

This meeting was adjourned at 12:05 p.m.

Second meeting:

Roadside Habitat Advisory Committee

Meeting Notes

October 13, 2004

MnDOT Arden Hills Training Center

Meeting Convened:

Wayne Edgerton convened the meeting at 9:25 a.m. He reviewed the draft agenda as well as the notes from the September 8, 2004 meeting.

Attending: Eran Sandquist , PF; Paul Walvatne, MnDOT; Brad Estochen, MnDOT; Bob Wryk, MnDOT; Kent Sulem, MAT; David Fricke, MAT; Chris Radatz, FB; Terry Lemke, MnDOT; Leo Holm, MnDOT; Tim Zierden, MnDOT; Virginia Lockman, DPS; George Welk, MnDOT; Bill Penning, DNR; Ken Varland, DNR; Wayne Edgerton, DNR.

Introductions:

Everyone introduced themselves and the agency/group they represent on this committee.

General Comments/Suggestions:

Random thoughts were solicited from the group in follow up to our last meeting. It was noted that 47% of the road miles in Minnesota are township roads comprising about 58,000 miles. We need to keep in mind the potential impacts of anything that we recommend that may impact drainage on private lands. Farming/cropping within the right-of-way remains a significant concern and may be difficult to address. ATV use of road ditches is a problem in most counties, not only related to wildlife habitat, but also erosion/sedimentation. Wayne reported that the Minnesota County Engineer's Association "Rural Road Safety Task Force" contacted him about the efforts of our committee. They are very concerned about potential increased conflicts between vehicles and animals if additional roadside habitat improvement is put in place.

The Iowa Roadside Program:

Joy Williams, Agronomist, from the Iowa DOT attended and gave a very informative presentation about the Iowa Roadside Program. Some highlights from her presentation include: 1. Iowa plants approximately 5,000 acres of roadside to native grass/forb species each year; 2. they have a dedicated funding source (Living Roadside Trust Fund) for their roadsides program that is funded from a \$.05 deposit on soda cans/bottles; 3. mowing of the interstate highway vegetation is very limited by law; 4. they have an active integrated roadside vegetation management program in place; 5. haying of roadsides is still a problem, but seems to be less of a problem than it is in Minnesota since Iowa requires a permit; 6. roadside coordinators are assigned in the field that are dedicated to roadside vegetation management; 7. mower operators are trained by the roadside coordinators. More information can be obtained by going to: www.iowalivingroadway.com and www.iwcode/2003supplement/314/17

Potential research needs were also discussed. Suggestions included: 1. How much, and which species of wildlife are supported by roadside vegetation? 2. What are the other natural resources benefits of managed roadside vegetation? 3. What are the safety implications of various roadside vegetation alternatives?

Suggested that the U of M be included to assist in the educational process for a program in Minnesota. Coordinating with County Ag Inspectors was also suggested.

Video:

Virginia brought a Michigan produced video about deer/vehicle crashes that was shown during the noon break.

Develop September 8 Outcomes:

It was agreed that concept papers need to be developed on each of the items that were outlined in our previous meeting. The bold names below will lead these efforts and provide the information based on a suggested format that will be provided by Terry L. Due date to have the concept papers to Wayne E. is **November 15**.

Item D: The group included: Bob V., **Tim Z.**, Don T., and **Bob J. (Paul W.)** Issue statement: Develop an integrated roadside training program for road managers, adjacent landowners, and the public. Utilize interagency, existing, venues where possible. Format content around public policy and legal framework, and address all concerns. (**Terry L. will contact CTS**).

Item E. (concept paper development by same group as above) Issue statement: Haying of roadsides can only be done by permit/permission of the road authority and adjacent landowner. The underlying ownership of R/W presents difficulty in implementation. Discussed management approaches vs. enforcement. Rotate haying on annual/multi year cycle, delay haying, or hay by vegetation type. Must be willing/able to enforce. Enforcement options may not be practical.

Item J: The group included: Sen. Chaudhary, **Ken V.**, Virginia L., and George W. Issue Statement: Must identify how much money is needed, what are the current sources, and what is the funding gap that needs to be filled. All potential sources should be considered.

Item K: Issue Statement: Develop a steering group that meets twice per year to monitor progress, identify issues of concern, and seek resolution of these issues. This group should be made up of legislators, agencies (road authorities & DNR), volunteer conservation groups, landowners, and other interested groups (organized and unorganized). (**concept paper development by Chris R. and George W.**)

Item F: The group included: **Bill P.**, Leo H., Jim T., and Matt H. Issue Statement: Develop local partnerships to implement management practices that maximize roadside habitat benefits, but takes into account safety and agricultural interests.

Item G: (Bill P.) Issue Statement: Identify & catalog existing technical resources and identify needs/gaps. Make information easily accessible to landowners & other professionals.

Item B: The group included Carol L., Bob W., Chris R., and Dan G. Issue Statement: Fully implement the DNR roadsides for wildlife program. This should be accomplished through representation from interagency and stakeholder participation/cooperation. (concept paper development by Ken V. and Paul W.)

Additional Issue Statement: Limit ATV use from public rights-of-way during nesting season (May thru July). (Don T.?)

A suggestion was made to invite the Chairperson from the Transportation, and Environment Committees from both the House and Senate to our next meeting. Wayne agreed to contact Senator Chaudhary and Representative Hackbarth to seek their council on this idea.

The next meeting will include development of specific suggestions/recommendations relative to M.S. 160.232 [MOWING DITCHES OUTSIDE CITIES (see attached)].

Next Meeting

The next meeting is scheduled for Tuesday November 30, 2004 at the MnDOT Arden Hills Training Center, starting at 9:00 a.m. and adjourning no later than 2:30 p.m.

This meeting was adjourned at 2:45 p.m.

Third (final) meeting:

Roadside Habitat Advisory Committee Meeting Notes

November 30, 2004

MnDOT Arden Hills Training Center

Meeting Convened:

Wayne Edgerton convened the meeting at 9:05 a.m. He reviewed the draft agenda as well as the notes from the October 13, 2004 meeting.

Attending: Eran Sandquist, PF; Paul Walvatne, MnDOT; Bob Wryk, MnDOT; Dan Greensweig, MAT; Terry Lemke, MnDOT; Leo Holm, MnDOT; Tim Zierden, MnDOT; Bill Shaffer, DPS; George Welk, MnDOT; Bill Penning, DNR; Ken Varland, DNR; Carol Lovro, AMC; Bob Jacobson, MnDOT; Robert Weinholzer, MnDOT; Jim Tunheim, Mn. Farmers Union; Senator Satveer Chaudhary; Jeff Ledermann, OEA; Mike Wagner, Nicollet County; and Wayne Edgerton, DNR.

Introductions:

Everyone introduced themselves and the agency/group they represent on this committee.

Wildlife Habitat Focus:

Wayne led a short discussion about the types of wildlife and wildlife habitat this study was intended to enhance. It was agreed that habitat enhancement should be directed towards, birds, small mammals and insects; not deer. Deer vehicle collisions are a safety concern that must be considered when vegetation management changes are made to road right-of-ways.

Air Quality Issues-Jeff Ledermann:

Jeff presented information related to the air quality impacts of mowing and trimming grass and other vegetation. Jeff is from the Office of Environmental Assistance. He noted that a gas-powered lawnmower emits 11 times the air pollution of a new car for each hour of operation. He also noted that Governor Pawlenty signed Executive Order 04-08 on August 6, 2004 that directs all state agencies to take actions to reduce air pollution in daily operations. Questions related to this issue can be directed to the Office of Environmental Assistance.

Review of the Existing Roadside Mowing Law:

Wayne provided copies of the existing roadside mowing law found in Minnesota Statutes Section 160.232. Terry led discussions about what, if any, changes this committee would forward to the legislature for improving this law. The underlined words are suggested changes to the existing law for consideration by the legislature:

160.232 Mowing ditches outside cities.

(a) In order to provide enhanced roadside habitat for nesting birds, and other small wildlife, road authorities may not mow or till the right-of-way of a highway located outside of a home rule charter or statutory city except as allowed in this section and section 160.23.

(b) On any highway, the first eight feet away from the road surface, or shoulder if one exists, may be mowed at any time.

(c) An entire right-of-way may be mowed after July 31. From August 31 to the following July 31, the entire right-of-way may only be mowed if necessary for safety reasons, and may not be mowed to a height of less than 12 inches.

(d) A right-of-way may be mowed as necessary to maintain sight distance for safety and may be mowed at other times under rules of the commissioner, or by ordinance of a local road authority not conflicting with the rules of the commissioner.

(e) A right-of-way may be mowed, burned, chemically treated, or tilled to prepare the right-of-way for the establishment of permanent vegetative cover or for prairie vegetation management.

(f) Where feasible, road authorities are encouraged to utilize low maintenance, native vegetation that will reduce the need to mow, provide wildlife habitat, and maintain public safety.

(g) the department of natural resources shall cooperate with the department of transportation in the development and implementation of a comprehensive roadside wildlife management program.

Concept Papers:

In follow up to our October meeting, concept papers were drafted by the subgroups on each of the items that were outlined. The draft concept papers were provided to Wayne in mid-November and e-mailed to the larger group. The concept papers (see attached) were reviewed at this meeting and questions answered. It was agreed that these concept papers would be included in the legislative report as is, without formal recommendation from this committee.

Unresolved Issues:

The committee then turned to the issues that were unresolved. 1) NPDES storm water permit requirements that mandate seeding/non-seeding that conflicts with best management standards for establishing roadside vegetation. 2) How to address roadside habitat damage related to ATV use of road right-of-ways.

In reference to item 2, above, the committee agreed to the following statement:
This committee supports efforts to limit the use of ATVs in roadsides in an attempt to minimize disturbance to wildlife and wildlife habitat.

Next Meeting

It was decided that this group should meet again in June, 2005 to review legislative changes, if any, and to discuss partnership opportunities. Wayne agreed to call the meeting.

This meeting was adjourned at 2:45 p.m.

EXECUTIVE ORDER 04-08 -- August 6, 2004

PROVIDING FOR STATE DEPARTMENTS

TO TAKE ACTIONS TO REDUCE

AIR POLLUTION IN DAILY OPERATIONS

I, TIM PAWLENTY, GOVERNOR OF THE STATE OF MINNESOTA, by virtue of the authority vested in me by the Constitution and applicable statutes, do hereby issue this executive order:

WHEREAS, clean air is essential to the quality of life, health, and continued vitality of Minnesota's economy; and

WHEREAS, while Minnesota currently meets all applicable federal air quality standards, the state's population and economy continue to grow, requiring vigilance in maintaining its air quality; and

WHEREAS, Clean Air Minnesota, a program of the Minnesota Environmental Initiative, is a unique coalition of businesses, environmental organizations, nonprofits, government agencies, and citizens, seeking to help Minnesota reduce air pollution by fostering effective voluntary pollution reduction actions by its partner organizations and others; and

WHEREAS, Clean Air Minnesota leverages the expertise and resources of its partners to achieve significant, measurable reductions in air pollution; and

WHEREAS, Minnesota has successfully pursued a number of measures aimed at reducing air pollution from large industrial operations and, as a result, 73 percent of the state's air pollution, now comes from the daily activities of individuals, businesses, and organizations going about their normal activities; and

WHEREAS, information and education on ways to reduce individual and work-related air pollution is an effective means of reducing overall air pollution, especially during air pollution alert days when weather and other factors result in elevated levels of air pollution; and

WHEREAS, Clean Air Minnesota has requested state participation in promoting activities and behaviors that reduce air pollution by state departments and in providing state leadership in taking actions similar to those of other Clean Air Minnesota partners; and

WHEREAS, the Minnesota Environmental Policy Act, Minnesota Statutes, Chapter 116D, directs all departments of the state to promote efforts that will prevent or eliminate damage to the environment, and to improve and coordinate state plans, functions, programs and resources to carry out this policy;

NOW, THEREFORE, I hereby order state departments to support the efforts of Clean Air Minnesota by taking the following specific actions:

1. The Interagency Pollution Prevention Advisory Team established in executive order 99-04, and continued in executive order 03-04, shall assist state departments in implementing the requirements of this order, including providing information, guidance, sample policies and procedures, and technical assistance to ensure effective and efficient state participation under this order.
2. Each state department shall seek to reduce its contribution to air pollution by implementing two or more of the following actions whenever legally, technically and economically feasible, subject to the specific needs of the department and responsible management of agency finances:
 - a. Purchase or lease the most fuel-efficient and least polluting vehicles that meet the operational needs of the state department;
 - b. Refuel state-operated vehicles with the cleanest fuel available;
 - c. Encourage employees to consider alternatives to single-occupancy vehicle commuting;
 - d. Reduce state energy use through purchasing energy-efficient office equipment and appliances;
 - e. Employ energy-conserving strategies in state-owned or leased buildings;
 - f. Procure and use products with the lowest potential to contribute to air pollution, such as cleaning products with low amounts of volatile organic compounds;

g. Employ landscaping that reduces the need for gasoline-powered maintenance equipment; and

h. Purchase electricity generated from renewable sources.

3. Each state department shall designate a staff member and an alternate to receive the Minnesota Pollution Control Agency's Air Pollution Alerts and notify staff in a timely manner of the alert and of measures state employees could take to minimize their contributions to air pollution during the alert.

4. On or about May 1 and October 1 of each year, each state department shall provide its employees via email with a fact sheet about steps that employees can take at work and at home to reduce air pollution.

5. Within 30 days of the effective date of this order, each state department shall notify the Interagency Pollution Prevention Advisory Team of the steps it will take to meet the requirements of this order.

6. The Interagency Pollution Prevention Advisory Team will provide a reporting form and technical assistance to the state departments to report their progress on implementing this executive order as part of their annual pollution prevention reports.

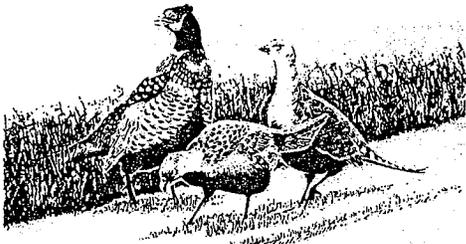
Pursuant to Minnesota Statutes 2004, section 4.035, subd. 2, this Order shall be effective fifteen (15) days after publication in the State Register and filing with the Secretary of State and shall remain in effect until it is rescinded by proper authority or it expires in accordance with Minnesota Statutes 2004, section 4.035, subd. 3

IN TESTIMONY WHEREOF, I have set my hand on this 6th day of August 2004.

TIM PAWLENTY

Governor

ROADSIDES FOR WILDLIFE



Grassy roadsides can be for the birds! Although these ribbons of green make up only a small fraction of our land area, researchers have found them to be highly productive nesting sites for more than 40 kinds of birds and animals that nest on the ground or in low vegetation. Examples include pheasants, gray partridge, rabbits, waterfowl, and songbirds.

Unfortunately, many thousands of nests and nest sites are destroyed annually in southern and western Minnesota because of disturbance to our roadsides during spring and

summer (late April through early August). Management plays a key role in how productive our roadsides will be for wildlife. Your help is needed. . . to give wildlife the edge.

*** Delay roadside mowing of the ditch bottom and back slope until after August 1st.**

Reason: Each species of wildlife has its own nesting habits including when and how many times they rear young each year. As a result, undisturbed roadside cover receives almost continuous nesting use from spring until late summer. By delaying roadside disturbance until after August 1, nests for most species can hatch successfully. A mowed strip along the shoulder is not damaging to nesting wildlife because most nests occur in the ditch bottom or back slope. Other disturbance factors which should be avoided include "blanket" spraying, vehicle and agricultural encroachment, and grazing. If possible, leave roadsides undisturbed year around.

*** Use rotational mowing for brush control.**

Reason: Mowing only once every third year will normally retard brushy growth while reducing roadside habitat disturbance. Schedule mowing to include approximately 1/3 of total roadsides annually and scatter sites throughout jurisdiction for optimum wildlife utilization.

*** Use spot treatment to manage sites for noxious weed control, safety, and snow drifting.**

Reason: Where noxious weed control is needed, spot-spraying is preferred because it leaves cover intact, is less costly, and there is less chance of causing nest destruction or abandonment. Spot mowing and/or shoulder mowing may be necessary for improved sight-distance or snow drift control. Complete roadside mowing is costly and often unnecessary.

*** Avoid indiscriminate roadside burning.**

Reason: Under prescribed conditions, burning can be an effective wildlife management tool. However, widespread and indiscriminate burning of roadsides may remove much needed residual cover as well as valuable roosting and escape cover. Roadside burning can cause a traffic hazard and is illegal without a permit.

*** Roadsides mowed after September 1st should be clipped "high".**

Reason: A **minimum** of 8 to 10 inches of erect, residual cover is vitally needed for next year's early nesters. Residual can also provide some roosting and escape cover.

Urge your local road authorities to adopt policies that will preserve and enhance roadsides for wildlife. For more information, contact your local Area Wildlife Manager or write: Roadsides for Wildlife Program, Dept. of Natural Resources, 261 Highway 15 South, New Um, MN 56073-8915. Phone 507-359-6000 or Fax 507-359-6018.



ROADSIDES . . . GIVE WILDLIFE THE EDGE

ROADSIDE WILDLIFE

Roadsides receive almost continuous nesting use from April through August as shown by examples listed. Disturbance of roadside cover by early mowing, farm tillage, grazing, "blanket" spraying, or vehicle and agricultural encroachment during the peak nesting months (May, June, July) will significantly lower production for species that use roadsides for nesting.

Song Birds and Game Birds: Where and When They Nest

Species	Normal Nesting Period	Nesting Days Per Brood	Number of Broods Each Yr	Nest Description
Pheasant	Mid-April through August	35-50	1	Shallow depression on ground, sparsely lined with grass.
Hungarian partridge	Mid-May through August	35-50	1	Shallow depression on ground, lined with grass.
Mallard	April through July	35-50	1	Hollow on ground, lined with grass and down.
Goldfinch	Late June through August	27-37	1	Cup of woven grass and plant down in weeds or small trees.
Bobolink	Mid-May through July	26-35	1	Shallow cup of dead grass on ground.
Meadowlark	Late April through mid-July	28-34	2	Domed nest of woven grasses with side opening.
Mourning dove	Late April through early September	29-33	2-3	Loose platform of twigs on ground or in tree.
Dickcissel	Early May through July	21-28	2	Loose cup of woven grass on ground or raised in grass tussock or small bush.
Grasshopper sparrow	May through mid-August	24-27	2-3	Hollow cup of grass, rim level with ground or slightly raised.
Vesper sparrow	May through early August	23-32	2	Bulky cup of woven grasses, in shallow depression on ground or in grass tussock.
Common yellowthroat	May through early August	24-28	1-2	Bulky cup of dead grasses with partial hood, built just above ground in grass tussock or small shrubs.

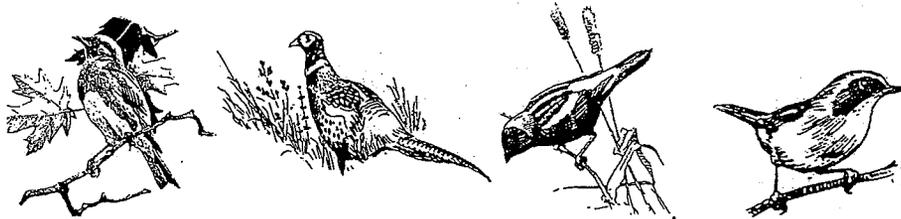
'Approximate length of time from first egg laid until young leave nest. Nesting periods may be extended if birds are forced to re-nest because nest is destroyed or abandoned.

Minnesota's Rural And Urban Roadsides Are Used By A Variety of Wildlife Species Including The Following:

BIRDS: ring-necked pheasant, gray (Hungarian) partridge, mallard, blue-winged teal, pintail, shoveler, gadwall, common yellowthroat, dickcissel, western meadowlark, red-winged blackbird, mourning dove, bobolink, American goldfinch, killdeer, American bittern, upland sandpiper, eastern field sparrow, grasshopper sparrow, savannah sparrow, vesper sparrow, sharp-tailed grouse, and prairie chicken.

MAMMALS: cottontail rabbit, white-tailed jackrabbit, short-tailed shrew, woodchuck, meadow vole, meadow jumping mouse, western harvest mouse, prairie white-footed mouse, pocket gopher, eastern mole, mink, muskrat, thirteen-lined ground squirrel, Franklin's ground squirrel, badger, red fox, raccoon, striped skunk, and spotted skunk.

Roadsides also provide the right combination of abundant food and cover for birds that nest in cavities or in trees near roads. The eastern bluebird and American kestrel commonly use natural cavities or nest boxes next to grassy roadsides. The brown thrasher, eastern kingbird, robin, and common grackle are examples of birds that prefer nests in shrubs or trees near "edges" such as those found along thoroughfares.



MINNESOTA ROADSIDE STATUS

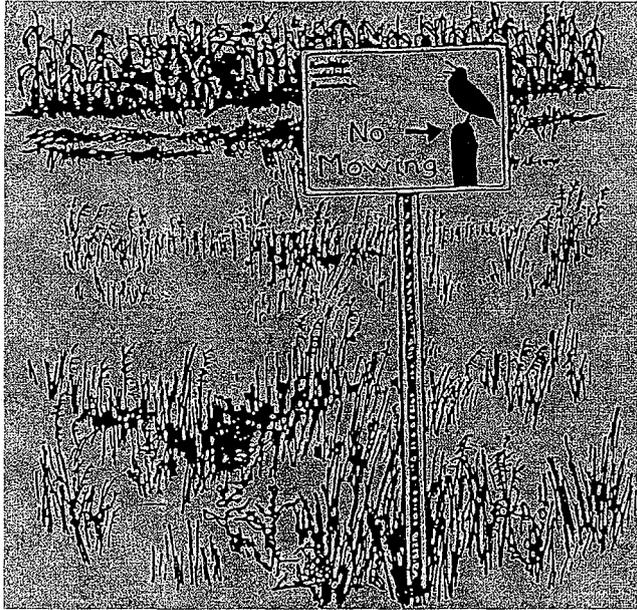
A recent study showed that more than 230,000 acres of roadside habitat in Minnesota's pheasant range was disturbed during the nesting season - **PRIMARILY BY EARLY MOWING** (1983 data - does not include shoulder mowing). The pheasant range is roughly the area south of a line from Moorhead in Clay County to Pine City in Pine County.

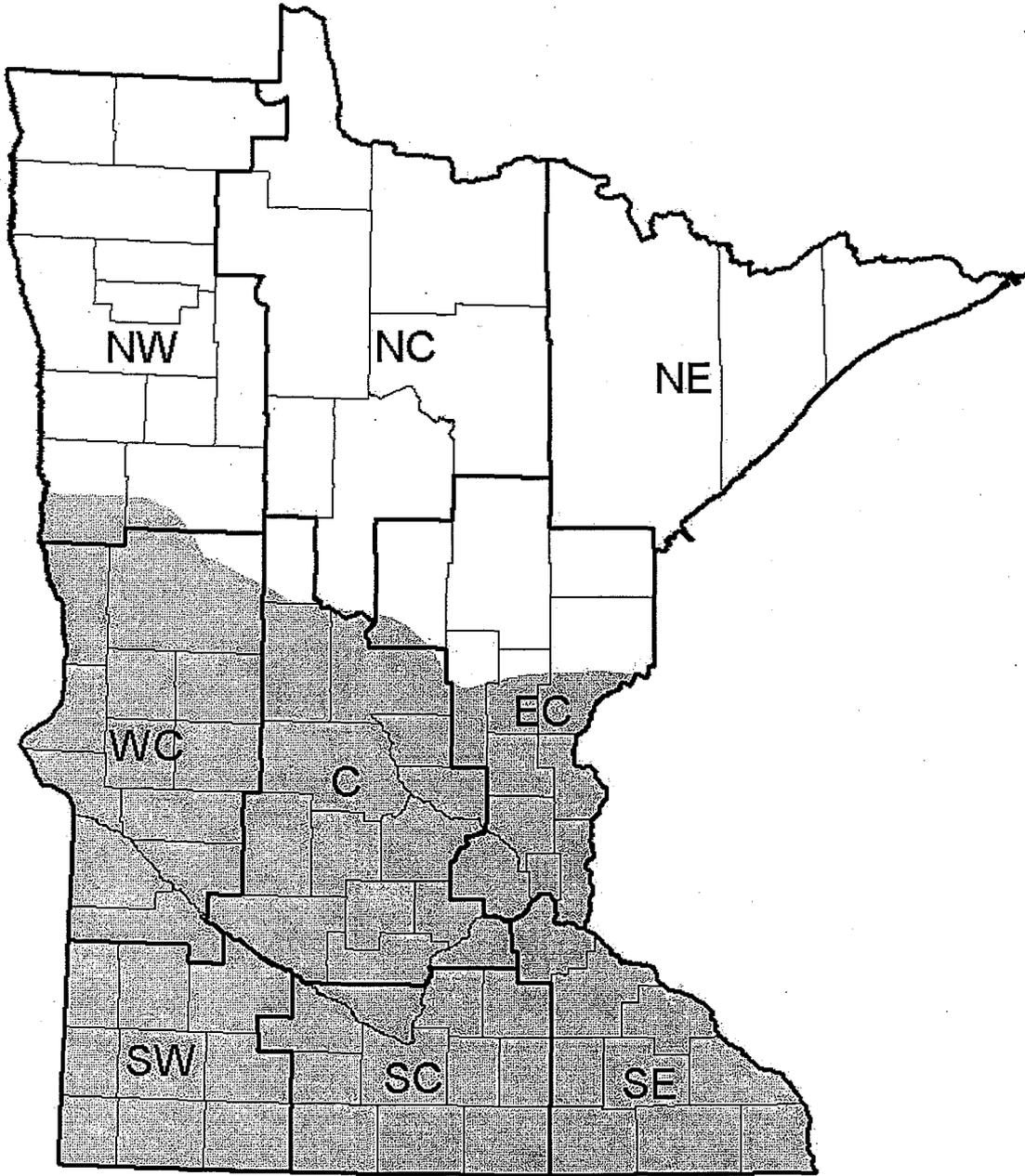
Road Type	Miles	Managed by	Estimated Roadside Acres	Average Roadside Width (ft.)	Percent Cover Disturbed
Federal Hwy	(2,910)	State DOT	32,000	44.5	57
State Hwy.	(5,076)	State DOT	58,000	46.7	52
County St. Aid Hwy.	(20,237)	Co. Hwy. Dept.	161,000	32.7	47
County Road	(9,119)	Co. Hwy. Dept.	56,000	25.5	44
Township Road	(39,387)	Twنشp. Board	218,000	22.9	38

• Disturbed on or before July 28, 1983. Many roadsides are also mowed during late summer and fall.

THREE MAJOR DESTRUCTIVE PRACTICES ARE HURTING OUR ROADSIDE WILDLIFE:

- Mowing of the ditch bottom and backslope before August 1. Early mowing destroys many nests and kills incubating females.
- Indiscriminate roadside burning - Under prescribed conditions, burning can be an effective wildlife management tool. However, in regions where intensive row crop production and fall plowing is practiced, widespread roadside burning removes critically needed residual nesting cover as well as roosting and escape cover.
- Illegal farming encroachments (i.e. row crops) affect more than one-third of Minnesota's public rights o-way. Total loss of nesting habitat each year exceeds 50,000 acres within the pheasant range.





The distribution of pheasants (shading) in Minnesota as of 2002. The bold lines delineate Agriculture Regions, and the light lines delineate counties.

ROADSIDES FOR WILDLIFE

Literature Review

Land use changes over the past 40 years have gradually depleted much of the wildlife habitat found in farming regions of the upper Midwest (Mohles 1974). Lack of suitable nesting cover is one of the major factors contributing to low populations of pheasants and many other farmland species in southern and western Minnesota. Although roadsides comprise only about 1.5 to 2 percent of the land area in the southern half of the state, they have gained increased importance as wildlife habitat because of their relative permanence and wide, even distribution. Several studies have been done throughout the Midwest pertaining to the use of roadsides by wildlife.

Pheasants

The percentage of pheasant nests found in roadsides varies because of regional land use, habitat quality, and population levels, but most researchers have found that roadsides contribute significantly to production. The percentage of established nests has ranged from 24 to 57 percent (Chesness 1965, Egbert 1968, Linder et al. 1960, Fisher 1954, Fisher 1955).

Chesness et al. (1968) found that the percentage of successful nests in Minnesota roadsides was second only to oats fields. Roadsides contributed over 27 percent of the pheasant crop during the 3-year study. Roadside densities ranged from 0.44 to 2.17 nests per acre.

Studies in Iowa indicate establishment rates for pheasants ranged from 0.10 to 1.04 nests per acre in roadsides (Mead 1973, Nomsen 1972, Wright and Otte 1961, Klonglan 1955, Klonglan 1962, Farris 1974, Egbert 1968). Wright and Otte (1962) reported that pheasants in central Iowa had highest nest densities in roadsides ... most nests were located in cover 16-22 inches in height. Farris (1974) calculated that about 1000 juvenile pheasants were produced into the fall population on a 37-mile segment of I-80 (both sides of highway - 314 acres) in east-central Iowa. Nest densities averaged 1.0 nest per acre. There were 3.2 pheasants produced per acre of Interstate roadside. He also stated that nesting cover quality and management practices were the most significant contributing factors pertaining to pheasant use of roadsides.

Linder et al. (1960) reported that nearly ¼ of all pheasant nests in south-central Nebraska were found in roadside cover. The presence of residual cover was speculated to be the major factor for high nest densities. Baxter and Wolfe (1973) reported similar findings in Nebraska. Their study found that roadsides had the highest densities of established nests (1.91 nests per acre) of all cover types searched. Established nest densities in South Dakota roadsides were highest (2.0 nests per acre) of all cover types researched (Trautman 1982). Hanson and Progulske (1973) also reported that roadsides and drainage ditches ranked second

only to hay for night-time roosting cover.

In east-central Illinois, Joselyn et al. (1968) found higher nest densities - established in unmowed roadsides seeded to grass-legume mixtures (3.0 nests per acre) when compared to unmowed, unseeded roadsides (2.0 nests per acre) and unseeded roadsides where mowing was not controlled (1.5 nests per acre). Seeded roadsides also had greater nest densities than any of the seven other cover types including unharvested hay. Nest success (on a per acre basis) for seeded roadsides also exceeded that in all other cover types during 3 of 4 years of the study.

Warner and Joselyn (1986) documented pheasant populations that were sustained at levels 2 to 3 times greater just 3 years after "block" roadside management was begun when compared with a nearby reference area during the period 1967 through 1984. Under a diverse farming situation, undisturbed roadside cover and other landscape features had a synergistic effect on local pheasant abundance. Roadsides sustained approximately 47 percent of all hatched nests on the area from 1973 to 1981.

Waterfowl

Oetting and Cassel (1971) found 422 duck nests (447 nests for all birds) with an overall success of 57 percent along a 23-mile stretch of 1-94 in southeastern North Dakota. Duck nest establishment rates averaged 0.22 nests/acre of roadside habitat. Species found nesting in the right-of-way included mallard, pintail, gadwall, lesser scaup, blue-winged teal, and shoveler. Other nesters included mourning dove, killdeer, upland plover, American bittern, and gray partridge. Both nest densities and nest success were higher in unmowed roadside segments when compared to mowed segments.

Voorhees and Cassel (1980) found that ducks preferred unmowed roadsides over mowed roadsides as nesting sites. The number of nests found in unmowed segments were twice as high as those found in mowed segments. However, nest success declined in unmowed areas that represented late successional stages. They suggested that roadsides be left unmowed but in an early successional stage. This could be accomplished by mowing at 3-year intervals (1/3 of the area each year). Duebbert and Kantrud (1974) reported average establishment rates for ducks at 0.4 nests/acre for roadsides in north-central South Dakota.

Gray Partridge

Bishop et al. (1977) found that gray (Hungarian) partridge preferred roadsides for nesting in northern Iowa. Over 79 percent of all partridge nests found in a 3360-acre study area were established in roadsides. Established nest densities average 0.11 nests/acre of roadside habitat and far exceeded densities for other cover types.

Carroll (1987) reported 70% of radio-tagged hens studied in North Dakota during 1985-86 nested in road ditches. An intense period of nest initiation occurred during the last two weeks in May with a second peak for renests during the first week of July. Most nests hatched during July and early August. Roadside ditches 2 meters or less in width were used frequently. Residual cover was an important cover factor for nesting partridge.

Prairie Grouse

Svedarsky (1977) has documented the use of roadsides for nesting by greater prairie chickens and sharp-tailed grouse in northwest Minnesota.

Other Wildlife

A variety of other birds and mammals use roadsides for nesting and denning as well as for source of food and cover. Only a few references will be noted here. Roadsides are used by cottontail rabbits (Beule and Studholme 1942), voles (Baker, 1971), woodchucks (Manville 1966), and pocket gophers (Huey 1941). Roadside nesters include meadowlarks, savannah sparrows, red-winged blackbirds (Berner 1984), bluebirds, killdeer, song sparrows (Harrison 1975), and vesper sparrows (Varland 1987).

Berner (1984) reported that nest densities for all birds at various roadside locations in Minnesota ranged from 3.5 nests/acre in west-central sites to 0.36 nests/acre in the southeastern part of the state. The overall average was 1.26 nests/acre. Eighty-five percent of the nests were found in unmowed segments.

In south-central Minnesota, bird nest densities were found to be highly correlated to the percent of roadsides left unmowed. In other words, more nests were established in roadsides where a greater percentage of roadsides were left unmowed. In addition, roadsides left unmowed for three consecutive years had up to 3 times as many nests per acre than those mowed annually. (Berner 1984).

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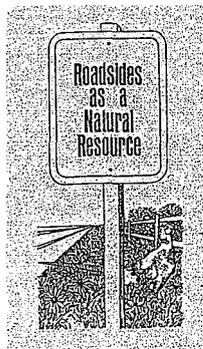
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ABBREVIATIONS USED

ATV	All Terrain Vehicle
BWSR	Minnesota Board of Water & Soil Resources
CSAH	County State Aid Highway
CTAP	Circuit Training Assistance Program
DNR	Minnesota Department of Natural Resources
FSA	Farm Service Agency
GPS	Global Positioning System
IRVM	Integrated Roadside Vegetation Management
LCMR	Legislative Commission on Minnesota Resources
MDA	Minnesota Department of Agriculture
Mn/DOT	Minnesota Department of Transportation
Mn/PIE	Minnesota Pesticide Information and Education
NPDES	National Pollutant Discharge Elimination System
NRCS	Natural Resources Conservation Service
O & M	Operation & Maintenance
PHIP	Pheasant Habitat Improvement Program
RFW	Roadsides for Wildlife Program
RIM	Reinvest in Minnesota
R/W	Right-of-Way
SWCD	Soil & Water Conservation District



Minnesota Department of Natural Resources

500 Lafayette Road
St. Paul, Minnesota 55155-40__

April 14, 2005

The Honorable Satveer Chaudhary
State Senator – District 50
317 Capitol Building
Saint Paul, Minnesota 55155

Dear Senator Chaudhary:

This letter is a follow-up to recent meetings and inquiries you've had with Department of Natural Resources (DNR) staff relative to your bill (SF1937) concerning roadside habitat efforts in Minnesota. Thank you for your interest and support for wildlife in general and your specific efforts related to enhanced wildlife habitat along roadsides.

As you know, the DNR, like other state agencies must implement our programs within finite financial resources. This has required that tough priority decisions must be made. In fiscal year 2004, the DNR spent \$41,700 on roadside management. An expansion of the existing roadside efforts within the DNR is not in the Governor's budget, and we are not prepared at this time to allocate further resources toward this effort without additional discussions with the citizens' Pheasant Stamp Oversight Committee (which operates under M.S. 97A.055), Pheasants Forever, and other key stakeholders.

We are committed to having those discussions and developing a plan for jointly addressing priority roadside habitat needs with others who share an interest in roadside management. At this time, I am committing DNR staff resources to the following actions:

1. Again convene the Roadside Wildlife Habitat Advisory Committee in June 2005 to further explore partnership opportunities and potential funding mechanisms to enhance wildlife habitat along roadsides. [This is included as a recommendation on page 13 of the January 15, 2005, Legislative Report.]
2. Convene a subgroup of the Roadside Wildlife Habitat Advisory Committee to develop a comprehensive Roadside Habitat Plan that explores the legal, cultural, and financial challenges of roadside habitat and sets forth the attainable goals for addressing these challenges. This information could also be used to help guide future legislative initiatives.

DNR Information: 651-296-6157 • 1-888-646-6367 • TTY: 651-296-5484 • 1-800-657-3929

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April 14, 2005
The Honorable Satveer Chaudhary
Page Two

3. Support passage of the policy language included in your SF1928 (and also contained in SF1937), as recommended by the Roadside Wildlife Habitat Advisory Committee.

In conclusion, while the DNR is not presently prepared to allocate additional financial resources for the purpose of enhanced roadside wildlife habitat, we are committed to continuing to work with you and key stakeholders on developing approaches to addressing the most critical roadside habitat issues. Based on feedback that we have gotten from the Minnesota Department of Transportation and others, significant progress is already being made toward improved management of roadsides simply as an outcome of the meetings of the Roadside Habitat Advisory Committee that were held during the summer and fall of 2004. Much of that progress is directly attributable to the interest you have shown and the actions you have taken. We look forward to continuing to work with you.

Again, thank you for your continued interest and support for the wildlife and habitat resources of Minnesota. Please feel free to contact me at if you would like to discuss this issue in more detail.

Sincerely,



John Guenther, Director
Division of Fish and Wildlife
DNR Building – 500 Lafayette Road
Saint Paul, Minnesota 55155-4020
651-297-4960

JDG/WE/EKB/jls

c Mr. Gene Merriam, Commissioner, Department of Natural Resources
Mr. Larry R. Nelson, Deputy Director, Division of Fish and Wildlife
Mr. Edward K. Boggess, Chief, Policy Section, Division of Fish and Wildlife
Mr. Wayne Edgerton, Agriculture Policy Director, Outreach Section, Division of Fish and Wildlife
Mr. Ken Varland, Regional Wildlife Manager, New Ulm

Senators Rosen, Anderson, Sparks and Senjem introduced--
S.F. No. 2164: Referred to the Committee on Finance.

A bill for an act

relating to appropriations; appropriating money for
small business development.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [APPROPRIATION.]

\$200,000 is appropriated from the general fund to the
commissioner of employment and economic development for the
biennium ending June 30, 2007, to help small businesses access
federal funds through the federal Small Business Innovation
Research Program and the federal Small Business Technology
Transfer Program. Department services must include maintaining
connections to 11 federal programs, assessment of specific
funding opportunities, review of funding proposals, referral to
specific consulting services, and conduct of training workshops
throughout the state. The appropriation is added to the
agency's base.

1 Senator moves to amend S.F. No. 2164 as
2 follows:

3 Page 1, after line 16, insert:

4 "The department must investigate options for charging fees
5 for services that help companies seek federal Phase II Small
6 Business Innovation Research grants. The results and
7 recommendations from this study must be submitted to the chairs
8 of the house and senate economic development finance committees
9 by February 1, 2006."

10 Amend the title as follows:

11 Page 1, line 3, after "development" insert "; requiring a
12 report"

**DEED
Small Business Innovation Research (SBIR) &
Small Business Technology Transfer (STTR) Assistance Program**

- ◆ From 2000-2002, Minnesota received over \$58 million in SBIR/STTR funds. Based on the nationally recognized multiplier of \$7 of accrued benefit to the economy for every \$1 of SBIR/STTR funding, this translates into over \$406 million in new revenue to Minnesota.¹
- ◆ SBIR/STTR Assistance Program statewide promotion will increase exponentially through leveraging state, local and private resources.
 - 7 Business Development Regions
 - 9 Small Business Development Regional Centers
 - 6 Regional WorkForce Services Regional Administrators
 - 50 WorkForce Centers
 - Regional Economic Development partners including: Minnesota Initiative Foundation and Regional Development Commission
 - MNSCU Economic Development Initiative

History of the SBIR/STTR Programs

Since 1982, more than \$13 billion in SBIR/STTR investment capital has created new products and services to support America's competitiveness worldwide and improve the lives of people here and abroad. SBIR/STTR investment capital, in the form of competitive federal grants and contracts, enable start-up, early-stage and existing companies to grow and sustain local, regional and national economies. SBIR/STTR leverages the ingenuity and inventiveness of small companies to create wealth, jobs and opportunities.

Benefits to Minnesota

- ◆ Retention and creation of high paying jobs (metro and rural);
- ◆ Increased tax base through corporate and payroll taxes;
- ◆ Increased investment of seed and venture capital;
- ◆ Increased technology transfer and research to commercialization efforts;
- ◆ Increased national recognition of scientific and technical advancements;
- ◆ Increased intellectual property activity;
- ◆ Increased public and private sector collaborations;
- ◆ Increased productivity gains;
- ◆ Introduction of new products and services for domestic and international markets;
- ◆ Enhanced contribution to the quality of life in Minnesota; and
- ◆ Creation of a strong economy that is based on high-tech small- to mid-size companies with a diversified product portfolio.

¹ National report conducted by the Ann Eskesen, Innovation Development Institute, Swampscott, MA., December 2003.

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Last update: March 28, 2005 at 5:07 PM

Coffee With: Betsy Lulfs

Published March 28, 2005

Position: Since Feb. 7, coordinator of small-business research-grant programs for the Minnesota Department of Employment and Economic Development (DEED).

How did you come to this position?

I worked for the Ohio SBIR program from 1990 to '94. I was one of five offices to start and then they closed down the other four offices and they kept mine open, and I covered the state of Ohio. And then they closed my office down because of budget cuts and offered me a job in Columbus, but at that point in my life I wasn't ready to move. Went to work for the city of Toledo and started the grants program in the city of Toledo and I worked for a small private college writing grants. Lived my whole life in Toledo. And then got into marketing for home care and hospice.

You were recruited by a board member of MPI, which used to handle SBIR. What happened to MPI?

It's now a part of the business and community development division at DEED.

So translate your job's initials for me.

SBIR is Small Business Innovation Research, and that is a program strictly for small businesses to apply to the federal government to get funding for their high-tech research. Basically, it can fund their R&D department. The money goes to the small businesses -- about \$8 billion to \$9 billion this year. STTR is the Small Business Technology Transfer program, and the concept there is to take the research that's been conducted at a university, get it out to the small business to continue to develop the prototype and then commercialize.

How would you describe your overall mission with these two programs?

Under MPI it was a one-person shop, and they did a wonderful job. However, it's a pretty big geographical state, and by now having this position at the state level, the networking resources increase exponentially because you have business-service providers [within DEED]. You have small-business service providers, the business-resources specialists at the state.

Why should the federal government be providing research money to these small businesses?

I think 95 percent of the research that's conducted and the products that are commercialized come from small business.

Research is very expensive. Some of the equipment is very expensive. In order to facilitate small businesses moving into conceptualizing their ideas and producing and commercializing, they need assistance. The majority of your money is going to businesses with under 20 employees. A lot of creative ideas come out of SBIR funding. There was a piece that was used on the Mars Rover that was SBIR-funded.

Where did the SBIR program come from?

It was mandated in 1982 by the federal government as a small-business set-aside, and they took, I think, 1.25 percent of the extramural R&D budgets [of federal agencies]. It is now 3 percent. Between the two programs this year, it's \$10 billion.

How much did Minnesota get?

In the course of MPI's tenure, they brought in \$250 million.

It was controversial when Gov. Pawlenty abolished MPI in his first budget and, after restoring some funding, now is taking this program into state government. What is the commitment to this program.

The commitment from the state is to expand the program into the state and bring more tax dollars back to the state. As far as the history of the controversy, I'm unaware of a lot of that.

What kind of industries are you going to be focusing on first?

Well, the medical device industry is huge. Also, when people think of Department of Defense, they think it's just war. There are a lot of opportunities in defense for medical-related, software development, some manufacturing-related projects. So I'll be focusing on expanding the knowledge opportunities for people. Manufacturing happens to fall across, I think, six different agencies you wouldn't normally think of. I'm going to develop a manufacturing-related workshop that would say if you're a small manufacturer and you have these abilities and you can meet the needs of the government, these are where the opportunities lie.

So a small business that wants some R&D funds should be doing what?

I'm the liaison between the small business and the federal government. So they need to get into contact with me, and I do a search across agencies and say, "These are the opportunities" and get back to the small business and teach them how to write the proposal and then hook them up with resources either at another company or at a university to pull some contract or consulting services out of there and then edit the proposal and send it in.

Pat Dillon, who oversaw SBIR and STTR at MPI, was hero to many small businesses in Minnesota.

She did a great job. She was a great teacher, editor, and she's continuing to do that on her own [as a consultant].

What are the things you considered in deciding whether to leave your home of Ohio for Minnesota?

The selling point was it's a dream job. It's an opportunity for me to get back into a program that helps small business. I'm a big advocate for giving back. The SBIR program gives back. It's an opportunity for the state to bring tax dollars back.

What was your job in Ohio?

I was a marketing representative for Heartland Home Care and Hospice. The hospice [work] can get emotional, and it's very difficult to build that wall. Not that I wanted to leave. SBIR was, for lack of a better term, my first love. It's an adrenaline surge when someone calls you and said, "I've won." It's just like the lottery. It's an incredible feeling knowing they're starting on an exciting journey in their business, taking a concept they have and actually make it happen.

Do you have any sense of how Minnesota ranks nationally for getting SBIR grants?

The last statistic I saw was 14th in the United States in receiving tax dollars for SBIR and STTR.

What do you think would constitute success for you in this job?

Growing the program and bringing more tax dollars back to Minnesota and helping small businesses grow in their wealth.

Larry Werner is at werner@startribune.com.

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Senators Kelley; Johnson, D.E.; Kiscaden; Senjem and Rosen introduced--
S.F. No. 1309: Referred to the Committee on Finance.

1 A bill for an act
2 relating to economic development; appropriating money
3 to the Board of Regents of the University of Minnesota
4 for biotechnology and medical genomics research.
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
6 Section 1. [APPROPRIATION.]
7 \$18,000,000 in fiscal year 2006 and \$15,000,000 in fiscal
8 year 2007 are appropriated from the general fund to the Board of
9 Regents of the University of Minnesota to fund a joint
10 partnership with the University of Minnesota and the Mayo
11 Foundation for research in biotechnology and medical genomics.
12 This appropriation funds operating costs of the collaboration on
13 a reimbursement basis, including salaries, and indirect
14 operating costs at the federally negotiated rate of each
15 institution, but does not include capital. This appropriation
16 must be expended consistent with the continuation of the
17 business plan developed by the University of Minnesota and the
18 Mayo Foundation submitted to the governor by October 1, 2003.
19 This appropriation is available until spent.

1 Senator moves to amend S.F. No. 1309 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. [APPROPRIATION.]

4 \$15,000,000 is appropriated in fiscal year 2006 from the
5 general fund to the commissioner of employment and economic
6 development for the direct and indirect expenses of the
7 collaborative research partnership between the University of
8 Minnesota and the Mayo Foundation for research in biotechnology
9 and medical genomics. This is a onetime appropriation. An
10 annual report on the expenditure of these funds must be
11 submitted to the governor and the chairs of the senate Higher
12 Education Budget Division and the house Higher Education Finance
13 Committee by June 30 of each fiscal year until the appropriation
14 is expended. This appropriation is available until expended."

15 Delete the title and insert:

16 "A bill for an act relating to economic development;
17 appropriating money to the commissioner of employment and
18 economic development for biotechnology and medical genomics
19 research."

1 A bill for an act

2 relating to agriculture; directing the commissioner of
3 agriculture to conduct a study regarding a rail
4 container load-out facility in or near Clara City.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. [RAIL CONTAINER LOAD-OUT FACILITY STUDY.]

7 The commissioner of agriculture, in close consultation with
8 the commissioner of transportation, shall conduct a study of the
9 feasibility and desirability of constructing a rail container
10 load-out facility in or near the city of Clara City. The study
11 must include an estimate of the costs and benefits of a facility
12 to the city and region and to the state transportation system.
13 The commissioner shall report to the governor and legislature on
14 the results of the study by January 15, 2006.

Fiscal Note – 2005-06 Session

Bill #: S1730-1E **Complete Date:** 04/11/05

Chief Author: KUBLY, GARY

Title: CLARA CITY RAIL CONT LOAD FAC STUDY

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Agriculture Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		55			
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		55			
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		55			
Total Cost <Savings> to the State		55			

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalent					
General Fund		0.10			
Total FTE		0.10			

Bill Description

The Minnesota Department of Agriculture, in cooperation with the Minnesota Department of Transportation, will conduct a study to determine the costs and benefits of building a rail container load out facility in or near the city of Clara City.

Assumptions

This study will need to consider costs to build, maintain and support the facility and benefits to commercial activities and the local economy. It will need to determine whether or not there are enough potential users of the facility to make it self-supporting. Similar studies in recent years have cost \$30,000 to \$60,000.

Expenditure and/or Revenue Formula

Expenditure budget is estimated at \$50,000 for contractual services and \$5,000 for internal work/administrative costs.

Long-Term Fiscal Considerations

There may be long-term costs if the study shows sufficient net benefit to the region.

Local Government Costs

Potential local costs for support of the facility would have to be determined.

FN Coord Signature: STEVE ERNEST
Date: 04/07/05 Phone: 215-5770

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LEONIE HUANG
Date: 04/11/05 Phone: 296-5779



Allan C. Vergin
BNSF General Director Feedgrains/Oilseeds
Agricultural Products

BNSF Railway Company
P.O. Box 961051
Fort Worth, TX 76161-0051
2650 Lou Menk Drive, 2nd Floor
Fort Worth, TX 76131-2830
817-867-6730 Office
817-352-7933 Fax
allan.vergin@bnsf.com

April 13, 2005

Mr. Rich Leiseth, Branch Manager
Clara City Farmers Elevator
P.O. Box 590
Clara City, Minnesota 56222

Dear Rich:

BNSF is extremely interested in exploring and developing efficient grain/grain product container stuffing facilities in the interior agriculture producing areas. As you are fully aware, we mutually have developed an efficient 110 car shuttle network (approximately 130 origins), such as your Clara City facility, for effectively moving large quantities of bulk grain. We are exploring using similar technology to efficiently and effectively load container trains or AG STACKS.

Your central location and current experience in loading containers are two of the key reasons we desire to explore this opportunity with Clara City Farmers Elevator. We are pursuing this as a mutual growth opportunity.

Again, we are in the embryonic stage of exploring this opportunity, but are encouraged by the success in our grain shuttle program, the increased supply of empty containers, and the Asian demand for US agricultural products.

We will continue to keep you informed as we develop the steps to successfully implement this program. Thank you for your interest in expanding our markets. If you have additional questions or comments, please advise.

Sincerely,

Allan Vergin, BNSF General Director Feedgrains

Senator Frederickson introduced--

S.F. No. 1627: Referred to the Committee on Finance.

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9

A bill for an act

relating to economic development; appropriating money
for grants to the Minnesota Inventors Congress.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [APPROPRIATION.]

\$50,000 for fiscal year 2006 and \$50,000 for fiscal year
2007 are appropriated from the general fund to the commissioner
of employment and economic development for the purpose of
providing grants to the Minnesota Inventors Congress.

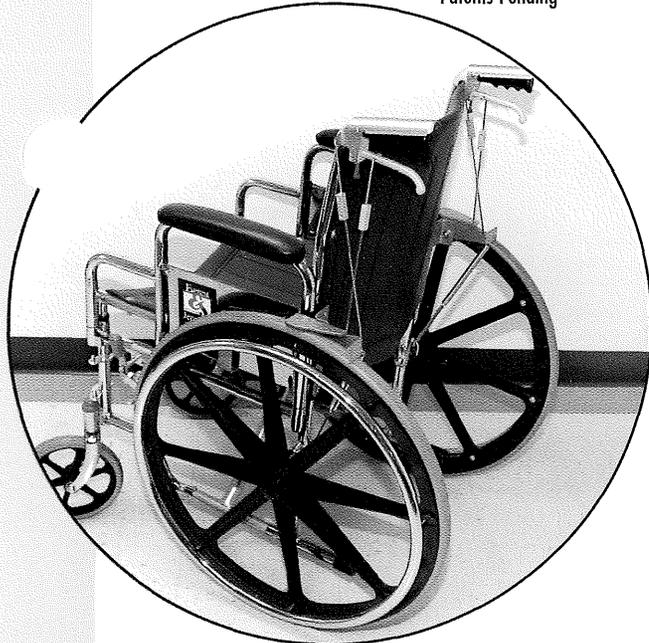
Jerry Ford Co., LLC

Fall Intervention & Safety Systems for Wheelchairs



- Jerry-Lock Brakes™*
- Incline Brakes™*
- Attendant Brakes™*

*Patents Pending



Jerry-Lock Brake System shown here with Incline Brake System

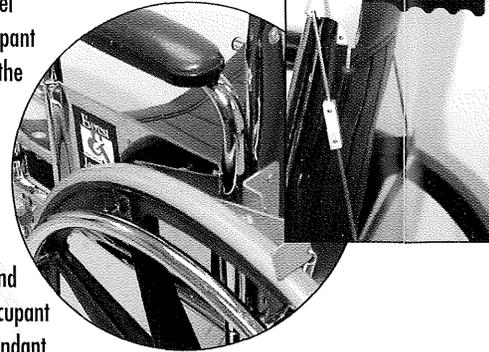
Our automatic wheelchair brakes will help prevent falls, free up staff and improve quality of life...
An inexpensive improvement for new or existing wheelchairs that saves money, time and lives!

Learn more at:

www.JerryFordCompany.com

Jerry-Lock Brake System™*

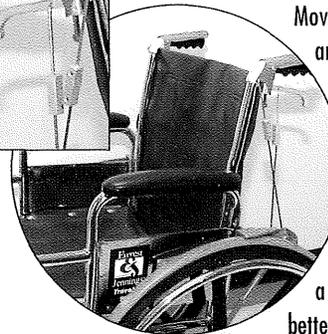
Automatically applies wheel brakes whenever the occupant is transferring to or from the wheelchair ensuring that the wheelchair is in a safe and stable "locked" condition. When not occupied the wheelchair brakes remain engaged and do not release until the occupant is safely seated or the attendant releases the palm levers. Manual brake lock-offs allow the wheelchair to be easily brought along when occupant is ambulating.



Incline Brake System™*

Moving wheelchairs on ramps and inclines can be dangerous to both occupants and attendants. The Jerry Ford Company has addressed this issue with the Incline Brake System, which provides the attendant with a hand lever friction brake to better control the wheel chair when descending ramps or other inclines.

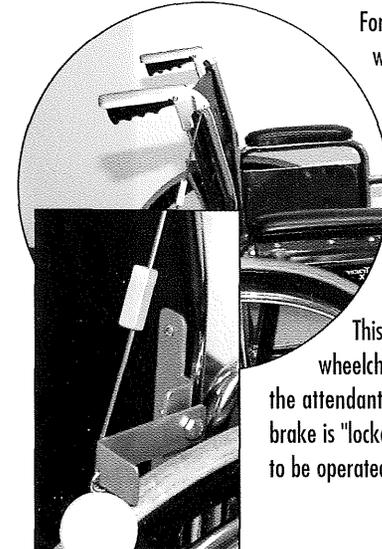
Incline Brake System shown here with Jerry-Lock Brake System.



Attendant Brake System™*

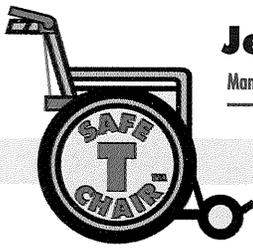
For hospital escort or for wheel chair occupants whose safety may be enhanced by limiting brake control to only the attendant, Jerry Ford Company offers the Attendant Brake System.

This system puts control of our wheelchair brakes in the hands of the attendant unless the attendant brake is "locked off" allowing the chair to be operated by the occupant.



"The Jerry-Lock Brake System helps prevent the serious injuries that can occur when a person attempts to rise from a wheelchair without remembering to manually lock the wheel brakes. This automatic brake system is nothing short of a life saver!"

*Patents Pending

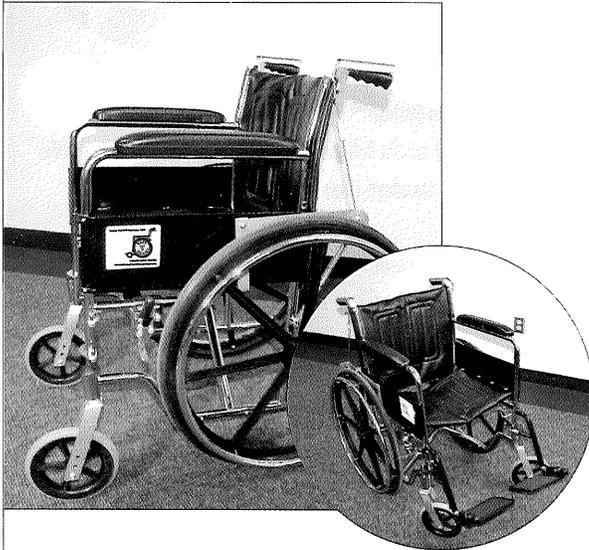


Jerry Ford Co., LLC

Manual Wheelchairs with Fall Intervention & Safety Systems

*Premounted
and Ready to Use!*

The Jerry Ford Company line of fall intervention and safety equipment can now be purchased premounted and ready to use on our new line of Safe T Chairs™. One of the strongest wheelchairs on the market, the durable Safe T Chair comes with full length fixed arms or full or desk length removal arms. Available in both standard and hemi-heights.



Standard features

- Triple chrome plated carbon steel frame
- Flame retardant, double embossed upholstery
- Padded armrests
- Detachable swing away footrests, standard on removable armrest models, optional on fixed arm models)
- Custom options include padded elevating leg rests

The wheelchair's quality components combined with durable construction make these fine chairs extremely low in maintenance, with weight capacity ratings that are among the highest in the industry.

Jerry Ford Company, LLC ~ P.O. Box 606 ~ St. Charles, MN 55972
866-800-6049 ~ info@jerryfordcompany.com ~ www.jerryfordcompany.com



Size Options

The Jerry Lock Brake System™* and/or Incline Brake System™* ordered premounted on the full length, fixed arm wheelchair, in widths of 16", 18" or 20". Standard chair weight capacity: 310lbs.

The Attendant Brake System™* and/or Incline Brake System™* can be ordered premounted on the full or desk length, removable arm wheelchair, in widths of 16", 18" or 20". Standard chair weight capacity: 310lbs.

We also offer these systems on heavy duty wheel chairs with weight capacities of 450lbs that come in widths of 22", 24" or 26".

Our Heavy Duty wheelchairs are constructed of heavy duty components to withstand the long term use of the large patient with minimum maintenance. Special reinforced frame with double cross braces, double embossed upholstery and dual inner liners combine with heavy duty wheels with airless pneumatic tires to insure this chair's dependability for the higher weight user.

Ask about the silver ion, germ killing powder coating that our Research and Development team are exploring for years of germicidal protection on our metal handles.



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JUNE 10, 11, 12, 2005

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~ Bob DeMatteis

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- ◆ *Exhibiting at the Minnesota Inventors Congress gives independent inventors an opportunity to test market their new product idea through:*
 - Conducting surveys.
 - Feedback from the general public.
 - Holding drawings.
 - Interaction with professional consultants.
- ◆ *New Product Ideas*
 - Compete for EXPO 2005 awards.



Marketplace Exhibits

- ◆ *An opportunity to sell your new product at the MIC*
 - Products must have been previously exhibited at the MIC.
 - Must be a market ready product.
 - Do not compete for EXPO 2005 awards.

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- ◆ *For-Profit Entities Present Products/Services Useful in the Invention Development Process*
 - No company that has had a Federal Trade Commission action filed against them will be permitted to exhibit.
 - Must have filed necessary licenses, permits, bonds, etc., as required by the State of Minnesota, Minnesota Statutes 325A.
 - Must supply references upon request.
- ◆ *Not-For-Profit Entities - including:*
 - Nonprofit 501(c)3 Organizations
 - Governmental agencies of the United States
 - Educational institutions in the United States

Mission Statement

The Minnesota Inventors Congress is a nonprofit organization dedicated to serving inventors through encouragement of invention and innovation, and the provision of information, assistance and support at all phases of the innovative process.

◆ Exhibitor Information ◆

Registration

- ◆ Pre-registration is requested. Registration forms **faxed, e-mailed or postmarked by May 13, 2005**, qualify for reduced registration fees.
- ◆ Check-in Thursday, June 9, from 5:00-8:00 p.m. Exhibit area closes at 8:30 p.m.

Insurance & Sales Tax

- ◆ Exhibitors in all exhibit areas must furnish proof of liability insurance, proof of sales tax compliance, exemption, etc., upon request of the Minnesota Inventors Congress Board of Directors.

Pre-Approval

- ◆ All exhibitors must be approved by the MIC Board of Directors or their duly appointed designee(s). The Minnesota Inventors Congress reserves the right to refuse any or all applicants/exhibits for exhibit areas, speakers, product sales, or provision of information.

Showbook

- ◆ The Minnesota Inventors Congress publishes a Guide to EXPO 2005. This publication will give inventors and businesses an opportunity to market their product(s) and services. See page 4 for rate information.

Exhibit Requirements

- ◆ Exhibitors must display a working model or prototype.
- ◆ Have the exhibit in place by 9:30 a.m., Friday, June 10, and maintain the exhibit in place, until 5:00 p.m., Sunday, June 12.
- ◆ Staff the exhibit booth at all times, either personally or with a designated representative.
- ◆ An exhibitor must display only his/her own product(s) in the display booth.
- ◆ Notify MIC as soon as possible of special needs such as water, forklift, etc.

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- ◆ Presentation or promotion of products or services by exhibitors, speakers, other participants, media or persons attending MIC events *does not constitute an express or implied endorsement of the product or service by the Minnesota Inventors Congress.*

Restrictions

- ◆ Selling is only permitted at the MIC Store for new inventors. Please contact the MIC office for more information.

EXPO 2005 RECEPTION

Friday, June 10 • 5:30 - 7:30 p.m.

Jackpot Junction

Tickets: \$10.00

Includes Hors d'oeuvres
Cash Bar Available - Casual Dress
The exhibitor and consultant reception is a great opportunity to connect with each other informally.



AWARDS DINNER

Saturday, June 11 • 6:00 p.m.

Jackpot Junction

Tickets: \$20.00

Tickets must be purchased in advance.

Invention Protection

Please be aware that to obtain a patent or a provisional patent to protect your invention, you must file a patent application within one year of displaying the invention to the public or your right to a valid U.S. patent will be lost. If a U.S. provisional patent or full patent application is not filed before you display, many foreign patent rights are lost as well. Patent attorneys will be available at the MIC to answer questions from exhibitors, inventors and other interested persons.



◆ Fee Schedule ◆

Item: Exhibit Areas (check one)

(Includes 8' x 8' draped booth or outside exhibit area, one invention sign, draped table, two chairs)

BASE PRICE QUANTITY TOTAL

<input type="checkbox"/> INVENTION EXHIBIT (If faxed or postmarked by May 13, 2005)	<input type="checkbox"/> Indoor: Size 8'x8' (Door width 36")	<input type="checkbox"/> Outdoor: Size _____ (Door width 36")	\$350.00 \$300.00	_____ _____	_____ _____
<input type="checkbox"/> MARKETPLACE EXHIBIT (If faxed or postmarked by May 13, 2005)	<input type="checkbox"/> Indoor: Size 8'x8' (Door width 36")	<input type="checkbox"/> Outdoor: Size _____ (Door width 36")	\$350.00 \$300.00	_____ _____	_____ _____
<input type="checkbox"/> INVENTOR RESOURCES VENDOR: For Profit (If faxed or postmarked by May 13, 2005)			\$500.00 \$450.00	_____ _____	_____ _____
<input type="checkbox"/> INVENTOR RESOURCES VENDOR: Non-Profit (Register prior to May 13, 2005)			\$ 100.00	_____ _____	_____ _____

Additional Charges

✓ Additional 8' x 8' Exhibit Space	\$200.00	_____	_____
✓ Additional Invention & Sign	\$ 50.00	_____	_____
✓ 110V Electrical Hook-up at Jackpot Junction	\$ 25.00	_____	_____
✓ Awards Dinner at Jackpot Junction-Sat. Evening (must be purchased in advance)	\$ 20.00	_____	_____
✓ Exhibitors' Reception at Jackpot Junction-Fri. Evening	\$ 10.00	_____	_____
✓ Showbook Advertising (see fee schedule)	\$ _____	_____	_____
✓ Set-up Fee for Showbook Advertising	\$ 30.00	_____	_____

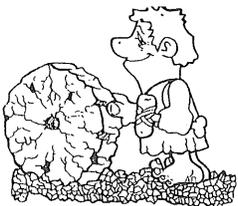
Educational Events

Saturday, June 11

- ◆ 10:00 a.m. - 5:00 p.m.
NEW ULM GEM/MINERAL SHOW
- ◆ 9:00 a.m., 11:00 a.m., 1:00 p.m.
"INVENTING SUCCESS"TM
MINI SEMINARS
Learn from the experts.

Sunday, June 12

- ◆ 8:00 a.m. - 12:00 p.m.
at the Redwood Falls Airport
ROTARY FLY-IN PANCAKE
BREAKFAST
- ◆ 10:00 a.m. - 5:00 p.m.
NEW ULM GEM/MINERAL SHOW



Schedule is subject to change.

◆ MIC Schedule of Events ◆

June 10-12

Friday, Saturday & Sunday

Redwood Valley High School

- ◆ 10:00 a.m. - 5:00 p.m.
MIC EXHIBITS OPEN TO PUBLIC
SMALL ENGINE DISPLAY
- ◆ 1:00-4:00 p.m.
STUDENT INVENTORS

Friday, June 10

- ◆ 9:00 a.m., 11:00 a.m., 1:00 p.m.
"INVENTING SUCCESS"TM
MINI SEMINARS
Learn from the experts.
- ◆ 7:00-9:00 p.m.
"INVENTION PROTECTION"
SEMINAR
*by Minnesota Intellectual
Property Law Association*
- ◆ 7:00 p.m.
20TH ANNUAL COMMUNITY
PARADE
Downtown Redwood Falls
Sponsored by the Women of Today
- ◆ ICE CREAM SOCIAL
*Following Parade at Memorial Field
Sponsored by Redwood Area
Chamber and Tourism*

Free Consultation

Information about the invention development process will be available from organizations and agencies, such as:

- MN Intellectual Property Law Association
- U.S. Small Business Administration (USSBA)
- SCORE - Counselors to America's Small Business
- Small Business Development Centers (SBDC)
- U.S. Patent & Trademark Office
- Society of Minnesota Inventors
- Inventors Network
- Inventors' Digest
- National Inventor Fraud Center



◆ Educational Seminars ◆

The MIC with the US Small Business Administration presents
Inventing Success™ Mini Seminars*

Friday, June 10th & Saturday, June 11th
 Redwood Valley High School • \$25 per seminar

Friday: 9:00 a.m. / 11:00 a.m. / 1:00 p.m.
 Saturday: 9:00 a.m. / 11:00 a.m. / 1:00 p.m.

Topics will include: Protecting Your Idea,
 Product Development, Marketing, Licensing and others

*Learn how to spend your money in the right place, the order of what you need to do and who to do it with.
Note: These schedules are subject to change - check our website for updates at www.invent1.org

◆ Showbook Advertising ◆

The Minnesota Inventors Congress will publish
"A Guide to EXPO 2005"

This publication will be available at EXPO 2005 and from the MIC office following the Congress.
 It will offer inventors and business professionals the opportunity to publish information up to a full page in size.

Ad Size Dimensions	Full Page 7½ x 10	1/2 Page 7½ x 5 or 3¾ x 10	1/4 Page 3¾ x 5	1/8 Page 3½ x 2 Horizontal or Vertical	Directory 5 Lines Maximum
For Profit Business	\$350	\$300	\$250	\$175	\$100
Past Exhibitor and General Public	\$250	\$200	\$150	\$100	\$40
EXPO 2005 Inventor or MarketPlace Exhibit	\$150	\$125	\$100	\$75	Free
Nonprofit Inventor Organization	\$150	\$125	\$100	\$75	\$35
Inside Front or Back Cover	\$500	\$300	\$200	N/A	N/A
Back Cover	\$700	\$500	\$300	N/A	N/A

is space may be used to:

- Advertise your new product.
- Seek "manufacturer wanted," "patent for sale," "licensing agreement wanted."
- Promote services provided to inventors.
- Offer sponsorship of the Minnesota Inventors Congress or the Student Inventors Congress.

Please Note:

The ad rates are for camera-ready copy in PDF, TIF, or Bitmap. **Add \$30 for ad creation and set-up.** Include logos and desired content. Deadline for submitting ads is May 13. Contact the MIC office for more information. The Minnesota Inventors Congress reserves the right to reject any and/or all advertisements/sponsorships submitted.

COORDINATOR LISTING

✓ **Custom Invention Plan: Thurs., June 9 & Fri., June 10**
 MUST BE faxed or postmarked by 5/13/05

(Exhibitor) \$ 100.00
 (Non-Exhibitor) \$ 150.00

Membership

(Includes a first year subscription to Inventor's Digest magazine - a \$27 value)

- INVENTOR MEMBERSHIP
- INDIVIDUAL MEMBERSHIP
- BUSINESS/PROFESSIONAL MEMBERSHIP

\$ 59.00
 \$ 59.00
 \$ 69.00

Inventor Resources

- PATENT WIZARD - CD Rom to assist in filing provisional patent
- PATENT IT YOURSELF - Excellent reference
- THE INVENTOR'S BIBLE by Ron Doole, MIC Speaker

\$199.00
 \$ 42.00
 \$ 17.95

TOTAL

Make checks payable to: **Minnesota Inventors Congress**

Mail to: **MIC, PO Box 71, Redwood Falls, MN 56283-0071**

May also be paid by phone with a
 MasterCard, VISA, Discover or AMEX by calling **1-507-637-2344**

or online at: www.invent1.org
 or fax to: **507-637-4082**

Payment Enclosed: _____

Check or Money Order

Credit Card

(MasterCard, VISA, Discover or AMEX)

Card ID _____

Exp. Date _____ Signature _____

◆ Custom Invention Plan ◆

DATES: Thursday, June 9th & Friday, June 10th

By appointment only . . .

The number of appointments is limited - register today!

The Evaluation Process

Teams of two or three consultants will be assigned based on the information provided in the application. These teams include consultants with expertise in the areas of financing, intellectual property, marketing, manufacturing and business planning. They will meet for a private, personalized consultation.

Consultations will last 1-2 hours, depending on individual needs.

Evaluation Registration

The cost of the evaluation for a current or past Exhibitor or MarketPlace participant is \$100.00. Complete the application form included in your confirmation packet and return it to the MIC office by May 31.

The cost to an individual not exhibiting at the MIC is \$150. Return the registration form and the MIC office will send an application to you to be completed and returned to the MIC office by May 31.

Guidelines

Evaluation Registration is limited to:

- **One (1) Invention Per Evaluation and**
- **One (1) Evaluation Per Inventor**

Note: The estimated market value of the service is between \$250 and \$400 and to \$800, depending on the source of consultation.

Acceptance Policy

Applications will be scheduled on a first-come, first-serve basis. Limited number of appointments for non-exhibitors.



◆ Resource Partners ◆

U.S. Small Business Administration
 Small Business Development Centers
 Minnesota Intellectual Property Law Association
 SCORE - Counselors to America's Small Business
 RADC - Redwood Area Development Corporation

◆ General Event Information ◆

ACCOMMODATIONS

Jackpot Junction Hotel/Casino/Camping*	1-800-Win-Cash
Dakota Inn*	507-644-4444
Morton Inn	1-800-245-9800
Redwood Valley Lodge*	507-644-5700
Smart Choice Inn & Suites	507-637-3456
Motel 71	507-637-2981

* These hotels have rooms blocked for MIC.

When making a reservation, let them know you're an MIC exhibitor.

For further information on area motels, camping in Ramsey Park and activities, call the Redwood Area Chamber at 507-637-2828 or toll free 1-800-657-7070.

AWARDS

Exhibitors compete for the following recognitions and cash:

- \$1000 F. Robert Starr Award (Grand Prize)
- \$500.....Maynard Speece Memorial Award (People's Choice)
- Medallions..... Gold, Silver, Bronze (to recognize merit)
- Plaques Carl Oja Memorial Award (Best Display)
- Gordon Volkenant Memorial Award (Best Working Model)
- Prof. Otto Schmitt Memorial Award (Most Innovative)
- Friend of the Environment
- Oldest Exhibitor
- Youngest Exhibitor
- Exhibitor Traveling Longest Distance
- Cash Awards AgrAbility (Best Invention(s) for Persons with Disabilities)

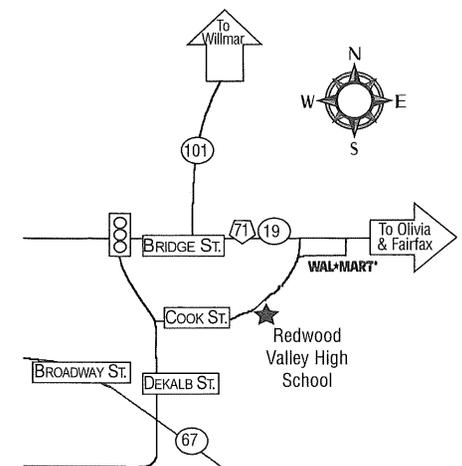


A panel of independent judges select the exhibits that receive these awards. All inventions are judged on their own merit. Inventions are not compared to those in the same category during the judging process.

GENERAL ADMISSION

3-Day Pass	\$12.00
Adults 16 & up	\$7.00
Children under 16	Free

Redwood Falls Map



MINNESOTA INVENTORS CONGRESS
P.O. Box 71
Redwood Falls, MN 56283
507-637-2344



Nonprofit
Organization
U.S. Postage
P A I D
Marshall, MN
Permit #20

Register Today - Space is Limited

**48th Annual
MINNESOTA INVENTORS CONGRESS**

June 10, 11, 12, 2005

Redwood Valley High School

100 George Ramseth Drive • Redwood Falls, Minnesota

"The Minnesota Inventors Congress is always worthwhile! The items showcased during this three day event provide us with a range of products to present to our clients. Because of the success we found through the licensing of a product from MIC, we wouldn't consider missing this show!"

*~ Karyl Lynch & Dave Cormier
Pelham West Associates, Worcester, Massachusetts*

Steps to just starting the Patent Process for one product

The inventor is spending money from the beginning on:

- 1. Patent attorney for advise**
- 2. Corporate Lawyer**
- 3. CPA Firm**
- 4. Purchased prototype parts/materials in Minnesota – raw materials**
- 5. Engineering/Drawings**
- 6. Machine Shop -- \$1,000 of dollars spent – sometimes requires special equipment which might have to be purchased.**
- 7. Trips to the Metro area – gas and lunch**
- 8. Attend the Minnesota Inventors Congress**
 - a. Motel**
 - b. Meals**
 - c. Exhibitor fees**

All of these dollars one inventor spends developing just one product has an economic impact multiplier on Minnesota's economy of between 3-7 times the total spent. This is just product development!

The value to the inventor of working or exhibiting at the MIC is:

- They find out what's wrong with their product – friends tell you its wonderful**
- Gives them the opportunity to receive good feedback**
- Meet marketing consultants who can help them identify markets and funding opportunities**
- Goal is to have their products manufactured in Minnesota!**
- Gives them exposure to the market and consumers**
- Meet manufacturers who attend looking for new products**
- Meet design people**
- Meet financial people**
- Gives them a way to deal with issues or dead ends they have run into**
- Business opportunity to build relationships – it can't be done over the Internet – working on a major contract with Polaris at this moment**
- Help and assistance from the MIC staff, judges, and consultants who attend the Expo from SBA, SCORE, SBDC, local economic development directors who attend as scouts for their local manufacturers**
- If I had attended earlier, I could have saved myself money.**

Why should the State of Minnesota be interested in the independent inventor?

- When you are talking about a \$50,000 investment to the organization, it takes very few business ventures to recoup the investment in taxes and job creation. It also helps to strengthen new or existing Minnesota manufacturers more viable in their industry.**

Julie Rath

From: Joel Matheson [joelmatheson@hotmail.com]
Sent: Monday, March 28, 2005 9:05 PM
To: julie@redwoodfalls.org
Subject: Minnesota Inventors Congress

Hi Julie,

It was a pleasure talking with you the other day. I've written down some of my thoughts regarding the impact that the MIC has had on our invention.

1. We met our patent attorney at a MIC seminar. He worked well with our group, and filed our patent application before we exhibited at the MIC in 2003.
2. Our patent was issued by the U.S. Patent & Trademark Office in July, 2004.
3. Our trademark was approved by the U.S. Patent & Trademark Office in September, 2004.
4. We have applied for a second patent, and also a second trademark for a different application and market for the product.
5. We have recently signed a Letter of Intent with a company that we met while we were exhibiting at the MIC. This Minnesota-based company will handle the financial backing, marketing, manufacturing, and sales of our products.
6. We spent a significant amount of money in Minnesota while we worked on the research and development of our product. We purchased the raw materials and the CNC machining of our parts for many prototypes. We have also spent a significant amount of money on attorney fees for our patents and trademarks, and are currently working with an attorney and a CPA to establish a corporation for our 4 business partners.

The MIC has had a major impact on our invention. The MIC allowed us the opportunity to exhibit our invention to the public for the first time. The invention was very well received by the public, and it gave us the confidence to continue the process to develop a well designed and marketable product to a potentially huge market. The atmosphere surrounding the Minnesota Inventors Congress is very positive, and having so many creative people together in this environment would be difficult, if not impossible, to duplicate without this format. The community of Redwood Falls does an outstanding job hosting this event.

Thanks for all of your assistance.

Sincerely,

Joel Matheson
Albert Lea, MN

Is your PC infected? Get a FREE online computer virus scan from McAfee® Security.
<http://clinic.mcafee.com/clinic/ibuy/campaign.asp?cid=3963>

ILLUSION

ALL PURPOSE OUTDOOR UTILITY TRAILER

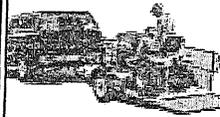
TRAILER BY SPORTSMANS PLUS

Hauling - Camping - Fishing - Hunting

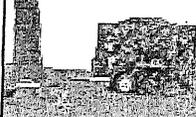
Sportsmans Plus, LLC
 14224 85th St. SW, Coakato, MN 55321
 Ph: 1-877-377-2731 Fax: 320-286-5475
www.illusiontrailer.com

 This site is under construction

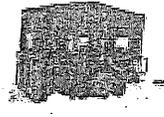
Hauling



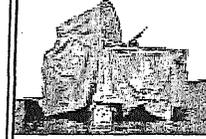
Camping



Ice Fishing



Hunting



- Home
- Trailer Details
- Accessories
- Dealers
- Photo Gallery
- Online Store
- About Us
- Contact Info
- Newsletter

Home



The Illusion Trailer is a multi-use trailer with a unique independent torsion suspension and drop axle system that is new to the trailer industry.

The product will serve a variety of uses including a portable fish shanty, ATV trailer, utility trailer, snowmobile trailer, pontoon boat, ground hunting blind, elevated hunting blind, and a floating hunting blind.

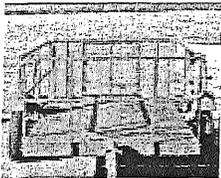
This patented product is truly unique. There is nothing on the market that offers so much in one packaged product.

Our manufacturing system will utilize the latest "lean manufacturing techniques" and "one flow" processing to ensure excellent quality, safety and on time delivery, that should exceed industry standards and service. The entire package will provide a solid value to the customer that they could not match with any other product available in the marketplace.

The versatility of the illusion trailer makes this product the most sought after product that has been introduced into the hunting and fishing market in over 20 years. The illusion trailer has received several awards, like innovator of the year and invention of the year.

The Illusion Trailer is being sold throughout the United States and Canada and can be found in most major retail outlets and catalogs around the country.

- The Illusion Trailer converts into a portable ground blind for big game hunting, or waterfowl hunting; can be used as a camping tent and ice fishing shelter!
- The one piece shelter is made with 600 Denier Polyester and sets up in minutes!
- Features a pivoting axle and hitch that makes it possible to lower the bed of the trailer without removing it from the vehicle hitch.
- Our independent torsion suspension & drop axle system is designed to drop flat to the ground for ease and safety of loading and unloading while maintaining the ability to travel coast to coast with your choice of Hunting blind, duck blind or Ice shanty.

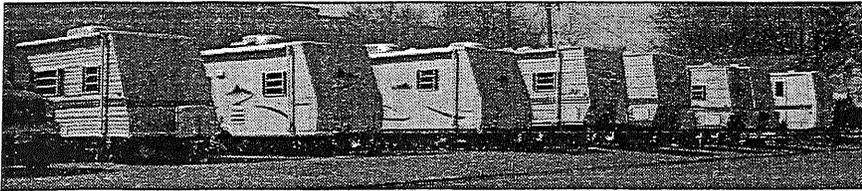


"Best of Show" Minnesota Inventors Congress

"Innovator of the Year" Finance and Commerce newspaper.

Copyright 2004 Sportsmans Plus, LLC - 14224 85th, Street Sw, Coakato, MN 55321
 - Phone: 1-877-377-2731 - Corp: 1-(320)-286-2827 - Fax: 1-(320)-286-5475 - Email: info@sportsmansplus.com

GOT SPRING FEVER YET?



Get one of our hot trailer deals!
Brand new 21' w/walk around bed
for \$8,900 to \$25,900 on a 40' 10
sleeper w/2 slides.

Payments as low as \$100.00 & terms up to 144 months w/approved credit.

Used trailers & 5th wheels wanted. Check our web site below for our used inventory.

THE ULTIMATE CAMPING UTILITY TRAILER

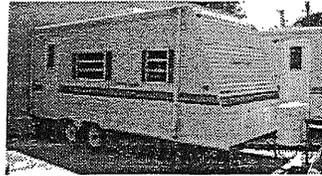
JUMPING JACK 6X8

From TRAILER to TENT in under **5 minutes**

Rugged utility trailer made handles all your gear-transport needs. Tent, when not in use, slides easily in and out of trailer bed.

TENT FOLDS INTO PROTECTED WEATHER-TIGHT BAG

JUMPING JACK
JUMP UP TENT TRAILERS



Does your R.V. need repairs?

Whether a tree fell on it, or if it received any storm damage we can fix it! Water leaks, interior or exterior walls,

floor, roof or whatever, bring it over and we will fix it.

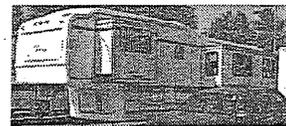
Mechanical work needed?

Frig, furnace, water heater, water leaks, electrical problem or whatever, bring it in and we will fix it.

We have been selling and servicing R.V.'s since 1962! Selling and servicing autos and trucks since

1945. Our 60th year. Have your R.V. fixed now before the spring rush.

Not using your camper? Consign it to us and we'll turn it into cash!



Haul your ATV's and camp when you get there!

Complete body shop
R.V.'s & autos. 4 wheel alignment "Kansas Jack laser", paint booth, frame repair, and glass replacement

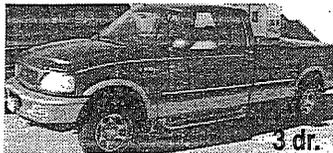
Don't want to Buy? Plan your vacation now — Rent a minihome or an A-liner. Book your date now!

USED CARS

- 04 - Taurus SES 21,880 m \$13,995
- 03 - Taurus SES 20,970 m \$12,500
- 01 - Mercury Grand Marquis 4Dr. 58,900 actual miles. Like New
- 00 - Pontiac Grand Prix SE 4dr. 84,580 actual miles - Ex Cond.
- 99 - SHO w/leather, sunroof & all \$8,700
- 94 - Lincoln Cont. 4dr over 100m \$3,895
- 93 - Probe 2dr .106m Loaded \$3,695
- 92 - Pontiac Grand Prix SE 2 door, "Arizona car" \$1,895
- 92 - Taurus Wagon Good Runner! \$2,895
- 88 - Olds 88 Royale B/Rm, clean \$1,495
- 75 - Merc Cougar XR7 85m collector \$4,900

99 Ranger supercab XLT sport, 3.0 v-6, auto, AC, cruise, stereo, Alum. Wheels and more - Only 63,135 one owner actual miles. A real Sharpie \$7,900

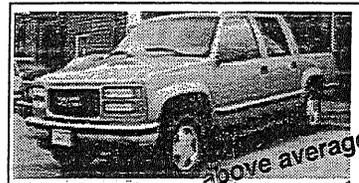
Hey Look! contractors, plumbers, electricians - Long Box!



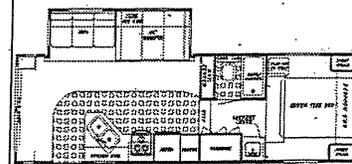
97 Ford F-150 S/cab Lariat 4x4 79,400 careful miles, leather & all only \$11,900



97 - Dodge Ram SLT 1500 4X4 \$8,995



99 GMC Suburban 4X4 Loaded SLT, 5.7 V-8, \$11,900 Had it too long, make offer



New Mako 28' 10" 5th wheel Lite-weight welded aluminum frame, 2" thick vacuum-bond laminated walls. Block foam insulation. Recessed step into bathroom. 6"3" of headroom in bath area. List over \$27,000 Closeout price \$19,900

1990 Chevrolet Silverado 4X4 350 V-8, new trans, \$11,900

Best selection of New R.V.'s • Low financing Rates • Low Prices only at . . .

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DLR - 11484

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IN BUSINESS SINCE 1945

Consignments Welcome

Plenty of Financing Available

Open 6 days a week • Mon - Fri 9:00 a.m. - 6:00 p.m.

SPRING 1998**MELROE TO ACQUIRE PALM ATTACHMENTS**

Palm Attachments, a supplier of attachments for the Bobcat® skid-steer loader since 1987, is being acquired by the Melroe Company.

"Over the past decade, Melroe and Palm have teamed up to develop a number of high performance attachments," says Chuck Hoge, president of the Melroe Company, "and these attachment have added a great deal of value to our Bobcat product line." Palm-built Bobcat-branded attachments include hydraulic planers, vibratory rollers, graders and rotary tillers, among others.

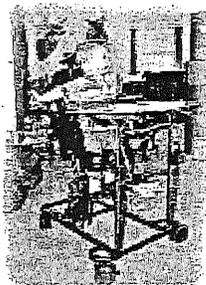
"The acquisition of Palm Attachments will help Melroe serve its customers with innovative attachments," notes Hoge. "Throughout our 40-year history in the skid-steer loader business, we have recognized the importance of attachments in serving our customers' needs and in helping to grow the overall markets we serve."

Palm Attachments currently employs approximately 50 people at its Grove City, Minn., manufacturing plant.

[Return to Table of Contents](#)



P.O. Box 6000, West Fargo, ND 58078-6000
Send us your [Questions & Comments](#).
Technical Website Comments: [webmaster](#)
Read our [Privacy Statement](#).
© Bobcat Company 1997-2005



Creating Products, Changing Lives

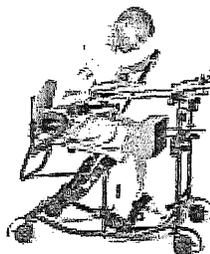
At Altimate Medical, we make standing frames and mobility aids for people with disabilities. Disabled individuals who stand on a regular basis can become more independent while improving their overall health and quality of life. Our customers include happy, healthy kids & adults with disabilities such as Paraplegic & Quadriplegic Spinal Cord Injuries, Muscular Dystrophy, Multiple Sclerosis, Traumatic Brain Injury, Cerebral Palsy, Spina Bifida, Stroke, ALS, and more.

▶▶ [Tell me More](#)

Product Spotlight

The **EasyStand 5000 Youth** standing frame combines the best features of the EasyStand Magician and the EasyStand 5000 to provide growing kids an opportunity to stand. With the EasyStand 5000 Youth, kids can continue their standing program as they get larger because the safe transfer and easy transition to standing make ongoing compliance achievable.

▶▶ [EasyStand 5000 Youth](#)



Customer Corner

"To date, I have tried more than 30 students with moderate to severe physical disabilities in the EasyStand. I have found only 3 students unable to stand well in this piece of equipment. I often refer the EasyStand to parents looking for a chair and a stander for home use because of its small footprint and 'double duty'.

Mary Walker, PTA
Springfield, VA

[Dealer Login](#)

[Warranty Registration](#)

[Customer Feedback](#)

News Releases

Altimate Medical is proud to introduce the new EasyStand Evolv. The EasyStand Evolv is the next generation of the current EasyStand Series. Altimate Medical's Product Development Team has made significant improvements to the EasyStand based on feedback from customers around the world.

▶▶ [New EasyStand Evolv- Available Soon](#)

AMI Events

- ▶▶ [Visit AMI's booth at Medtrade Spring in Las Vegas](#)
- ▶▶ [EasyStand products at NY Metro Abilities Expo](#)

What's New, What's Cool

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MINNESOTA INVENTORS CONGRESS

A 501(c)3 non-profit organization

March 3, 2005

TO: Senator Dennis Frederickson

FROM: Julie Rath, Redwood Area Development Corporation (507) 637-4004
Raymond Walz, Minnesota Inventors Congress (507) 637-8909

RE: MIC Request

The following was prepared in response to questions received from the office of Rep. Marty Seifert. We believe this is helpful information for your committee to review.

1. If much of the assistance is going to inventors outside of Minnesota, why is it the taxpayers of Minnesota's job to pay for people inventing things in other states?

The vast majority of the inventors who call for information or exhibit their inventions at the Minnesota Inventors Congress come from Minnesota, but we also work to attract out-of-state inventors into Minnesota.

A classic example of why it is beneficial to Minnesota taxpayers to attract inventors from outside of Minnesota is the following:

- In 1993, Lenard, Tom and Jileen Johnson exhibited a bin level indicator at the MIC. Tom says that while checking on grain drying in the bins, they climbed up and down the bin ladders constantly. It was close to Christmas time before they were done drying the grain. The bin ladders were slippery from the frost. They decided they needed an indicator that, like the heat thermometer inserted into a turkey, would pop up red when done. They invented a mechanical indicator they called the E-Z Eye.

The Johnson applied for a patent before showing the E-Z Eye Indicator at the MIC. Tom said: "We should have waited until after the MIC. People at MIC gave us ideas for improving E-Z Eye. The product changed so quickly from the original stage to the manufacturing stage that we had to pay extra to have the patent modified. Also, the people at the Congress showed excitement for our invention and gave us a feel as to whether to pursue further with our product."

After the E-Z Eye Indicator was on the market they received feedback from customers features to add to enhance the product, including the ability to an electrical switch to turn on and off electric motors, sound horns, and use with a host of other electrical equipment. These improvements are incorporated into the LevALERT Indicator, which is a more complex mechanical/electronic version of the E-Z Eye. Industry sought them out to find an indicator that would show the bin level with something as light in density as sawdust (two pounds per cubic foot) or as heavy as silica sand (100 pounds per cubic foot). LevALERT was the answer to both.

Tom says: "With LevALERT we waited until after the MIC to apply for a patent. We brought a new idea to MIC and ended up with so much qualified help and good advice . . . easy to obtain advice. We met new customers. We received exposure

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of our products through MIC in national, state and local magazines, newspapers and radio. We met people in manufacturing. We gathered information such as where to mold/manufacture our products and where to conduct various tests."

The LevALERT was the 1997 MIC Grand Prize winner. One year after exhibiting LevALERT at the MIC, the Johnsons' employed six full-time and two part-time workers to assemble, package and distribute their inventions in Roseau, Minnesota.

- **The 1995 MIC Grand Prize winner, Ken Knutson of South Dakota,** says he had fully developed his invention, an **attachment for the skid-steer loader,** and that he had resolved issues of patenting and licensing, but he hit a "brick wall" trying to manufacture and market his invention. He exhibited at the MIC annual show and he says it "opened the door" for him. **He made the contacts and arrangements necessary to have his invention manufactured in Grove City, Minnesota, creating or retaining jobs in Minnesota.**
- Many inventions exhibited at the annual show have been and now are being manufactured in Minnesota, stimulating the economy, creating or retaining jobs, and adding to the local tax base. After one inventor exhibited at the annual show, he started a business in **Redwood Falls - Activeaid** -- that now has 45 employees and an annual payroll of 1.25 million dollars. Another business, **Altimate Medical,** started in Redwood Falls and moved to Morton. It now has 30 employees. Several inventions of Harold Fratzke, a Cottonwood area farmer and inventor, are **manufactured in Renville at K&M Manufacturing.**
- **In 1996, Roger Hanson, Equity Elevator in Wood Lake exhibited his invention called StepSaver, a vacuum delivery system for bulk softening salt.** Roger owns the patent and Chuck Steffl obtained the license to move ahead with the invention. They were awarded the Creative Achievement Award in 1996. In 2003, StepSaver moved its operation into Redwood Falls, has 12 full-time employees, and just over \$1M in sales in 2004. Chuck also has a new patent pending for the apparatus and delivery method for biomass fuels. StepSaver was acquired by Bixby Energy Systems in September 2004 with future plans to expand in Redwood Falls.
- The impact is not limited to the Redwood Falls area. Arlen Bakke of Motley, invented a new nozzle for fire hoses, called the Superior Flamefighter, and received the **1990 MIC Grand Prize.** His Flamefighter units have been sold in all 50 states, to all branches of the U.S. Military, and in Australia, Sweden, Europe, and China. **It is being manufactured and sold by the FlameFighter Corporation in Waconia, Minnesota.**
- Inventor T. David Price of South St. Paul, showed his saw helper system (tool accessories for use with a radial arm saw) and received the **MIC Grand Prize in 1984.** His company later expanded into larger manufacturing facilities to accommodate rapid growth.
- In 1988, Warren Carlson of Kerkhoven, Minnesota, showed a lightweight dog kennel that collapses to briefcase size in ten seconds. Sales exceeded \$80,000 in his first six months.

- The **Performax drum sander** was exhibited by Gary and Donna Green of Burnsville, Minnesota. They began their business in their home, later into their own building, and in 1988, tripled their floor space. Within two years **Performax Products, Inc.** was marketing nationwide, with \$500,000 in sales in 1988 and \$2 million in 1990.
- **Jerry Ford of St. Charles, Minnesota**, is a farmer with multiple interests, including raising horses and tinkering in his shop. His son was working in a nursing home and told him of the need for a brake system on manual wheel chairs that releases when a person sits in the chair and automatically locks when the person starts to get out of the chair. On April 25, 2004, he came up with the solution, then designed and built a proto-type.

He exhibited his **Jerry-lock brake system** at the Minnesota Inventors Congress the second weekend in June 2004, and he was encouraged to pursue the idea because of the enthusiastic response and awards he received at the Congress. He nearly withdrew from the MIC on the Wednesday before, and says he would likely not have pursued his invention if he had not exhibited at the MIC. **He says: "If it wasn't for the Inventors Congress, I would probably have not gone forward with this. The response from the people at the show and getting the awards gave me the confidence I needed."** He says that without the MIC he would not have known what his invention was worth, and probably would have abandoned it, sold it, or tried to build it on his own in his farm shop. His experience at the MIC gave him the confidence to pursue mass production of his invention.

He has built 16 demonstration braking systems, some of which are being used on a trial basis at the Veterans Nursing Home in Luverne, Minnesota, and at the Rochester International Airport. Both intend to purchase chairs with the Jerry-Lock brake system when they are in production. He anticipates having the braking systems in production by May, 2005. Congressman Gil Gutnecht worked with Jerry to show

The economic impact is demonstrated by the investment Jerry has had the confidence to make since exhibiting at the MIC. **Active Tool and Die of St. Charles is making molds and dies, estimated to cost \$120,000, and has helped him to build additional prototypes at a cost of \$20,000. Active Tool and Die may be adding workers, and the Jerry Ford Company will have new jobs in shipping, receiving, installation and office help.**

Since the 2004 MIC, he has developed an incline brake and an attendant brake, for use by hospitals and nursing homes. He intends to display these new inventions at the 2005 MIC, together with a substantially improved version of his Jerry-Lock brake system.

- Lost businesses and jobs. Inventors and their business are going to go where they can get help. Without a readily accessible and reliable source of information in Minnesota, they are going to take their new products elsewhere.
2. Has there been a discussion of charging any kind of fee for inventors or recovering from making contracts to get a certain percentage if the office helped them (perhaps 1% of profit share with an up-front contract they sign)?

- Yes. Inventors who exhibit their inventions at the annual show pay for their display booths, and they pay for evaluation services and other fees. We have substantially increased those fees in recent years.
- Individuals and companies support the MIC through annual membership fees. Inventors are asked to purchase a membership or make a donation. To encourage donations, they are informed that all donations are tax deductible under Internal Revenue Code section 170.
- We have discussed charging percentage fees to inventors, but believe it would be counter-productive. There are serious problems which deter us from pursuing this.
 - The administrative workload to bill each of the approximately 3,000 annual telephone inquiries would greatly increase the cost of operating the office.
 - Charging a fee for inquiries would result in substantially fewer calls, and thus, greatly diminish outreach to the independent inventor.
 - The services provided often do not justify a percentage contract. The services may be matching the inventor with a manufacturer or marketer, providing access to information the inventor has been unable to locate, helping the inventor avoid the fraudulent invention promotion firm, or simply renewing the enthusiasm of a frustrated inventor.
 - There are relatively few inventors who call for assistance that successfully market their inventions, so percentage contracts would most often produce no revenue.
 - We do not have the resources to audit and enforce percentage contracts, and we would have to depend on voluntary compliance.
 - There is substantial resistance on the part of the inventor to assign any portion of their invention to an outsider, especially when the MIC provides only information and networking contacts, and does not provide capital investment. Inventors have left the state and produced their products elsewhere to avoid giving up a percentage of anticipated future profits.

A successful product will generate revenue in the form of income, payroll, and real estate taxes, but demanding a percentage of the profits at this early stage of the invention development process is not likely to generate much, if any, revenue.

3. In general, why is this the function of state government, especially when schools and nursing homes have pressing needs and the budget deficit is still with us?

- **Economic development is and has been a major objective of the Pawlenty Administration (and previous administrations).** Consider, for example, the JOBZ program. The MIC believes that inventions are a key to economic growth through new product development, job creation and retention.
- The MIC **increases tourism** by bringing inventors, their families and supporters, service providers and spectators to the state, and attracts media attention to Minnesota.

- **Consumer protection is also a function of government.** The MIC seeks to reduce economic loss to inventors scammed by unscrupulous invention development firms. Inventors are informed about consumer protection laws and are taught consumer tactics that enable them to make wiser product development choices.
- **Inventors are going to go where then can get help quickly. Without the MIC as the most expedient place to get help, inventors will go to invention promotion firms that charge large fees for small or no return.** A Federal Trade Commission study from 1995-1997 demonstrates the seriousness of the problem. The study showed that of the 5,291 inventors who paid over 46 million dollars to one invention promotion firm, only eight inventors received a return exceeding their investment - only 0.0015145 percent.

Many, if not most, of these firms are unscrupulous as they lure and ensnare inventors into paying large sums of money and signing contracts for their services. These firms offer quick success with little effort from the inventor. In reality, the firms are also putting little effort into the process. These are out-of-state entities that do not do business in Minnesota - they take it from Minnesota.

The Federal Trade Commission estimates that unscrupulous invention promotion firms take up to 1.5 million dollars out of the pockets of U.S. inventors daily. These invention promotion firms will have a freer run of Minnesota without the MIC as resource for inventors as inventors go elsewhere for information and assistance. The MIC is a reputable choice. The MIC is listed as one of the "good guys" on the list of inventor organizations maintained at the United States Patent and Trademark Office.

- The national average is that three of every 100 inventions that receive a patent will become a marketable product. In 1996, the average for the inventions exhibited at the MIC that became a marketable product was eight to ten percent.

4. Have local governments contributed to this effort?

- Yes. For 20 years the City of Redwood Falls has made annual contributions to the MIC to promote economic development and tourism. However, the City has significantly reduced the amount, so that this year the City's contribution was one-fourth the amount it had contributed several years ago. Redwood County has also contributed for many years.

It also needs to be stressed that we have two different funding pieces here.

- All the funding that is raised locally is to sponsor the show which has a budget of \$50,000. This year the Redwood Falls Community has raised \$20,000 to assist with the planning and organizing of this year's event.
- The larger funding that needs to be addressed is for the Inventor's Resource Center which was established in the late 1980s and received an appropriation from the State of Minnesota from that time until 2002. Since that revenue source has been depleted, the IRC office which helps the inventors who call in for assistance also coordinated the annual Minnesota Inventors Congress Expo. Without this funding in place, the planning for this year's show will be up to

volunteers and two part-time staff people who will work from April - June. The permanent staff that operated the full-time office of the Inventors Resource Center are no longer in place and the office is now in cold storage with temporary assistance since December provided by the Small Business Development Center in Marshall at SMSU. As of today, March 3, we have been notified that their workload is increasing with request for services of the SBDC, and they are no longer willing to put in overtime on a volunteer basis to assist us with the numerous daily calls and requests from inventors which come in on our phone line.

- What was created and provided as great assistance to Minnesota Inventors and other inventors who heard about the wonderful services that the MIC/IRC office has provided over the years is now unavailable. It was the truest basic form of economic development and leaves a huge void if unable to provide this type of technical assistance to what could be the next "manufacturer" in the State of Minnesota...or the nation!

Inventions from the Minnesota Inventors Congress now manufactured in Minnesota

<u>Invention</u>	<u>Inventor</u>	<u>From</u>	<u>Year at Expo</u>	<u>Manufacturer</u>	<u>Community</u>	<u># of employees</u>	<u>Yearly Payroll</u>
Compact Golf Club Set & Case	Joel Matheson	Albert Lea, MN	2003 -- Silver Medallion	-- See Attached letter			
Insul-Knife	Richard Studer	Avon, MN	2000 -- Bronze Medallion				
Fly-vac	David Rudenick	Belview, MN	1998 -- Bronze Medallion				
Versa-Cart	Michael Preuss	Belview, MN	2002 -- Gold Medallion				
Bucket Extension	Ron Brusven	Brainerd, Mn	2000 -- Honorable Mention				
Goin-Going Crazy Board Game	Kurt Kirckof	Brooten, MN	2003 -- Glenn Madsen Memorial Award				
The Littl'bug Stove	Kent M. Hering	Buffalo, MN	1999 -- Silver Medallion				
The Level 'N' Rule	Glen Gier	Buhl, ID	2000 -- Silver Medallion				
Performax S/T Sander	Gary & Donna Green	Burnsville, MN	1986	Performax Products Inc.	Shakopee, MN	22	NA
Cinch Cleat	Guy Entenmann	Chippewa Falls, WI	2002 -- 2nd Place Robert Starr Award				
Brushugger	Brian Nordstrom	Clitherall, MN	2004 -- Bronze Medallion				
Fireflight	Mike Sobczak	Cloquet, MN	1991 -- Gold Medallion				
Ultimate Sportsman's Advantage	Tim Halonen	Cokato, MN	2003 -- Grand Prize--now Illusion Trailer -- 4 manufacturers -- Alexandria, Springfield, Cokato and St. Joseph			4	NA
Quick-Tack 3-point Hitch	Harold Fratzke	Cottonwood, MN	1970 -- 1st Place Agricultural	Warrior Mfg. LLC	Redwood Falls, MN	20	na
Ramp Gate	Harold Fratzke	Cottonwood, MN	1989	K&M Manufacturing	Renville, MN	35	NA
Roto Chopper	Harold Fratzke	Cottonwood, MN	1993 -- Bronze Medallion	K&M Manufacturing	Renville, MN	35	NA
Runabout	Harold Fratzke	Cottonwood, MN	1999 -- Grand Prize				
Triple "S" Ditcher	James J. Lundon	Crookston, MN	2002 -- Gold Medallion				
Point of Sale Security Examiner	Win Erickson	Duluth, MN	1998 -- Bronze Medallion				
3-Point Hitch Adapter Plate	John Gustafson	Falls Creek, WI	2003 -- Silver Medallion				
Schurlock Mutli-Hitch Conversion Plates	John Gustafson	Falls Creek, WI	2004 -- Glenn Madsen Memorial Award				
Power Checker	Keneth Kabage	Granada, MN	1998 -- Bronze Medallion				
Rolite Trailer	Leo Hagenson	Hot Springs, SD	1958 -- Grand Prize	Larson Boats	Little Falls, MN	1000	NA
Hammer Tooth	John J. Karsnia	International Falls, MN	1999 -- 3rd Place -Robert Starr Award				
The Gripper	Jerry Beaudette	International Falls, MN	1981 -- Grand Prize				
Jar-mate	Vern Olson	Kasota, MN	1989 -- Gold Medallion				
Kennel Castle	Warren Carlson	Kerkhoven, MN	1988 -- Grand Prize	American Pet Products, Inc.	Kerkoven, MN		
Hydraulic Rock Box	Ardell Johnson	Lake Lillian, MN	1979 -- First Place -Agricultural				
Liquid Propane Electronic Fuel Injection System	David E. Bennett	Lake Lillian, MN	1998 -- Grand Prize				
Handee-Tredd, Inc.	Dave Mairose	LeMars, IA	2002 -- Grand Prize				
Seamtractor	Russ Rudlong	Leroy, MN	1999 -- Honorable Mention				
Acre Measuring Device	John Ewald, Jr.	Litchfield, MN	1977 -- 1st Place Electronics	Gandy Inc.	Owatonna, MN	100	NA
Containment Mat	Jerry Dehn	Mankato, MN	2001 -- Bronze Medallion				
The Valley King	Sam Fasnacht	Mankato, MN	2001 -- Grand Prize				

Sales/year Website Estab.

\$1M to \$5M in sales 1986

\$350,000 in 2004 www.illusiontrailer.com 1978

\$1M - \$5M in sales www.warriormfgllc.com 1978

\$1M - \$5M in sales www.tractorseats.com 1953

\$1M - \$5M in sales www.tractorseats.com 1953

\$25 M - \$100 M in Sale www.larsonboats.com 1913

National distribution thru True Value Hardware

\$5m in sales www.gandy.net 1936

<u>Invention</u>	<u>Inventor</u>	<u>From</u>	<u>Year at Expo</u>	<u>Manufacturer</u>	<u>Community</u>	<u># of employees</u>	<u>Yearly Payroll</u>
JamIt Safety Cartridge	Robert L. Aske	Minneapolis, MN	2003 -- Gold Medallion				
Magic Paint	Victor Franer	Minneapolis, MN	1997 -- Silver Medallion				
Nada-Chair Back Sling	Victor Toso	Minneapolis, MN	1986 --				
Superior Flamefighter	Arlan Bakke	Motley, MN	1990 -- Grand Prize	FlameFighter Corporation	Waconia, MN/Steve Peterson	10	NA
Golf Cart	Merline L. Halverson	Mound, MN	1962 -- 1st place -- 1st powered golf cart				
Rewind Ratchet Wrench	Roger Stodola	New Brighton, MN	1979 -- Grand Prize				
Ladder Saver	Michael Gag	New Ulm, MN	2000 -- Grand Prize				
Top Dead Center Indicator Tool	Dennis Born	New Ulm, MN	2000 -- Honorable Mention				
Emergency Light Blanket	Pepper Aasgaard	Omaha, NE	2004 -- Grand Prize				
Limited Mobility Golf Clubs	Doug Higbee	Owatonna, MN	2004 -- Honorable Mention				
Dock Leveler	Larry D. Seaman	Pequot Lakes, MN	1998 -- Carl Oja Memorial Award				
Balloon knotter	Alan Lonneman	Plymouth, MN	1999 -- Silver Medallion				
Compressor Safety System	Lanny R. Berke	Plymouth, MN	1998 -- Gold Medallion				
Active Aid Stretcher	Carl Oja	Redwood Falls, MN	1964 --used by North Star Hockey team	(See Quad Cane)			
ALT Chair	Alan Tholkes	Redwood Falls, MN	1991 MN Minority Entrepreneur Award	ALTime Medical	Morton, MN	30	NA
Clip-on Support Bracket	James O. Nesburg	Redwood Falls, MN	2001 -- Silver Medallion				
Combination Sawhorse/Scaffolding	James O. Nesburg	Redwood Falls, MN	2001 -- Honorable Mention				
Easy Stand	Alan Tholkes	Redwood Falls, MN	1990 -- Bronze Medallion	ALTime Medical	Morton, MN	30	NA
Flaps Down	Nathan Schell	Redwood Falls, MN	1997 -- Youngest Exhibitor Plaque				
Quad Cane	Carl Oja	Redwood Falls, MN	1964 -- 1987 Hall of Fame Inductee	ActiveAid	Redwood Falls, MN	45	1.25 million for 200
LevAlert Bin Indicator	Tom & Lenard Johnson	Roseau, MN	1997 -- Grand Prize		Roseau, MN	5	NA
Trailer Mate	John Poganski	Sauk Rapids, MN	1986 -- 2nd Place/Sports & Rec	Wirth Engineering Company	Bloomington, MN	10	NA
Roller Rails	Timothy King	Shakopee, MN	1990 -- Bronze Medallion	Specialty Engineering	St. Paul, MN	80	NA
Fall Intervention Safety System	Jerry Ford	St. Charles, MN	2004 -- Gold Medallion	Active Tool & Die	St. Charles, MN -- just taking on his product li	6	NA
Bulk Seed Truck	Gary Stienessen	Taunton, MN	1998 -- Gold Medallion				
Skid Loader Tilt-Tach -- landscape bucket	Kenneth Knutson	Toronto, SD	1995 - Grand Prize	Palm Manufacturing/Ingersoll-	Grove City, MN	60	na
Bean Buggy	Kenneth Kass	Tracy, MN	1976	May-Wes Mfg., Inc.	Hutchinson, MN	25	NA
Easy Cord	Kevin O'Rourke	Waterville, MN	1999 -- Bronze Medallion				
0 degree Clutch Wrench	Robert Albertson	Wayzata, MN	2000 -- Bronze Medallion				
S&S Bird Houses	Norbert Sonnek	Wells, MN	1999 -- Bronze Medallion	Country Enterprise, Inc.	Lucan, MN		eginning production phase
Automatic Feed-weighing device	Lyle Stevermer	Winnebago, Mn	1962 -- Grand Prize				
Reverse-a-Rack	David Hoff	Wood Lake, MN	2000 -- Gold Medallion	Hoffco, Inc.	Wood Lake, MN	120	NA
StepSaver Salt Delivery	Roger Hansen	Wood Lake, MN	1996 -- Gold Medallion	StepSaver	Redwood Falls, MN	12	NA

<u>Sales/year</u>	<u>Website</u>	<u>Estab.</u>	
\$3M in sales	www.flamefighter.com	1990	
not reported	www.easystand.com	1987	
not reported	www.easystand.com	1987	
not reported	www.activeaid.com	1966	-- Mayo Clinic pending order
\$380,000 in 2002		1986	
\$1M to \$5M in sales	www.wirthco.com	NA	
\$5M - \$10 M in sales	NA	1949	
\$500,000	NA	1997	
\$10M to \$15M in sales	www.bobcat.com	1987	** now located in Litchfield (BobCat) -- new JOBZ expansion
\$1M to \$5M in sales	www.may.wes.mfg.com	1972	
\$11 M in 2004	www.hoffcoinc.com	1983	
\$1M in 2004	www.stepsaverinc.com	1996	

MINNESOTA ^{48TH} INVENTORS CONGRESS

EXPO 2005



INVENTIONS CREATE JOBS!

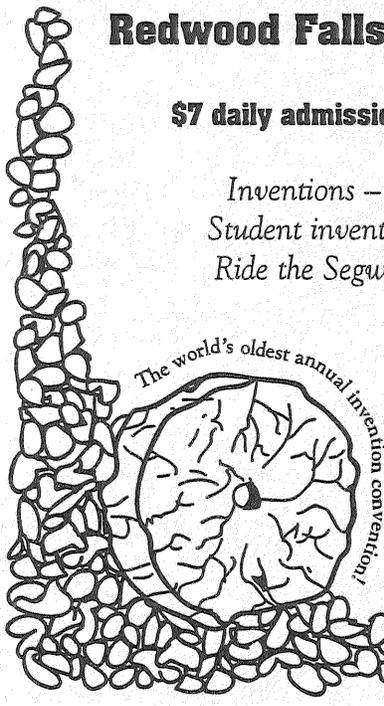
June 10-11-12, 2005

10:00 am - 5:00 pm

**Redwood Valley High School
Redwood Falls, Minnesota**

\$7 daily admission - 3-day pass \$12 - Under 16 Free

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MINNESOTA INVENTORS CONGRESS EXPO 2005

SCHEDULE OF EVENTS

(Schedule is subject to change)

Friday, June 10

Redwood Valley High School Gymnasium/Link/RACC
9 am, 11 am, 1 pm Inventing Success™ Mini Seminars
10 am - 5 pm MIC Exhibits Open to Public
10 am - 4 pm MN Inventors Hall of Fame Exhibit Open
1 pm - 4 pm Student Inventors' Exhibits Open to Public
7 pm - 9 pm Invention Protection Seminar (MPLA)

Downtown Redwood Falls

7 pm Community Parade - Women of Today
Following Parade Ice Cream Social - RV Area Chamber/Tourism

Saturday, June 11

Redwood Valley High School Gymnasium/Link/RACC
9 am, 11 am, 1 pm Inventing Success™ Mini Seminars
10 am - 5 pm MIC Exhibits Open to Public
10 am - 4 pm MN Inventors Hall of Fame Exhibit Open
10 am - 5 pm New Ulm Gem/Mineral Club Show
1 pm - 4 pm Student Inventors' Exhibits Open to Public

Sunday, June 12

Redwood Falls Airport
8 am - 12 pm Rotary Pancake Breakfast

Redwood Valley High School Gymnasium/Link/RACC
10 am - 5 pm MIC Exhibits Open to Public
10 am - 5 pm New Ulm Gem/Mineral Club Show
1 pm - 4 pm Student Inventors' Exhibits Open to Public



Expo 2005 is sponsored by the Minnesota Inventors Congress, a 501(c)3 nonprofit organization dedicated to the advancement of inventors and their ideas. MIC reserves the right to reject any or all exhibits, advertisements, & sponsorships.

Senators Dille, Metzen and Dibble introduced--

S.F. No. 2095: Referred to the Committee on Finance.

1 A bill for an act
2 relating to economic development; providing assistance
3 to American Indians to become entrepreneurs;
4 appropriating money.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. [APPROPRIATION.]

7 \$500,000 in fiscal year 2006 and \$500,000 in fiscal year
8 2007 are appropriated from the general fund to the commissioner
9 of employment and economic development for grants to the
10 Minnesota Opportunities Industrialization Centers State
11 Council. The grant shall be used by the American Indian
12 Opportunities Industrialization Centers of Minneapolis, and the
13 Northwestern Opportunities Industrialization Centers of Bemidji,
14 to provide training to American Indians to become small
15 businesspersons. The opportunities industrialization centers
16 may contract with any accredited state or private educational
17 institution to deliver training. This appropriation is in
18 addition to the base level funding and shall become part of the
19 agency's budget base.

1 master water supply plan that:

2 (i) provides guidance for local water supply systems and
3 future regional investments;

4 (ii) emphasizes conservation, interjurisdictional
5 cooperation, and long-term sustainability; and

6 (iii) addresses the reliability, security, and
7 cost-effectiveness of the metropolitan area water supply system
8 and its local and subregional components;

9 (3) recommendations for clarifying the appropriate roles
10 and responsibilities of local, regional, and state government in
11 metropolitan area water supply;

12 (4) recommendations for streamlining and consolidating
13 metropolitan area water supply decision-making and approval
14 processes; and

15 (5) recommendations for the ongoing and long-term funding
16 of metropolitan area water supply planning activities and
17 capital investments.

18 (b) The council must carry out the planning activities in
19 this subdivision in consultation with the metropolitan area
20 water supply advisory committee established in subdivision 2.

21 Subd. 2. [ADVISORY COMMITTEE.] (a) A metropolitan area
22 water supply advisory committee is established to assist the
23 council in its planning activities in subdivision 1. The
24 advisory committee has the following membership:

25 (1) the commissioner of agriculture or the commissioner's
26 designee;

27 (2) the commissioner of health or the commissioner's
28 designee;

29 (3) the commissioner of natural resources or the
30 commissioner's designee;

31 (4) the commissioner of the pollution control agency or the
32 commissioner's designee;

33 (5) two officials of counties that are located in the
34 metropolitan area, appointed by the governor;

35 (6) six officials of noncounty local governmental units
36 that are located in the metropolitan area, appointed by the

1 governor; and

2 (7) the chair of the Metropolitan Council or the chair's
3 designee, who is chair of the advisory committee.

4 (b) Members of the advisory committee appointed by the
5 governor serve at the pleasure of the governor and their terms
6 end with the term of the governor. Members of the advisory
7 committee serve without compensation but may be reimbursed for
8 their reasonable expenses as determined by the Metropolitan
9 Council. The advisory committee does not expire until repealed
10 by law.

11 Subd. 3. [REPORTS TO LEGISLATURE.] The council must submit
12 reports to the legislature regarding its continuing planning
13 activities under subdivision 1. The first report must be
14 submitted to the legislature by the date the legislature
15 convenes in 2007 and subsequent reports must be submitted by
16 such date every five years thereafter.

17 Sec. 2. Minnesota Statutes 2004, section 473.197,
18 subdivision 4, is amended to read:

19 Subd. 4. [DEBT RESERVE; LEVY.] To provide money to pay
20 debt service on bonds issued under the credit enhancement
21 program ~~if-pledged-revenues-are-insufficient-to-pay-debt-service~~
22 in repealed subdivision 1 of Minnesota Statutes 2004, section
23 473.197, the council must maintain a debt reserve fund in the
24 manner ~~and with the effect provided by section 118A.04 for~~
25 public funds until such a reserve is no longer pledged or
26 otherwise needed to pay debt service on such bonds. ~~To provide~~
27 funds for the debt reserve fund, the council may use up to
28 \$3,000,000 of the proceeds of solid waste bonds issued by the
29 council under section 473.831 before its repeal. ~~To provide~~
30 additional funds for the debt reserve fund, the council may levy
31 a tax on all taxable property in the metropolitan area and must
32 levy the tax If sums in the debt reserve fund are insufficient
33 to cure any deficiency in the debt service fund established for
34 the bonds, the council must levy a tax on all taxable property
35 in the metropolitan area in the amount needed to cure the
36 deficiency. The tax authorized by this section does not affect

1 the amount or rate of taxes that may be levied by the council
2 for other purposes and is not subject to limit as to rate or
3 amount.

4 Sec. 3. [CONTINUATION OF AGREEMENTS.]

5 An agreement entered into between the Metropolitan Council
6 and a participant in the credit enhancement program under
7 Minnesota Statutes 2004, section 473.197, subdivision 5, with
8 respect to bonds issued prior to the effective date of this act,
9 shall continue in effect in accordance with its terms; provided
10 that no provision in such agreement shall be construed to
11 require or allow the council to pledge its full faith and credit
12 and taxing powers to the payment of additional bonds issued
13 after the effective date of this act.

14 Sec. 4. [USE OF CREDIT ENHANCEMENT PROGRAM FUNDS.]

15 The Metropolitan Council must transfer any funds
16 originating from the proceeds of solid waste bonds and available
17 for the credit enhancement program under Minnesota Statutes
18 2004, section 473.197, subdivision 4, to the council's general
19 fund to the extent such funds are no longer pledged or otherwise
20 needed by the council to maintain a debt reserve fund as
21 provided for in ongoing Minnesota Statutes, section 473.197,
22 subdivision 4. The council must first use the transferred funds
23 for carrying out the metropolitan area water supply planning
24 activities required by section 1, for staff support of the
25 advisory committee established under that section, and for
26 related purposes. If the council determines that the
27 transferred funds are no longer needed for such purposes, the
28 council may use any such funds for any general purposes of the
29 council.

30 Sec. 5. [REPEALER.]

31 Minnesota Statutes 2004, sections 473.156 and 473.197,
32 subdivisions 1, 2, 3, and 5, are repealed.

33 Sec. 6. [APPLICATION.]

34 This act applies in the counties of Anoka, Carver, Dakota,
35 Hennepin, Ramsey, Scott, and Washington.

36 Sec. 7. [EFFECTIVE DATE.]

1 This act is effective the day following final enactment.

APPENDIX
Repealed Minnesota Statutes for 05-1725

473.156 METROPOLITAN WATER USE AND SUPPLY PLAN.

Subdivision 1. **Plan components.** The Metropolitan Council shall develop a short-term and long-term plan for existing and expected water use and supply in the metropolitan area. The plan shall be submitted to and reviewed by the commissioner of natural resources for consistency with the statewide drought plan under section 103G.293. At a minimum, the plans must:

(1) update the data and information on water supply and use within the metropolitan area and develop a water use and availability database;

(2) identify and evaluate alternative courses of action, including water conservation initiatives and economic alternatives, in case of drought or contamination conditions;

(3) develop regional surface water and use projection models for resource evaluation;

(4) recommend long-term approaches to resolving problems that may develop because of water use and supply with consideration given to problems that occur outside of the metropolitan area, but which have an effect within the area; and

(5) be consistent with the statewide drought plan under section 103G.293.

Subd. 2. **Completion and report.** The short-term plan must be completed by February 1, 1990. The long-term plan must be completed by February 1, 1992, and continually updated as the need arises. The plans must be prepared in consultation with the Army Corps of Engineers, the Leech Lake Reservation business committee, the Mississippi headwaters board, Department of Natural Resources, and the Environmental Quality Board. Both plans must be given to the Metropolitan Affairs and Natural Resources Committees of the house of representatives and senate, and be available to the public.

473.197 HOUSING BOND CREDIT ENHANCEMENT PROGRAM.

Subdivision 1. **Authorization.** The metropolitan council may establish a housing bond credit enhancement program as provided in this section. The council may pledge its full faith and credit and taxing powers to the payment of bonds issued under section 469.034 for qualified housing development projects in the metropolitan area, as provided in this section. A "qualified housing development project" has the meaning given that term in section 469.034, subdivision 2, paragraph (e), except that the council is substituted for "general jurisdiction governmental unit" in clause (3) and "60 percent of the median family income" is substituted for "80 percent of the median family income."

Subd. 2. **Project selection.** Before pledging its full faith and credit, the council must establish criteria for selecting appropriate qualified housing development projects for the credit enhancement program. The council may award preferences for qualified housing development projects that meet criteria for preferences established by the council. The council must establish the criteria in consultation with housing providers in the metropolitan area. In developing priorities for projects for the credit enhancement program, the council shall give priority to projects that develop or redevelop housing for low-income households. The council shall consider the extent to which projects for the credit enhancement program are developed in collaboration with Minnesota Youth-Build under sections 116L.361 to 116L.366; or training for housing programs

APPENDIX
Repealed Minnesota Statutes for 05-1725

for homeless adults under Laws 1992, chapter 376, article 6; or other employment training programs.

Subd. 3. **Limitation.** The aggregate principal amount of bonds that may be secured by a pledge of the council's full faith and credit under this section may not exceed \$20,000,000. The bonds must be payable from revenues derived from the project or projects financed under the credit enhancement program, or from income of the authority or authorities that participate in the program, including earnings on any reserves established for the program. The council must find that the pledged revenues will equal or exceed 110 percent of the principal and interest due on the bonds.

Subd. 5. **Agreements.** The council and each authority that participates in the credit enhancement program may enter into agreements they determine to be necessary to implement the credit enhancement program. The agreements may extend over any period, notwithstanding any law to the contrary.

1 To: Senator Cohen, Chair
2 Committee on Finance
3 Senator Sams,

4 Chair of the Environment, Agriculture and Economic
5 Development Budget Division, to which was referred

6 S.F. No. 1071: A bill for an act relating to the
7 Metropolitan Council; requiring the Metropolitan Council to
8 carry out metropolitan area water supply planning activities;
9 establishing an advisory committee to assist the council in
10 carrying out the planning activities; abolishing the housing
11 bond credit enhancement program; providing for continued debt
12 reserve and levy authority for bonds issued under the program
13 before its abolishment; providing for the use of available funds
14 from the abolished housing bond credit enhancement program for
15 the council's metropolitan area water supply planning
16 activities; amending Minnesota Statutes 2004, section 473.197,
17 subdivision 4; proposing coding for new law in Minnesota
18 Statutes, chapter 473; repealing Minnesota Statutes 2004,
19 sections 473.156; 473.197, subdivisions 1, 2, 3, 5.

20 Reports the same back with the recommendation that the bill
21 be amended as follows:

- 22 Page 3, line 25, delete "such a" and insert "the"
- 23 Page 3, line 35, delete "cure" and insert "liquidate"
- 24 Page 4, line 10, delete "such" and insert "the"
- 25 Page 4, line 19, delete "such" and insert "that the"
- 26 Page 4, line 27, delete "such" and insert "those"
- 27 Page 4, line 28, delete "such" and insert "of the"

28 And when so amended that the bill be recommended to pass
29 and be referred to the full committee.

30
31 (Division Chair)

32
33 April 14, 2005.....
34 (Date of Division action)

Fiscal Note – 2005-06 Session

Bill #: S1071-0 **Complete Date:** 04/12/05

Chief Author: HIGGINS, LINDA

Title: METRO COUNCIL WATER SUPPLY PLANNING

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Metropolitan Council

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description: This bill (SF 1071) gives the Metropolitan Council the authority to conduct a drinking water supply planning study in the seven-county metro area. The bill also creates an advisory committee on metropolitan water supply activities to assist with the study. Finally, the bill repeals the housing bond credit enhancement program and provides that certain funds currently available to the credit enhancement program be made available for the drinking water supply planning.

Assumptions: The cost for the drinking water supply study will not impact the state budget, but will be paid from a regional source of funds currently in the Council's housing bond credit enhancement program.

Revenue/Expenditure Formula: The cost of the study, estimated to be \$2 million, will be paid in full by funds available from the balance in the housing bond credit enhancement fund. Performing this study from a regional perspective provides efficiencies in that each local unit of government will not need to do a study. Here is a breakdown of estimated costs:

Phase I (May 2005 – December 2006)

Inventory supply systems and resources and develop management and funding recommendations	\$250,000
Surficial geologic mapping	\$150,000
Mississippi River flow analysis	\$180,000
Groundwater contaminant mapping	\$30,000
Water conservation effectiveness	\$40,000
Southwest metro water supply plan	\$80,000
Groundwater recharge and susceptibility model	\$100,000
Northwest metro water supply plan	\$80,000
Phase I Report	<u>\$20,000</u>
TOTAL PHASE I	\$930,000

Phase II (January 2007 – December 2008)

Additional geologic mapping	\$250,000
Groundwater monitoring and modeling	\$190,000
Surface monitoring and modeling	\$170,000
Detailed supply source and availability analysis	\$200,000
Continued development of subregional plans	\$140,000
Phase II water supply master plan	<u>\$ 120,000</u>
TOTAL PHASE II	\$1,070,000

TOTAL PROGRAM COST **\$2,000,000**

This bill provides authority for the council to use underutilized funds from the Housing Bond Credit Enhancement fund to accomplish the drinking water supply planning study. The Housing Bond Credit Enhancement program will be eliminated, except for a small portion (\$280,000) retained to provide required credit enhancement for a 2000 Carver County HRA bond issue.

Long-Term Fiscal Considerations: Unknown until study is complete at the end of 2008.

Local Government Costs: This is a less expensive way than having individual cities do studies. Drinking water supply is a growing issue in the region, especially in the southwest and northwest suburban areas, plus many water resources are inter-related. Until the recommendations are made there is no information on future costs to local government.

Agency Contact Name: Beth Widstrom Anderson, Fin., 651-602-1567
 FN Coord Signature: MIKE KUEHN

Date: 04/12/05 Phone: 602-1364

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER
Date: 04/12/05 Phone: 215-0594

AGENCY INITIATIVE

Regional Water Supply Study

Request: The Metropolitan Council requests legislative authority to study the issue of regional water supply with the assistance of an advisory committee and report the findings to the legislature.

S.F. 1071 / H.F. 1044

Staff Contacts:

Judd Schetnan
651-602-1142

Keith Buttleman
651-602-1015

Why this legislation is needed

- The Twin Cities metro area has grown rapidly in recent years and continues to grow. It is prudent to plan now to ensure that there is an adequate drinking water supply to handle the future growth of the region.
- The Metropolitan Council is responsible for working on issues of regional importance and for conducting planning studies. The Council is uniquely positioned to address this issue of drinking water supply.
- The Metropolitan Council is seeking to study this issue with the assistance of an advisory committee and is proposing to report the findings back to the legislature by January 1, 2007.
- The Metropolitan Council is recommending that this advisory committee include representatives from local governments (cities and counties), the Department of Natural Resources, the Department of Health, the Department of Agriculture and the Minnesota Pollution Control Agency, in addition to a member from the Metropolitan Council.
- The Metropolitan Council would provide staffing and technical support for this study. This can be provided through existing staffing and consultants.
- Funding for this study will be borne by the Metropolitan Council and can come from current reserves to the Council's housing bond credit enhancement fund. This under-utilized funding program would be abolished and the reserve funds in this account would be used to pay for the water supply study.
- A secure, stable, reliable long-term supply of high quality drinking water supply is a valuable asset for the economic growth and vitality of the Twin Cities area. Addressing this issue now is necessary so that the region can plan for the wise use of the area's water resources and the orderly development of its water supply to support future economic development and growth.
- A long-term goal of this study is to streamline the permitting process between the agencies that regulate drinking water in the seven-county metro area.

Senators Dibble, Sams, Dille, Saxhaug and Ruud introduced—

S. F. No. 866 Referred to the Committee on Finance

1 A bill for an act
2 relating to appropriations; appropriating money to
3 fund grants for certain employment support services.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

5 Section 1. [APPROPRIATION.]

6 \$1,728,334 is appropriated from the general fund to the
7 commissioner of employment and economic development to fund
8 grants to programs that provide employment support services to
9 persons with mental illness under Minnesota Statutes, sections
10 268A.13 and 268A.14. This amount is added to the budget base
11 and is available until June 30, 2007.



Minnesota

Most people with a serious mental illness want to work. According to recent research, 70% of adults with a serious mental illness would like to have a job. Employment is now viewed as an important part of recovery and supported employment for people with a serious mental illness is considered an evidence based practice, meaning there is data to prove that it works.

Unfortunately, for many people with a serious mental illness, employment eludes them. People with a serious mental illness have the highest unemployment rate which is costly to the individuals and to our communities.

Of the adults with a serious mental illness using case management, 75% were reported to be looking for work or not in the labor force. Barriers to employment included: stigma and discrimination, fear of losing health benefits, lack of vocational services and lack of transportation. The unemployment rate and lack of employment services to assist people with a mental illness is a national and state disgrace.

In 1995 the Minnesota Legislature funded an Extended Employment project for people with a serious mental illness. This new project, requiring collaboration between the Department of Human Services and Rehabilitation Services, funds supported employment services that provide individualized support, ongoing assistance, and assistance to employers. Additionally, the hope was that this new funding would increase the capacity of providers to meet the needs of people with mental illness.

The Extended Employment Project for People with Serious Mental Illness (EE-SMI) uses interagency collaboration, individualized supported employment and consumer involvement in the planning, development, oversight and delivery of services. Support services can include: job coaching, facilitation of natural supports, supportive counseling, coordination of support services, job development or placement, training in social skills and money management. A key feature of this program is that ongoing employment supports are provided – meaning that providers can step in and help someone who is already employed keep their job if they start having problems. They can also help with career advancement and to find a new job.

These projects have been more successful than other employment programs with an average of 59% of participants being employed in the community versus 10 -12% of people with serious mental illness served through traditional employment programs. During the last year, 667 workers earned over \$2 million in wages while receiving support services necessary to keep their jobs. Average wages at the start of employment were \$7.35 and the average number of hours worked was 21.

The way this program has worked in Minnesota is that projects first receive four year start up grants using federal Vocational Rehabilitation funds and some matching state money. After

f a s t f a c t s

four years, they transfer to the state EE-SMI program and are fully funded by state dollars.

During the 2003 Legislative Session, the EE-SMI program was cut and \$394,167 is needed to restore funding to the '03 level of funding. Basically the program has been reduced by one-third overall. In addition, eight projects will reach their four year VR funded limit during the next biennium. If state funding is not obtained for these projects, their services – to 343 people - will end. \$470,000 is needed for each year of the biennium to keep these eight projects operating. Since these eight projects are funded by federal dollars, there are no “change pages” in the state budget to show the loss of these projects.

The four projects that will lose funding in '05 are:

- Guild Community Employment Services, serving Dakota and Ramsey Counties
- Northwest Job Connection, Roseau and Pennington
- Creating Access (RISE), Hennepin
- Expanded Supported Employment Program (Winona ORC and ABC), Winona and Houston

The four projects that will lose funding in '06 are:

- Expanded Supported Employment Program (Zumbro Valley MH Center and ABC), Olmsted and Fillmore
- Coordinated Employability Alliance (RISE and Phase), Pine, Isanti, MilleLacs and Kanabec
- North Central Solutions (Productive Alternatives and ODC), Cass and Morrison
- Goodhue Jobs Project (ProAct), Goodhue

There are already 12 counties that do not have access to EE-SMI services, and we cannot afford to lose the projects listed above. There are currently 22 projects under the state funded EE-SMI program. Some of the providers include: LifeTrack, Guild Incorporated, Human Development Center, MRCI, Occupational Development Center, Productive Alternatives, RISE, Service Enterprises, Tasks Unlimited, Tran\$em, and West Central Industries. These are the projects that lost funding during the last biennium and that have significant capacity issues.

National data show that 70% of those with a serious mental illness depend almost entirely on Social Security programs for financial and medical support and few ever leave the program. The NAMI Triad report found that 71% of people with serious mental illness were living in poverty with 20% living on less than \$5,000 per year. We need to maintain and increase programs that are effective and that lift people out of poverty.

Recovery is possible, but that means we must fund programs that assist people in finding and maintaining employment. We must fund programs that will work with employers to break down stigma and educate them about the supports and accommodations that may be needed by people with serious mental illness. The EE-SMI program is an effective program and funding should be increased.

SF:866 EE=SMI

Evidence-Based Practices (EBP) In Mental Health Supported Employment: Individual Placement & Support Service Model (IPS)

Tenets of Evidence Based Practices In Mental Health

- The Services Reflect The Goals Of Consumers To Establish Satisfying Lives Beyond Illness, Such As Relationships, Careers, And Independence.
- Consumers Have The Right To Access Services That Are Known To Be Effective From The Mental Health System.

Seven Core Principles of EBP/Supported Employment

#1: Eligibility Is Based on Consumer Choice

#2: Integration with Mental Health Treatment

#3: Competitive Employment Is The Goal

Pursue an individual job which:

- ✓ exists in the open labor market
- ✓ that anyone could apply for
- ✓ person is earning a comparable wage

#4: Rapid Job Search A Plan Is Developed within 2 Weeks Of Referral.

- The Job Search Starts By The End Of The First Month That Consumer Expresses Interest in Working

#5: Individualized Job Finding Consumer preferences play a key role in determining:

- ✓ the type of job pursued,
- ✓ nature of support provided,
- ✓ if & how disclosure of a psychiatric disability is made.
- ✓

#6: Time-Unlimited Support

- Employment service support is provided for & available over time, as long as consumers want it.

#7: Proactive Benefits Assistance Planning Present

program participants fully utilize available ssa work incentives: irwe, pass, subsidies, ma-epd, etc.

**Resources on
Evidence-Based Practices: Supported Employment &
People with Serious Mental Illnesses**

www.deed.state.mn.us/rehabee/reports/2004update.pdf

www.ian.wvu.edu

www.mentalhealth.samsha.gov

www.nami-mn@nami.org

Rise Incorporated www.rise.org p#: 612/781-3114 ext, 511
e-mail: mshamp@rise.org

Guild Incorporated p# 651/457-2248 ext.13
e-mail: pdarmody@guildincorporated.org

SF:866 EE:SMI

Rise Incorporated

Supported Employment Services:

Individual Placement & Support Services (IPS) Model: A Program Service Profile

“Overcoming Employment Barriers For a Man With Serious Mental Illness AND A Ph.D.”

In August, 2004, Richard was referred to Rise Incorporated's *Creating Access* Program, a state coordinated employability project funded jointly through MN Rehabilitation Services and MN Department Human Services. Richard was hospitalized due to worsening of his psychiatric symptoms at Hennepin County Medical Center (HCMC). After discharge, Richard began attending HCMC's *William Jepson Day Treatment Program*, a community partner where *Creating Access* Employment Services are available as part of the day treatment program's service array.

Richard is diagnosed with Schizophrenia with catatonic features. He began experiencing active symptoms as a young man in college. Yet, he managed to earn a doctorate of philosophy degree in materials science and engineering. As part of his education, Richard published 25 technical papers and presented seven papers at technical conferences. Following graduation, the symptoms of his mental illness worsened. Over the next 10-15 years, Richard experienced chronic underemployment. His work history was spotty, holding a part-time cashier or lab technician position for no more than 6-8 months. Richard's mental health symptoms were a significant barrier to employment success.

When a Rise *Creating Access* Employment Specialist first met with Richard, he had a difficult time talking about going to work. He began working with Rise staff through three distinct types of employment classes-*Planning for Employment, Job Seeking Skills, and Active Job Seekers Club*. Each class strategically aided in building Richard's confidence, increasing his self-management of the symptoms of his mental illness while looking for work, and clarifying the benefits of working in developing his personal vision regarding his life. *Creating Access* assisted Richard in formulating an Individual Employment Services Plan that identified his skills, abilities, assets, conditions for employment, and how he could showcase to a business his capacities in solving problems in the workplace.

Within 6 weeks, Richard accepted a job offer as a full-time lab technician. While working as a lab technician, Rise staff supported Richard by meeting with him regularly away from the job site. During those meetings, Rise staff assisted Richard with problem-solving, social and communication skills development, as well as symptom and stress management.

Things were going well for Richard. He was earning \$13 / hour and working full time. Yet, after three months he reported that he needed a MORE challenging job! He decided to look for new employment that allowed him to better apply his extensive education and training. Again, Rise was there to support him with this choice. In fact, Rise staff were thrilled to do so. In the past, Richard worried that the stress of a highly technical job would be too much. Richard decided that with the right type of employment supports, he could do it. In less than two months, Richard obtained employment as a full-time Process Engineer working for a local manufacturing company. He is earning \$15 / hour with overtime, He reports that he enjoys the job very much, and with Rise's ongoing support, intends to be there from some time.

Rise Incorporated **Through March, 2005**
A Program Service & Cost Profile of SE: Individual Placement & Support Services

Time Line	Service ~ Richard the Process Engineer ~	Funding & Costs
Services Start August, 2004	<p>Initial Information About Creating Access Employment Services Provided</p> <ul style="list-style-type: none"> • Richard's sole resources are Social Security Disability, Medicare, and Medical Assistance. • Begins attending pre-employment group skills class, <i>Planning for Employment</i> • Starts attending <i>Job Seeking Skills</i> . • Meets weekly 1:1 with Creating Access Employment Specialist, & formulates an Individualized Employment Support Plan. 	<p>State Coordinated Employability Project Funds (MN RS/DHS).</p> <p><i>Creating Access</i> slated to end 6/30/05 (1 of 4 to end 2005 & an additional 4 projects to end in 2006) without being able to convert to EE:SMI due to budget cuts. in funding.</p> <p><i>Creating Access</i> proved critical as \$\$\$ could be used to cover costs of active job placement & development services. Traditionally, such services are covered through MN Rehab Services. Access to RS was limited in 2004. Richard would have been placed on a state-wide waiting list where eligible applicants have waited between 5-8 months before starting RS employment services.</p>
September, 2004	<p>Richard accepts a full-time position as a Lab Technician earning \$13/hour with benefits.</p> <ul style="list-style-type: none"> • Enrolls for Medical Assistance/Employed Persons with Disabilities (MA/EPD). • No hospitalizations <p>Meets with <i>Creating Access</i> staff 1:1 staff after work and comes to classes as needed and when not working. Staff assist with orientation process paperwork, time management, problem-solving, social and communication skills associated with adjustment to working full-time.</p>	<p>New full time position starting wage is \$13 per hour, or gross wages of \$520 per week. Eligible for benefit package.</p>
October, 2004	<p>Continues to work as Lab Technician on a full-time basis.</p> <ul style="list-style-type: none"> • Paying health premium for Medical Assistance/Employed Persons with Disabilities (MA/EPD). • No hospitalizations. <p><i>Creating Access Employment Specialist</i> meets weekly and as needed to assist with orientation process paperwork, time management, problem-solving, social and communication skills associated with adjustment to working full-time.</p>	<p>Job Dev & Placement Costs: \$200 / month for the next 4 months. Total Cost: \$1,040</p> <p>(covered groups, 1:1 time, active job development & placement representation of Richard to potential employers , plus admin costs).</p>
November, 2004	<p>Continues to work as Lab Technician on a full-time basis.</p> <ul style="list-style-type: none"> • No hospitalizations. • Informs Employment Specialist that he wants to pursue a different position to use his education and training in Material Science and Engineering. • Attends <i>Active Job Seeker's Club</i> weekly. 	<p>Worked a total of 12 weeks as a Lab Technician with first employer. Gross wages earned = \$6,240.</p>

Rise Incorporated
A Service & Cost Profile of SE: Individual Placement & Support Services
 ~ Richard the Process Engineer ~

Time Frame	Service	Funding & Cost
December, 2004	Richard interviews and accepts new position as a Process Engineer in a manufacturing setting. <ul style="list-style-type: none"> • <i>Creating Access Employment Specialist</i> meets weekly and as needed to assist with orientation process paperwork, time management, problem-solving, social and communication skills associated with adjustment to changing positions. • No hospitalizations 	<p>Starting wage of \$15 / hour as a full-time Process Engineer. Weekly gross wages = \$600 / wk.</p> <p>At the end of December, Richard felt that he had successfully transitioned to his new position and employer.</p>
January, 2005	Continues to work as full time Process Engineer <ul style="list-style-type: none"> • No hospitalizations. • Meeting with Employment Specialist 1:1 twice a month. 	<p>Transferred funding to <i>Extended Employment Basic</i>. Minimum contact expectation for SE model is 2 x mo.</p> <p>Rise is compensated through a formula which is based on #of hours program participant worked in a quarter & which model of employment service used. Limit of program design is that we can't be reimbursed from EE for any future job re-placement into another position or with a different company.</p> <p>Estimated extended supported employment support services are \$60/mo. This includes admin costs. In future, level of employment support contact can increase should the need arise.</p>
February, 2005	Continues to work as full time Process Engineer <ul style="list-style-type: none"> • No hospitalizations. • Meeting with Employment Specialist 1:1 twice a month. 	<p><u>Program Costs for Placement and Support Services:</u></p> <ul style="list-style-type: none"> • Initial <i>Creating Access</i> Placement Service Cost: \$1,040 • Extended Employment SE support service cost As of 2/28/05: \$ 120 <p style="text-align: right;">Total Costs: \$1,160</p> <p><u>Richard's Total Gross Earnings thru 2/05:</u></p> <p style="text-align: right;">\$16,240</p> <p><u>Direct Cost Benefit Ratio :</u> \$1 invested : \$14 dollars earned <i>In addition, the federal OMB determined</i> <u>Indirect Savings Ratio Of \$1 Invested: \$8 Of Indirect Savings</u> due to reduction in use of Medicaid/Medicare services and other federal programs.</p>

1 A bill for an act
2 relating to commerce; regulating mortgage originators
3 and servicers, athlete agents, and the contractor's
4 recovery fund; amending Minnesota Statutes 2004,
5 sections 116J.70, subdivision 2a; 326.975, subdivision
6 1.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. Minnesota Statutes 2004, section 116J.70,
9 subdivision 2a, is amended to read:

10 Subd. 2a. [LICENSE; EXCEPTIONS.] "Business license" or
11 "license" does not include the following:

12 (1) any occupational license or registration issued by a
13 licensing board listed in section 214.01 or any occupational
14 registration issued by the commissioner of health pursuant to
15 section 214.13;

16 (2) any license issued by a county, home rule charter city,
17 statutory city, township, or other political subdivision;

18 (3) any license required to practice the following
19 occupation regulated by the following sections:

20 (i) abstracters regulated pursuant to chapter 386;

21 (ii) accountants regulated pursuant to chapter 326A;

22 (iii) adjusters regulated pursuant to chapter 72B;

23 (iv) architects regulated pursuant to chapter 326;

24 (v) assessors regulated pursuant to chapter 270;

25 (vi) athletic trainers regulated pursuant to chapter 148;

26 (vii) attorneys regulated pursuant to chapter 481;

- 1 (viii) auctioneers regulated pursuant to chapter 330;
2 (ix) barbers and cosmetologists regulated pursuant to
3 chapter 154;
4 (x) boiler operators regulated pursuant to chapter 183;
5 (xi) chiropractors regulated pursuant to chapter 148;
6 (xii) collection agencies regulated pursuant to chapter
7 332;
8 (xiii) dentists, registered dental assistants, and dental
9 hygienists regulated pursuant to chapter 150A;
10 (xiv) detectives regulated pursuant to chapter 326;
11 (xv) electricians regulated pursuant to chapter 326;
12 (xvi) mortuary science practitioners regulated pursuant to
13 chapter 149A;
14 (xvii) engineers regulated pursuant to chapter 326;
15 (xviii) insurance brokers and salespersons regulated
16 pursuant to chapter 60A;
17 (xix) certified interior designers regulated pursuant to
18 chapter 326;
19 (xx) midwives regulated pursuant to chapter 147D;
20 (xxi) nursing home administrators regulated pursuant to
21 chapter 144A;
22 (xxii) optometrists regulated pursuant to chapter 148;
23 (xxiii) osteopathic physicians regulated pursuant to
24 chapter 147;
25 (xxiv) pharmacists regulated pursuant to chapter 151;
26 (xxv) physical therapists regulated pursuant to chapter
27 148;
28 (xxvi) physician assistants regulated pursuant to chapter
29 147A;
30 (xxvii) physicians and surgeons regulated pursuant to
31 chapter 147;
32 (xxviii) plumbers regulated pursuant to chapter 326;
33 (xxix) podiatrists regulated pursuant to chapter 153;
34 (xxx) practical nurses regulated pursuant to chapter 148;
35 (xxxii) professional fund-raisers regulated pursuant to
36 chapter 309;

1 (xxxii) psychologists regulated pursuant to chapter 148;
2 (xxxiii) real estate brokers, salespersons, and others
3 regulated pursuant to chapters 82 and 83;
4 (xxxiv) registered nurses regulated pursuant to chapter
5 148;
6 (xxxv) securities brokers, dealers, agents, and investment
7 advisers regulated pursuant to chapter 80A;
8 (xxxvi) steamfitters regulated pursuant to chapter 326;
9 (xxxvii) teachers and supervisory and support personnel
10 regulated pursuant to chapter 125;
11 (xxxviii) veterinarians regulated pursuant to chapter 156;
12 (xxxix) water conditioning contractors and installers
13 regulated pursuant to chapter 326;
14 (xl) water well contractors regulated pursuant to chapter
15 103I;
16 (xli) water and waste treatment operators regulated
17 pursuant to chapter 115;
18 (xlii) motor carriers regulated pursuant to chapter 221;
19 (xliii) professional firms regulated under chapter 319B;
20 (xliv) real estate appraisers regulated pursuant to chapter
21 82B;
22 (xlv) residential building contractors, residential
23 remodelers, residential roofers, manufactured home installers,
24 and specialty contractors regulated pursuant to chapter 326;
25 (xlvi) licensed professional counselors regulated pursuant
26 to chapter 148B;
27 (xlvii) residential mortgage originators and residential
28 mortgage servicers regulated under chapter 58;
29 (xlviii) athlete agents regulated under chapter 81A;
30 (4) any driver's license required pursuant to chapter 171;
31 (5) any aircraft license required pursuant to chapter 360;
32 (6) any watercraft license required pursuant to chapter
33 86B;
34 (7) any license, permit, registration, certification, or
35 other approval pertaining to a regulatory or management program
36 related to the protection, conservation, or use of or

1 interference with the resources of land, air, or water, which is
2 required to be obtained from a state agency or instrumentality;
3 and

4 (8) any pollution control rule or standard established by
5 the Pollution Control Agency or any health rule or standard
6 established by the commissioner of health or any licensing rule
7 or standard established by the commissioner of human services.

8 Sec. 2. Minnesota Statutes 2004, section 326.975,
9 subdivision 1, is amended to read:

10 Subdivision 1. [GENERALLY.] (a) In addition to any other
11 fees, each applicant for a license under sections 326.83 to
12 326.98 shall pay a fee to the contractor's recovery fund. The
13 contractor's recovery fund is created in the state treasury and
14 must be administered by the commissioner in the manner and
15 subject to all the requirements and limitations provided by
16 section 82.43 with the following exceptions:

17 (1) each licensee who renews a license shall pay in
18 addition to the appropriate renewal fee an additional fee which
19 shall be credited to the contractor's recovery fund. The amount
20 of the fee shall be based on the licensee's gross annual
21 receipts for the licensee's most recent fiscal year preceding
22 the renewal, on the following scale:

23	Fee	Gross Receipts
24	\$100	under \$1,000,000
25	\$150	\$1,000,000 to \$5,000,000
26	\$200	over \$5,000,000

27 Any person who receives a new license shall pay a fee based on
28 the same scale;

29 (2) the sole purpose of this fund is to: (i) compensate
30 any aggrieved owner or lessee of residential property located
31 within this state who obtains a final judgment in any court of
32 competent jurisdiction against a licensee licensed under section
33 326.84, on grounds of fraudulent, deceptive, or dishonest
34 practices, conversion of funds, or failure of performance
35 arising directly out of any transaction when the judgment debtor
36 was licensed and performed any of the activities enumerated

1 under section 326.83, subdivision 19, on the owner's residential
2 property or on residential property rented by the lessee, or on
3 new residential construction which was never occupied prior to
4 purchase by the owner, or which was occupied by the licensee for
5 less than one year prior to purchase by the owner, and which
6 cause of action arose on or after April 1, 1994; and (ii)
7 reimburse the Department of Commerce for all legal and
8 administrative expenses, including staffing costs, incurred in
9 administering the fund;

10 (3) nothing may obligate the fund for more than \$50,000 per
11 claimant, nor more than \$75,000 per licensee; and

12 (4) nothing may obligate the fund for claims based on a
13 cause of action that arose before the licensee paid the recovery
14 fund fee set in clause (1), or as provided in section 326.945,
15 subdivision 3.

16 (b) Should the commissioner pay from the contractor's
17 recovery fund any amount in settlement of a claim or toward
18 satisfaction of a judgment against a licensee, the license shall
19 be automatically suspended upon the effective date of an order
20 by the court authorizing payment from the fund. No licensee
21 shall be granted reinstatement until the licensee has repaid in
22 full, plus interest at the rate of 12 percent a year, twice the
23 amount paid from the fund on the licensee's account, and has
24 obtained a surety bond issued by an insurer authorized to
25 transact business in this state in the amount of at least
26 \$40,000.

Fiscal Note – 2005-06 Session

Bill #: S1732-1E **Complete Date:** 04/07/05

Chief Author: GAITHER, DAVID

Title: CONTRACTOR'S RECOVERY FUND REGULATED

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Commerce

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		(100)	(100)	(100)	(100)
Misc Special Revenue Fund		100	100	100	100
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		(100)	(100)	(100)	(100)
Misc Special Revenue Fund		100	100	100	100
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		(100)	(100)	(100)	(100)
Misc Special Revenue Fund		100	100	100	100
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Senate File 1732, proposes to:

- 1) Include residential mortgage originators, mortgage servicers, and athlete agents in the list of license exceptions contained in Minnesota Statutes, Section 116J.70, Subdivision 2a.
- 2) Allow the Department of Commerce to reimburse relevant legal and administrative expenses, including staff costs, from the Contractor Recovery Fund established under Minnesota Statutes. Section 326.83.

Assumptions

- 1) The proposal to allow reimbursement of legal and administrative expenses from the Contractor Recovery Fund will not increase the expenditures of the Department of Commerce.
- 2) The department's general fund expenditure will be reduced by an amount equal to the reimbursement from the Contractor Recovery Fund.

Expenditure and/or Revenue Formula

The department will reimburse relevant legal and administrative expenses of \$100,000 per year from the Contractor Recovery Fund.

Long-Term Fiscal Considerations

Reimbursement from the Contractor Recovery Fund will continue.

Local Government Costs

None.

References/Sources

Gary LaVasseur
gary.lavasseur@state.mn.us
651-297-7046

Agency Contact Name: Gary LaVasseur (651-297-7046)
FN Coord Signature: MICHAEL F. BLACIK
Date: 04/07/05 Phone: 297-2117

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KEITH BOGUT
Date: 04/07/05 Phone: 296-7642

Senators Olson, Chaudhary, Ruud and Marty introduced--**S.F. No. 1434: Referred to the Committee on Environment and Natural Resources.**

1

A bill for an act

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relating to natural resources; providing for aquatic
invasive species management funding; creating an
account; requiring a watercraft decal; modifying
disposition of watercraft surcharge; appropriating
money; amending Minnesota Statutes 2004, section
86B.415, subdivision 7; proposing coding for new law
in Minnesota Statutes, chapters 84D; 86B.

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

10

Section 1. [84D.025] [AQUATIC INVASIVE SPECIES ACCOUNT.]

11

(a) An aquatic invasive species account is created in the

12

natural resources fund. Decal fees under section 86B.402 and

13

the watercraft surcharge under section 86B.415, subdivision 7,

14

are credited to the account.

15

(b) The aquatic invasive species account is dedicated to

16

preventing the spread of invasive species of aquatic plants and

17

wild animals into uninfested waters, controlling and managing

18

aquatic invasive species, and reestablishing biological

19

integrity in Minnesota's lakes and rivers.

20

(c) A portion of the account must be used for a cost-share

21

grant program to local governments, lake associations, and

22

conservation organizations. Eligible prevention and management

23

activities for cost-share grants include, but are not limited to:

24

(1) developing prevention plans;

25

(2) aquatic invasive species surveys and monitoring;

26

(3) public education and training programs;

27

(4) conducting watercraft inspection programs or boat

1 washing at public and private accesses;

2 (5) management and control activities in lake vegetation
3 management plans or other specific aquatic invasive species
4 prevention or mitigation plans; and

5 (6) demonstration projects approved by the commissioner.

6 Sec. 2. [86B.402] [AQUATIC INVASIVE SPECIES DECAL.]

7 Subdivision 1. [DECAL REQUIRED; FEE.] A person may not
8 operate a motorized watercraft in public waters unless an
9 aquatic invasive species decal is affixed to the watercraft.

10 The commissioner shall issue an aquatic invasive species decal
11 upon application and payment of a \$10 fee. The decal is valid
12 for one year following the year it is issued. Fees collected
13 under this section shall be deposited in the state treasury and
14 credited to the aquatic invasive species account in the natural
15 resources fund under section 84D.025.

16 Subd. 2. [PLACEMENT OF DECAL.] The aquatic invasive
17 species decal must be permanently affixed to the forward half of
18 the watercraft directly above or below the registration decal.

19 Subd. 3. [LICENSING AGENTS.] The commissioner shall sell
20 aquatic invasive species decals through a similar process
21 established under section 84.8205.

22 Sec. 3. Minnesota Statutes 2004, section 86B.415,
23 subdivision 7, is amended to read:

24 Subd. 7. [WATERCRAFT SURCHARGE.] (a) A \$5 surcharge is
25 placed on each watercraft licensed under subdivisions 1 to 5 for
26 management, control, public awareness, law enforcement,
27 training, watercraft inspection, monitoring, and research of
28 aquatic invasive species such-as, including, but not limited to,
29 zebra mussel, ~~purple-loosestrife~~ curly leaf pondweed, and
30 Eurasian water milfoil, in public waters and public wetlands.

31 (b) Notwithstanding subdivision 9, the surcharge money must
32 be deposited in the state treasury, credited to the aquatic
33 invasive species account under section 84D.025, and used for the
34 purposes specified in that section.

35 Sec. 4. [APPROPRIATION.]

36 \$..... is appropriated from the aquatic invasive species

1 account in the natural resources fund to the commissioner of
2 natural resources for aquatic invasive species control and
3 management. The appropriation is available for the biennium
4 ending June 30, 2007.

5 Sec. 5. [EFFECTIVE DATE.]

6 (a) Sections 1 and 3 are effective the day following final
7 enactment.

8 (b) Section 2 is effective January 1, 2006.



Fiscal Note – 2005-06 Session

Bill #: S1434-0 **Complete Date:** 04/14/05

Chief Author: OLSON, GEN

Title: WATERS AQUATIC INVASIVE SPECIES CTRL

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: Natural Resources Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
New Fund		1,201	1,201	1,201	1,201
Water Recreation Fund		(1,201)	(1,201)	(1,201)	(1,201)
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
New Fund		1,201	1,201	1,201	1,201
Water Recreation Fund		(1,201)	(1,201)	(1,201)	(1,201)
Revenues					
New Fund		6,424	7,400	7,400	7,400
Water Recreation Fund		(1,300)	(1,300)	(1,300)	(1,300)
Net Cost <Savings>					
New Fund		(5,223)	(6,199)	(6,199)	(6,199)
Water Recreation Fund		99	99	99	99
Total Cost <Savings> to the State		(5,124)	(6,100)	(6,100)	(6,100)

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
New Fund		19.40	19.40	19.40	19.40
Water Recreation Fund		(19.40)	(19.40)	(19.40)	(19.40)
Total FTE					

Bill Description

This bill establishes an Aquatic Invasive Species Account in the Natural Resources Fund that would be funded by revenues from a newly created \$10 decal that would be required annually for all motorboats and by the existing \$5 surcharge on boat license fees that is currently deposited in the Water Recreation Account. The bill also describes the activities that money from this account may be used for.

Assumptions

- Watercraft surcharge revenues and expenditures will remain constant.
- Estimated new revenues from the \$10 decal are based on the current number of licensed motorboats in Minnesota and this number will remain constant. (Revenues from boats coming from other states are not included, because there is not a reliable estimate of the number of motorboats from other states that operate in Minnesota.)
- About 84% of people with motorboats renew their boat license prior to July 1 of the year their license expires. Since the decal would be required starting January 1, 2006, about 84% of the people with licensed motorboats would purchase the decal from December 2005 through June 2006 (FY 2006).
- All people with licensed motorboats would purchase the decal at some time during each year.
- The fiscal note does not include increased expenditures from the decal revenue, because the bill does not specify an appropriation amount and this new revenue source is not part of the Governor's budget.

Expenditure and/or Revenue Formula

Current number of licensed motorboats in Minnesota is about 610,000.

New Revenue:

FY06 decal revenue: $610,000 \times 84\% \times \$10 = \$5,124,000$

FY07-09 annual decal revenue: $610,000 \times \$10 = \$6,100,000$

Current Revenue and Expenditure Funding Shift:

Water Recreation Account to the new Aquatic Invasive Species Account

Revenue from the \$5 surcharge (over three-year period) is about \$1,300,000 per year

Annual appropriations are \$1,148,000 in Ecological Services and \$53,000 in Enforcement.

Long-Term Fiscal Considerations

This new revenue source could provide about a 400% increase in funding for aquatic invasive species management.

Local Government Costs

None

References and Sources

DNR license bureau and fiscal data.

Agency Contact Name: Steve Hirsch, Ecological Services (651) 297-4918

FN Coord Signature: BRUCE NASLUND

Date: 04/14/05 Phone: 297-4909

EBO Comments

EBO Signature: MARSHA BATTLES-JENKS

Date: 04/14/05 Phone: 296-8510

1 A bill for an act

2 relating to natural resources; modifying commercial
3 fishing restrictions in infested waters; providing for
4 a water recreation account; modifying expiration of
5 certain committees; modifying disposition of certain
6 revenue and unrefunded tax receipts; modifying terms
7 of certain reports; eliminating commissioner approval
8 of county expenditures of county timber receipts;
9 modifying municipal zoning requirements for floodplain
10 areas; amending Minnesota Statutes 2004, sections
11 84D.03, subdivision 4; 97A.055, subdivision 4b;
12 97A.4742, subdivision 4; 103G.615, subdivision 2;
13 282.08; 282.38, subdivision 1; 296A.18, subdivision 2;
14 462.357, subdivision 1e; proposing coding for new law
15 in Minnesota Statutes, chapter 86B.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

17 Section 1. Minnesota Statutes 2004, section 84D.03,
18 subdivision 4, is amended to read:

19 Subd. 4. [COMMERCIAL FISHING AND TURTLE, FROG, AND
20 CRAYFISH HARVESTING RESTRICTIONS IN INFESTED AND NONINFESTED
21 WATERS.] (a) All nets, traps, buoys, anchors, stakes, and lines
22 used for commercial fishing or turtle, frog, or crayfish
23 harvesting in an infested waters, water that is designated
24 because ~~the-waters-contain~~ it contains invasive fish or
25 invertebrates, may not be used in ~~noninfested~~ any other waters.
26 If a commercial licensee operates in both ~~noninfested-waters-and~~
27 an infested waters water designated because ~~the-waters-contain~~
28 it contains invasive fish or invertebrates and other waters, all
29 nets, traps, buoys, anchors, stakes, and lines used for
30 commercial fishing or turtle, frog, or crayfish harvesting in

1 noninfested waters not designated as infested with invasive fish
2 or invertebrates must be tagged with tags provided by the
3 commissioner, as specified in the commercial licensee's license
4 or permit, and may not be used in infested waters designated
5 because the waters contain invasive fish or invertebrates.

6 ~~(b) In-infested-waters-designated-solely-because-the-waters~~
7 ~~contain-Eurasian-water-milfoil,~~ All nets, traps, buoys, anchors,
8 stakes, and lines used for commercial fishing or turtle, frog,
9 or crayfish harvesting in an infested water that is designated
10 solely because it contains Eurasian water milfoil must be dried
11 for a minimum of ten days or frozen for a minimum of two days
12 before they are used in noninfested any other waters, except as
13 provided in this paragraph. Commercial operators licensees must
14 notify the department's regional or area fisheries office or a
15 conservation officer when before removing nets or equipment from
16 an infested waters water designated solely because it contains
17 Eurasian water milfoil and before resetting those nets or
18 equipment in noninfested any other waters. ~~All-aquatic~~
19 ~~macrophytes~~ Upon notification, the commissioner may authorize a
20 commercial licensee to move nets or equipment to another water
21 without freezing or drying, if that water is designated as
22 infested solely because it contains Eurasian water milfoil.

23 ~~(c) A commercial licensee must be-removed~~ remove all
24 aquatic macrophytes from nets and other equipment when the nets
25 and equipment are removed from infested waters of the state.

26 ~~(d) The commissioner shall provide a commercial licensee~~
27 with a current listing of designated infested waters at the time
28 that a license or permit is issued.

29 Sec. 2. [86B.706] [WATER RECREATION ACCOUNT; RECEIPTS AND
30 PURPOSE.]

31 Subdivision 1. [CREATION.] The water recreation account is
32 created in the state treasury in the natural resources fund.

33 Subd. 2. [MONEY DEPOSITED IN ACCOUNT.] The following shall
34 be deposited in the state treasury and credited to the water
35 recreation account:

36 (1) fees and surcharges from titling and licensing of

1 watercraft under this chapter;

2 (2) fines, installment payments, and forfeited bail
3 according to section 86B.705, subdivision 2;

4 (3) civil penalties according to section 84D.13;

5 (4) mooring fees and receipts from the sale of marine gas
6 at state-operated or state-assisted small craft harbors and
7 mooring facilities according to section 86A.21;

8 (5) the unrefunded gasoline tax attributable to watercraft
9 use under section 296A.18; and

10 (6) fees for permits issued to control or harvest aquatic
11 plants other than wild rice under section 103G.615, subdivision
12 2.

13 Subd. 3. [PURPOSES.] The money in the account may be
14 expended only as appropriated by law for the following purposes:

15 (1) as directed under section 296A.18, subdivision 2, for
16 acquisition, development, maintenance, and rehabilitation of
17 public water access and boating facilities on public waters;
18 lake and river improvements; and boat and water safety;

19 (2) from the fees collected at state-operated or
20 state-assisted small craft harbors and mooring facilities from
21 daily and seasonal moorings and the sale of marine gas, for
22 maintenance, operation, replacement, and expansion of these
23 facilities and for the debt service on state bonds sold to
24 finance these facilities;

25 (3) for administration and enforcement of this chapter as
26 it pertains to titling and licensing of watercraft and use and
27 safe operation of watercraft; grants for county-sponsored and
28 administered boat and water safety programs; and state boat and
29 water safety efforts;

30 (4) for management of aquatic invasive species and the
31 implementation of chapter 84D as it pertains to aquatic invasive
32 species, including control, public awareness, law enforcement,
33 assessment and monitoring, management planning, and research;
34 and

35 (5) for management of aquatic plants and the implementation
36 of section 103G.615 as it pertains to aquatic plants, including

1 plant removal permitting, control, public awareness, law
2 enforcement, assessment and monitoring, management planning, and
3 research.

4 Sec. 3. Minnesota Statutes 2004, section 97A.055,
5 subdivision 4b, is amended to read:

6 Subd. 4b. [CITIZEN OVERSIGHT SUBCOMMITTEES.] (a) The
7 commissioner shall appoint subcommittees of affected persons to
8 review the reports prepared under subdivision 4; review the
9 proposed work plans and budgets for the coming year; propose
10 changes in policies, activities, and revenue enhancements or
11 reductions; review other relevant information; and make
12 recommendations to the legislature and the commissioner for
13 improvements in the management and use of money in the game and
14 fish fund.

15 (b) The commissioner shall appoint the following
16 subcommittees, each comprised of at least three affected persons:

17 (1) a Fisheries Operations Subcommittee to review fisheries
18 funding, excluding activities related to trout and salmon stamp
19 funding;

20 (2) a Wildlife Operations Subcommittee to review wildlife
21 funding, excluding activities related to migratory waterfowl,
22 pheasant, and turkey stamp funding and excluding review of the
23 amounts available under section 97A.075, subdivision 1,
24 paragraphs (b) and (c);

25 (3) a Big Game Subcommittee to review the report required
26 in subdivision 4, paragraph (a), clause (2);

27 (4) an Ecological Services Operations Subcommittee to
28 review ecological services funding;

29 (5) a subcommittee to review game and fish fund funding of
30 enforcement, support services, and Department of Natural
31 Resources administration;

32 (6) a subcommittee to review the trout and salmon stamp
33 report and address funding issues related to trout and salmon;

34 (7) a subcommittee to review the report on the migratory
35 waterfowl stamp and address funding issues related to migratory
36 waterfowl;

1 (8) a subcommittee to review the report on the pheasant
2 stamp and address funding issues related to pheasants; and

3 (9) a subcommittee to review the report on the turkey stamp
4 and address funding issues related to wild turkeys.

5 (c) The chairs of each of the subcommittees shall form a
6 Budgetary Oversight Committee to coordinate the integration of
7 the subcommittee reports into an annual report to the
8 legislature; recommend changes on a broad level in policies,
9 activities, and revenue enhancements or reductions; provide a
10 forum to address issues that transcend the subcommittees; and
11 submit a report for any subcommittee that fails to submit its
12 report in a timely manner.

13 (d) The Budgetary Oversight Committee shall develop
14 recommendations for a biennial budget plan and report for
15 expenditures on game and fish activities. By August 15 of each
16 even-numbered year, the committee shall submit the budget plan
17 recommendations to the commissioner.

18 (e) Each subcommittee shall choose its own chair, except
19 that the chair of the Budgetary Oversight Committee shall be
20 appointed by the commissioner and may not be the chair of any of
21 the subcommittees.

22 (f) The Budgetary Oversight Committee must make
23 recommendations to the commissioner for outcome goals from
24 expenditures.

25 (g) Notwithstanding section 15.059, subdivision 5, or other
26 law to the contrary, the Budgetary Oversight Committee and
27 subcommittees do not expire until June 30, ~~2005~~ 2010.

28 [EFFECTIVE DATE.] This section is effective the day
29 following final enactment.

30 Sec. 4. Minnesota Statutes 2004, section 97A.4742,
31 subdivision 4, is amended to read:

32 Subd. 4. [ANNUAL REPORT.] By December 15 each year, the
33 commissioner shall submit a report to the legislative committees
34 having jurisdiction over environment and natural resources
35 appropriations and environment and natural resources policy.
36 The report shall state the amount of revenue received in and

1 expenditures made from revenue transferred from the lifetime
2 fish and wildlife trust fund to the game and fish fund and shall
3 ~~describe projects funded, locations of the projects, and results~~
4 ~~and benefits from the projects.~~ The report may be included in
5 the game and fish fund report required by section 97A.055,
6 subdivision 4. The commissioner shall make the annual report
7 available to the public.

8 Sec. 5. Minnesota Statutes 2004, section 103G.615,
9 subdivision 2, is amended to read:

10 Subd. 2. [FEES.] (a) The commissioner shall establish a
11 fee schedule for permits to control or harvest aquatic plants
12 other than wild rice. The fees must be set by rule, and section
13 16A.1283 does not apply. The fees may not exceed \$750 per
14 permit based upon the cost of receiving, processing, analyzing,
15 and issuing the permit, and additional costs incurred after the
16 application to inspect and monitor the activities authorized by
17 the permit, and enforce aquatic plant management rules and
18 permit requirements.

19 (b) The fee for a permit for the control of rooted aquatic
20 vegetation is \$35 for each contiguous parcel of shoreline owned
21 by an owner. This fee may not be charged for permits issued in
22 connection with purple loosestrife control or lakewide Eurasian
23 water milfoil control programs.

24 (c) A fee may not be charged to the state or a federal
25 governmental agency applying for a permit.

26 (d) The money received for the permits under this
27 subdivision shall be deposited in the treasury and credited to
28 the ~~game and fish fund~~ water recreation account.

29 Sec. 6. Minnesota Statutes 2004, section 282.08, is
30 amended to read:

31 282.08 [APPORTIONMENT OF PROCEEDS TO TAXING DISTRICTS.]

32 The net proceeds from the sale or rental of any parcel of
33 forfeited land, or from the sale of products from the forfeited
34 land, must be apportioned by the county auditor to the taxing
35 districts interested in the land, as follows:

36 (1) the amounts necessary to pay the state general tax levy

1 against the parcel for taxes payable in the year for which the
2 tax judgment was entered, and for each subsequent payable year
3 up to and including the year of forfeiture, must be apportioned
4 to the state;

5 (2) the portion required to pay any amounts included in the
6 appraised value under section 282.01, subdivision 3, as
7 representing increased value due to any public improvement made
8 after forfeiture of the parcel to the state, but not exceeding
9 the amount certified by the clerk of the municipality must be
10 apportioned to the municipal subdivision entitled to it;

11 (3) the portion required to pay any amount included in the
12 appraised value under section 282.019, subdivision 5,
13 representing increased value due to response actions taken after
14 forfeiture of the parcel to the state, but not exceeding the
15 amount of expenses certified by the Pollution Control Agency or
16 the commissioner of agriculture, must be apportioned to the
17 agency or the commissioner of agriculture and deposited in the
18 fund from which the expenses were paid;

19 (4) the portion of the remainder required to discharge any
20 special assessment chargeable against the parcel for drainage or
21 other purpose whether due or deferred at the time of forfeiture,
22 must be apportioned to the municipal subdivision entitled to it;
23 and

24 (5) any balance must be apportioned as follows:

25 (i) The county board may annually by resolution set aside
26 no more than 30 percent of the receipts remaining to be used for
27 timber forest development on tax-forfeited land and dedicated
28 memorial forests, to be expended under the supervision of the
29 county board. It must be expended only on projects ~~approved-by~~
30 ~~the-commissioner-of-natural-resources~~ improving the health and
31 management of the forest resource.

32 (ii) The county board may annually by resolution set aside
33 no more than 20 percent of the receipts remaining to be used for
34 the acquisition and maintenance of county parks or recreational
35 areas as defined in sections 398.31 to 398.36, to be expended
36 under the supervision of the county board.

1 (iii) Any balance remaining must be apportioned as
2 follows: county, 40 percent; town or city, 20 percent; and
3 school district, 40 percent, provided, however, that in
4 unorganized territory that portion which would have accrued to
5 the township must be administered by the county board of
6 commissioners.

7 Sec. 7. Minnesota Statutes 2004, section 282.38,
8 subdivision 1, is amended to read:

9 Subdivision 1. [DEVELOPMENT.] In any county where the
10 county board by proper resolution sets aside funds for timber
11 forest development pursuant to section 282.08,
12 clause ~~(3)(a)~~ (5), item (i), or section 459.06, subdivision 2,
13 the ~~Commission~~ commissioner of Iron Range resources and
14 rehabilitation may upon request of the county board assist said
15 county in carrying out any project for the long range
16 development of its timber forest resources through matching of
17 funds or otherwise, ~~provided that any such project shall first~~
18 ~~be approved by the commissioner of natural resources.~~

19 Sec. 8. Minnesota Statutes 2004, section 296A.18,
20 subdivision 2, is amended to read:

21 Subd. 2. [MOTORBOAT.] Approximately 1-1/2 percent of all
22 gasoline received in this state and 1-1/2 percent of all
23 gasoline produced or brought into this state, except gasoline
24 used for aviation purposes, is being used as fuel for the
25 operation of motorboats on the waters of this state and of the
26 total revenue derived from the imposition of the gasoline fuel
27 tax for uses other than for aviation purposes, 1-1/2 percent of
28 ~~such revenues~~ the revenue is the amount of tax on fuel used in
29 motorboats operated on the waters of this state. The amount of
30 unrefunded tax paid on gasoline used for motor boat purposes as
31 computed in this chapter shall be paid into the state treasury
32 and credited to a water recreation account in the special
33 revenue fund for acquisition, development, maintenance, and
34 rehabilitation of sites for public access and boating facilities
35 on public waters; lake and river improvement; ~~state-park~~
36 ~~development~~; and boat and water safety.

1 Sec. 9. Minnesota Statutes 2004, section 462.357,
2 subdivision 1e, is amended to read:

3 Subd. 1e. [NONCONFORMITIES.] (a) Any nonconformity,
4 including the lawful use or occupation of land or premises
5 existing at the time of the adoption of an additional control
6 under this chapter, may be continued, including through repair,
7 replacement, restoration, maintenance, or improvement, but not
8 including expansion, unless:

9 (1) the nonconformity or occupancy is discontinued for a
10 period of more than one year; or

11 (2) any nonconforming use is destroyed by fire or other
12 peril to the extent of greater than 50 percent of its market
13 value, and no building permit has been applied for within 180
14 days of when the property is damaged. In this case, a
15 municipality may impose reasonable conditions upon a building
16 permit in order to mitigate any newly created impact on adjacent
17 property.

18 (b) Any subsequent use or occupancy of the land or premises
19 shall be a conforming use or occupancy. A municipality may, by
20 ordinance, permit an expansion or impose upon nonconformities
21 reasonable regulations to prevent and abate nuisances and to
22 protect the public health, welfare, or safety. This subdivision
23 does not prohibit a municipality from enforcing an ordinance
24 that applies to adults-only bookstores, adults-only theaters, or
25 similar adults-only businesses, as defined by ordinance.

26 (c) Notwithstanding paragraph (a), a municipality shall
27 regulate the repair, replacement, maintenance, improvement, or
28 expansion of nonconforming uses and structures in floodplain
29 areas to the extent necessary to maintain eligibility in the
30 National Flood Insurance Program and not increase flood damage
31 potential or increase the degree of obstruction to flood flows
32 in the floodway.

1 Senator moves to amend S.F. No. 1098 as
2 follows:

3 Page 2, after line 28, insert:

4 "Sec. 2. Minnesota Statutes 2004, section 85.054, is
5 amended by adding a subdivision to read:

6 Subd. 11. [BIG BOG STATE RECREATION AREA.] A state park
7 permit is not required and a fee may not be charged for motor
8 vehicle entry or parking at the parking area located north of
9 Tamarac River in the southern unit of Big Bog State Recreation
10 Area, Beltrami County."

11 Renumber the sections in sequence and correct the internal
12 references

13 Amend the title as follows:

14 Page 1, line 3, after the semicolon, insert "modifying
15 state park permit exemptions;"

16 Page 1, line 11, after the first semicolon, insert "85.054,
17 by adding a subdivision;"

Fiscal Note – 2005-06 Session

Bill #: S1098-2E **Complete Date:** 04/14/05

Chief Author: DIBBLE, SCOTT

Title: MODIFY NATURAL RESOURCES PROV

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: Natural Resources Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
Water Recreation Fund		460	460	460	460
Game And Fish (Operations) Fund		(460)	(460)	(460)	(460)
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
Water Recreation Fund		460	460	460	460
Game And Fish (Operations) Fund		(460)	(460)	(460)	(460)
Revenues					
Water Recreation Fund		260	260	260	260
Game And Fish (Operations) Fund		(260)	(260)	(260)	(260)
Net Cost <Savings>					
Water Recreation Fund		200	200	200	200
Game And Fish (Operations) Fund		(200)	(200)	(200)	(200)
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
Water Recreation Fund		9.00	9.00	9.00	9.00
Game And Fish (Operations) Fund		(9.00)	(9.00)	(9.00)	(9.00)
Total FTE					

Bill Description

This bill formally creates the Water Recreation Account (WRA) in the Natural Resources Fund and directs aquatic plant management (APM) permit fees to the Water Recreation Account instead of the Game and Fish Fund. As part of the Governor's recommended budget, APM program expenditures would be transferred from the Game and Fish Fund to the WRA.

Assumptions

The number of APM permits issued and the average cost per permit will stay the same.
Program expenditures for the APM permitting program will stay the same.

Expenditure and/or Revenue Formula

Estimated revenues for APM permits are based on fees collected in calendar year 2004. In 2004, a total of 3,627 permits were issued and about \$260,000 in fees was collected.

Current Game and Fish Fund expenditures for the APM program (about \$460,000) are based on data from fiscal year 2004.

Long-Term Fiscal Considerations

The intent of the bill is to have the WRA support APM program expenditures.

Local Government Costs

None.

References and Sources

Governor's FY2006-07 Biennial Budget and DNR fiscal data.
Steven Hirsch, Ecological Services (651) 297-4918

Agency Contact Name: Peter Skwira, Fish and Wildlife (651) 297-2944
FN Coord Signature: BRUCE NASLUND
Date: 04/14/05 Phone: 297-4909

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: MARSHA BATTLES-JENKS
Date: 04/14/05 Phone: 296-8510

Senators Anderson, Sams, Dille, Dibble and Rosen introduced--

S.F. No. 904: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to employment; modifying job training program
3 grant provisions; appropriating money for job training
4 programs; amending Minnesota Statutes 2004, section
5 116J.8747, subdivision 2.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. Minnesota Statutes 2004, section 116J.8747,
8 subdivision 2, is amended to read:

9 Subd. 2. [QUALIFIED JOB TRAINING PROGRAM.] To qualify for
10 grants under this section, a job training program must satisfy
11 the following requirements:

12 (1) the program must be operated by a nonprofit corporation
13 that qualifies under section 501(c)(3) of the Internal Revenue
14 Code;

15 (2) the program must spend at least \$15,000 per graduate of
16 the program;

17 (3) the program must provide education and training in:

18 (i) basic skills, such as reading, writing, mathematics,
19 and communications;

20 (ii) thinking skills, such as reasoning, creative thinking,
21 decision making, and problem solving; and

22 (iii) personal qualities, such as responsibility,
23 self-esteem, self-management, honesty, and integrity;

24 (4) the program must provide income supplements, when
25 needed, to participants for housing, counseling, tuition, and

1 other basic needs;

2 (5) the program's education and training course must last
3 for an average of at least six months;

4 (6) individuals served by the program must:

5 (i) be 18 years of age or older;

6 (ii) have federal adjusted gross income of no more than
7 \$11,000 per year in the ~~two-years~~ calendar year immediately
8 before entering the program;

9 (iii) have assets of no more than \$7,000, excluding the
10 value of a homestead; and

11 (iv) not have been claimed as a dependent on the federal
12 tax return of another person in the previous taxable year; and

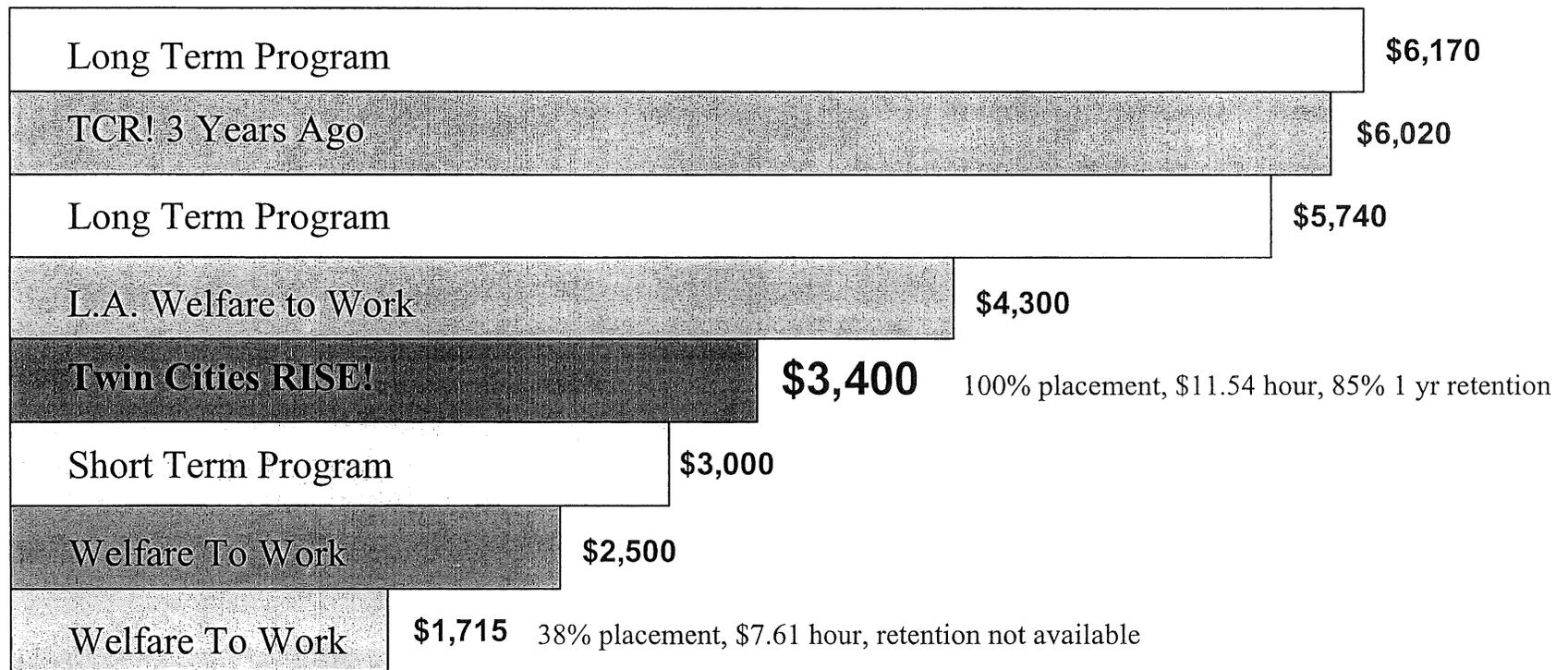
13 (7) the program must be certified by the commissioner of
14 employment and economic development as meeting the requirements
15 of this subdivision.

16 Sec. 2. [APPROPRIATION.]

17 \$500,000 in fiscal year 2006 and \$500,000 in fiscal year
18 2007 are appropriated from the general fund to the commissioner
19 of employment and economic development for job training program
20 grants under Minnesota Statutes, section 116J.8747.

WORKFORCE PROGRAMS

COST PER PARTICIPANT



Source: Richard Gerhman Associates.

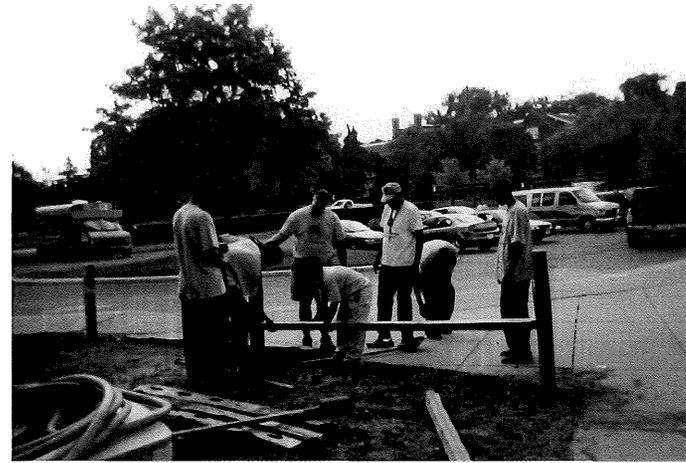
Senator Anderson introduced--

S.F. No. 1985: Referred to the Committee on Finance.

1 A bill for an act
2 relating to appropriations; appropriating money for
3 youth programs.
4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
5 Section 1. [APPROPRIATION; LEARN TO EARN.]
6 \$183,000 is appropriated for the fiscal year ending June
7 30, 2006, and \$183,000 is appropriated for the fiscal year
8 ending June 30, 2007, from the general fund to the commissioner
9 of employment and economic development for grants to the learn
10 to earn summer youth employment program established under Laws
11 1995, chapter 224, sections 5 and 39. Grants made under this
12 section are available until spent.
13 Sec. 2. [APPROPRIATION; MINNESOTA YOUTH PROGRAM.]
14 \$4,190,000 is appropriated for the fiscal year ending June
15 30, 2006, and \$4,190,000 is appropriated for the fiscal year
16 ending June 30, 2007, from the general fund to the commissioner
17 of employment and economic development for the Minnesota youth
18 program under Minnesota Statutes, sections 116L.56 to 116L.561.
19 Sec. 3. [APPROPRIATION; YOUTHBUILD.]
20 \$757,000 is appropriated for the fiscal year ending June
21 30, 2006, and \$757,000 is appropriated for the fiscal year
22 ending June 30, 2007, from the general fund to the commissioner
23 of employment and economic development for the youthbuild
24 program under Minnesota Statutes, sections 116L.361 to 116L.366.

LEARN TO EARN Teen Teamworks

Minneapolis Park and Recreation Board operates Learn to Earn/Teen Teamworks, a summer employment program that has served more than 4,300 youth since its inception in 1986. This program offers positive park maintenance and recreation assistance, work experience and educational opportunities to unemployed or underemployed at-risk youth between the ages of 14 and 18.



In 1996 the State became a funding partner with the Minneapolis Park and Recreation Board. The Learn to Earn component was added to Teen Teamwork's.

- Learn to Earn/Teen Teamworks offers Minneapolis youth the opportunity to earn money and learn appropriate work maturity skills through a combination of park maintenance work experience and academic enrichment. There are essentially three components to the program; daily participation on a work crew; weekly classroom sessions; and voluntary recreational opportunities on a bi-weekly basis.
- Participation is mandatory. Educational curriculum focus is on math, reading and writing.
- **Last years participates all (100%) improved their math scores.**

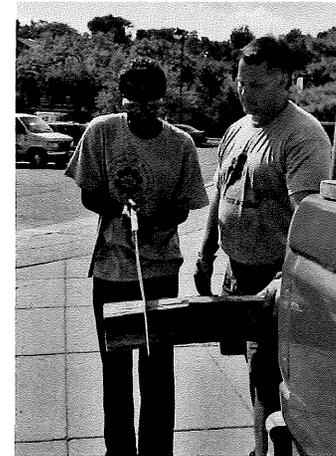


The need for this program is great. Last year 1,300 youth applied.
Only 124 were served.

- A major outcome and benefit of the TEEN TEAMWORKS project is to ensure that youth (especially poor and disadvantaged youth) have the experience of being able to get a job as well as the opportunity to master job keeping skills through positive on-the-job training experiences. In addition, youth indicated they also learned how to communicate with their peers, be on time, follow directions, work as a member of a team within a multi-cultural/ethnic work crew and how to positively interact with the public.
- The TEEN TEAMWORKS work experience not only allowed youth to earn a bi-weekly paycheck, it also facilitated community service and leadership opportunities that allowed youth to gain valuable work experience and job retention skills, receive educational enhancement, and be mentored by caring, available and concerned adults.
- The majority of youth worked on crews performing basic grounds maintenance in the city's parks (removing trash, raking sand lots, pulling weeds, spreading wood chips, edging paths, and other routine or special maintenance tasks). In the process, youth acquired many park maintenance skills (including gardening, landscaping, lawn care techniques and tool safety) throughout the summer.



Support our Youth



- All staff, worksite supervisors and educational staff in the Learn to Earn/Teen Teamworks program demonstrate an ethic of service to the youth. There is a real sense of caring and commitment. Supervisors and educators are highly conscious of the fact that, for many of the youth, they may well be the only positive adult role model. They routinely go “above and beyond” their job responsibilities in their efforts to help these youth.
- The program is also making real strides at building a sense of community in each of the city’s neighborhoods. Youth are performing a much-needed community service in their “home” parks, which is appreciated by neighborhood residents. At the same time, they are also learning to value and respect the city’s natural resources, as well as work with peers from their neighborhoods to achieve common goals.

Excerpt from Department of Employment & Economic
Development report

Minnesota Youth Program

The Minnesota Youth Program (MYP) is a state-funded program providing work experience and academic enrichment activities to economically disadvantaged and at-risk youth between the ages of 14 and 21 in all 87 Minnesota counties.

Participants have additional services available to assist them in areas such as developing work maturity skills, writing a resume and learning how to interview for a job, problem solving skills and counseling and support services.

MYP youth services are provided through a network of 16 Workforce Service Areas (WSAs) that are responsible for designing and implementing services that meet the needs of youth residing within their area.

In addition, local service providers work with other public and private nonprofit agencies in their area to coordinate and deliver high-quality, cost-effective services to individual participants as needed.

Services available under MYP include (but are not limited to):

- Alternative school services
- Adult mentors
- Paid and unpaid work experience
- Occupational skills training
- Leadership development
- Supportive services
- Follow-up services
- Comprehensive guidance and counseling
- Summer jobs

The 2004 Youth Employment and Training Report is available online and summarizes youth employment activities in Minnesota, including the Minnesota Youth Program. You can also download a hard copy (pdf version) of the entire 2004 report:

[tp://www.deed.state.mn.us/youth/ann_repts/04Repts/04_YE_Report.pdf](http://www.deed.state.mn.us/youth/ann_repts/04Repts/04_YE_Report.pdf)

Department of Employment and Economic Development Budget Page:

The Governor's proposal eliminates \$4.19 million each year from this program.

"The removal of state support for the Minnesota Youth Program, YouthBuild, and Learn-to-Earn will not result in the elimination of any services."

Program Counter-Argument:

While both federal and state funds target youth ages 14-21 and provide year round employment and training and youth development services to economically disadvantaged youth, there are major differences in the intent, goals and required performance outcomes of the Minnesota Youth Program and the federal funds coming to our Workforce Service Areas. The Minnesota Youth Program, even with its highest levels of funding, had an unmet need of approximately 8,000 youth state-wide.

Willing to testify at the Committee Hearing today are:

Titaana Washington – HIRED/Ramsey County MYP

Amelia Hernandez – Minneapolis Summer Youth Program

Anne Olson – Minnesota Workforce Council Association



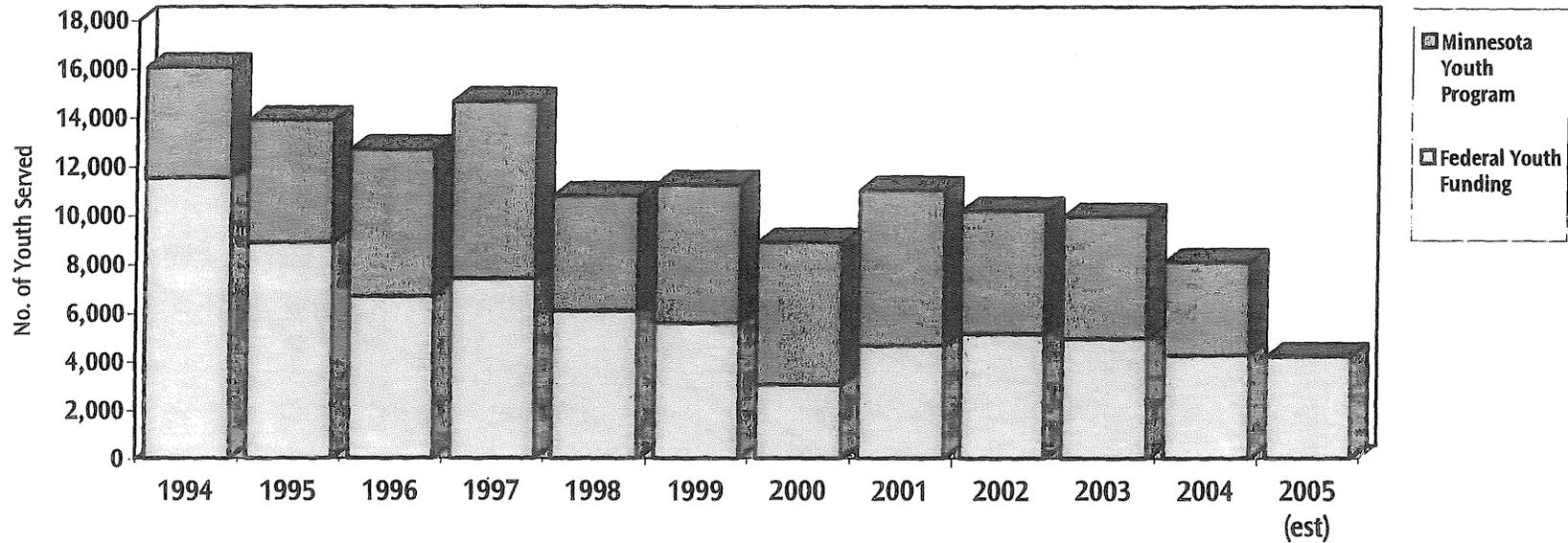
For more information, please contact:

Anne Olson, Minnesota Workforce Council Association

Office: (651) 224-3344 Cell: (651) 303-4858

e-mail aolson@mncounties.org

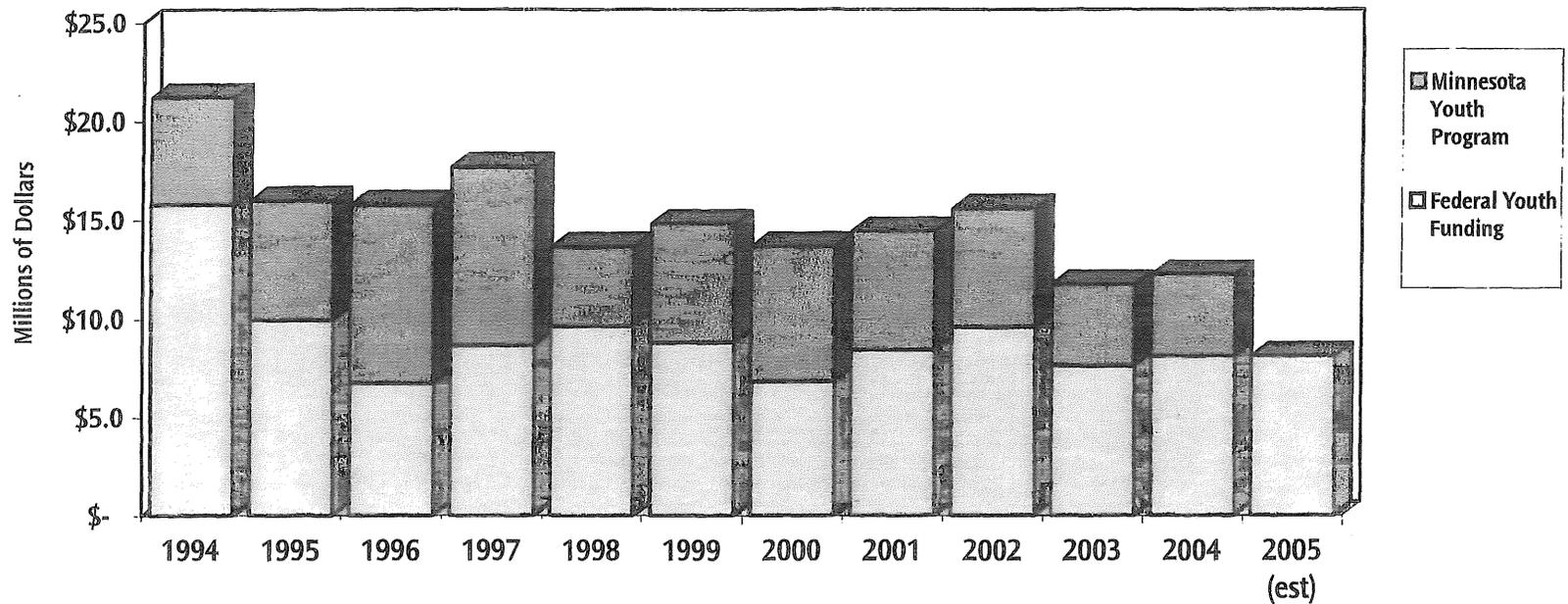
YOUTH SERVED BY EMPLOYMENT & TRAINING PROGRAMS IN MINNESOTA: 1994 TO 2005 (est.)



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 (est)
Federal Youth Funding	11,568	8,892	6,696	7,442	6,113	5,603	3,047	4,646	5,149	4,941	4,258	4,200
Minnesota Youth Program	4,500	5,000	6,000	7,216	4,700	5,659	5,851	6,407	5,039	5,011	3,829	0
TOTAL:	16,068	13,892	12,696	14,658	10,813	11,262	8,898	11,053	10,188	9,952	8,087	4,200

Prepared by the Minnesota Dept. of Employment & Economic Development
Office of Community-Based Services
February 9, 2005

STATE AND FEDERAL FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS FOR DISADVANTAGED YOUTH: 1994 TO 2005 (est.)



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 (est)
Federal Youth Funding	\$ 15.80	\$ 9.99	\$ 6.78	\$ 8.69	\$ 9.67	\$ 8.83	\$ 6.84	\$ 8.45	\$ 9.59	\$ 7.60	\$ 8.11	\$ 8.11
Minnesota Youth Program	\$ 5.40	\$ 6.00	\$ 9.00	\$ 9.00	\$ 4.00	\$ 6.00	\$ 6.84	\$ 6.00	\$ 6.00	\$ 4.15	\$ 4.15	\$ -
TOTAL:	\$ 21.20	\$ 15.99	\$ 15.78	\$ 17.69	\$ 13.67	\$ 14.83	\$ 13.68	\$ 14.45	\$ 15.59	\$ 11.75	\$ 12.26	\$ 8.11

Prepared by the Minnesota Dept. of Employment & Economic Development
Office of Community-Based Services
February 9, 2005

Senators Bakk and Tomassoni introduced--

S.F. No. 748: Referred to the Committee on Finance.

1 A bill for an act

2 relating to environment; limiting fees for certain
3 septic system tank installations; amending Minnesota
4 Statutes 2004, section 115.551.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. Minnesota Statutes 2004, section 115.551, is
7 amended to read:

8 115.551 [TANK FEE.]

9 (a) An installer shall pay a fee of \$25 for each septic
10 system tank installed in the previous calendar year. The fees
11 required under this section must be paid to the commissioner by
12 January 30 of each year. The revenue derived from the fee
13 imposed under this section shall be deposited in the
14 environmental fund and is exempt from section 16A.1285.

15 (b) Notwithstanding paragraph (a), for the purposes of
16 performance-based individual sewage treatment systems, the tank
17 fee is limited to \$25 per household system installation.

18 [EFFECTIVE DATE.] This section is effective July 1, 2005.

SF748-Batk

Fiscal Note – 2005-06 Session

Bill #: H0749-0 **Complete Date:** 02/15/05

Chief Author: DILL, DAVID

Title: LIMIT SEPTIC SYSTEM TANK INSTALL FEE

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: Pollution Control Agency

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
Environmental Fund		(8)	(8)	(8)	(8)
Net Cost <Savings>					
Environmental Fund		8	8	8	8
Total Cost <Savings> to the State		8	8	8	8

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Section 1(b) of this bill amends MS 115.551, the Individual Sewage Treatment System (ISTS) Tank Fee, by limiting the collection to one \$25 fee per system for "performance" systems – those that use advanced technology to achieve higher levels of treatment.

Assumptions

About 15,000 ISTS are installed in Minnesota each year. The vast majority of these (96%) are classified as standard, alternative or other systems. Current law language stipulates a fee of \$25 for each tank in an ISTS. About 2/3 of non-performance ISTS have one tank, and about 1/3 of them have two tanks. For purposes of fee revenue projections, a multiplier of 1.3 is used to project the number of tanks that would be subject to a fee. For the 15,000 ISTS installed, the projected revenue is rounded off to \$480,000/year.

Performance systems often have more tanks per system. For projections in the fiscal note, an average of 2.5 tanks per ISTS was used. The number of performance systems reported for 2003 was 219. We anticipate that this figure will slowly escalate with each passing year.

Expenditure and/or Revenue Formula

Fiscal Impacts of HF749	
	2003
Number of performance systems	219
Revenue - current formula	\$13,688
Revenue as changed	\$5,475
Anticipated revenue loss	\$8,213
Projected revenue FY06	\$480,000
Anticipated loss due to HF0749	\$8,200
Remaining revenue FY06	\$471,800
Percentage decrease	1.7%

Long-Term Fiscal Considerations

Anticipate that projected revenues will slowly escalate with each passing year.

Local Government Costs

None.

References/Sources

Annual reports filed by local governments who regulate ISTS, specifically a summary of the 2003 annual reports.

Agency Contact Name: Gretchen Sabel (651-296-7773)
FN Coord Signature: GLENN OLSON
Date: 02/14/05 Phone: 297-1609

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LEONIE HUANG
Date: 02/15/05 Phone: 296-5779

Senator Bakk introduced--

S.F. No. 402: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act
2 relating to labor; regulating apprentice fees;
3 amending Minnesota Statutes 2004, section 178.12.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

5 Section 1. Minnesota Statutes 2004, section 178.12, is
6 amended to read:

7 178.12 [REGISTRATION FEE.]

8 The apprenticeship registration account is established in
9 the special revenue fund of the state treasury. An annual
10 registration fee will be charged to each sponsor for each
11 apprentice registered in the program. The fee is established at
12 \$30 per apprentice. The \$30 fee may be charged only once each
13 year, including the first year in which the apprentice is
14 indentured or registered, so that the total fee in any year does
15 not exceed \$30 with regard to any apprentice. Subsequent
16 adjustments to this fee will be made pursuant to sections
17 16A.1283 and 16A.1285, subdivision 2. The fees collected and
18 any interest earned are appropriated to the commissioner for
19 purposes of this chapter.

Fiscal Note – 2005-06 Session

Bill #: S0402-0 **Complete Date:** 04/14/05

Chief Author: BAKK, THOMAS

Title: APPRENTICE REG FEES RESTRICTION

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Labor & Industry

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

M.S. 178.12 requires the Department of Labor and Industry (DLI) to collect an annual registration fee of \$30 per apprentice from each sponsor of an apprenticeship program. The fee amounts collected provide a portion of the funding for DLI to administer the apprenticeship program. This bill provides that the \$30 registration fee may only be collected once per year.

Assumptions

This bill does not define the time period for the "year". The apprenticeship unit operates on a state fiscal year basis. Currently, DLI only collects one \$30 fee for each apprentice per state fiscal year. Since DLI is already in compliance with the requirements of this bill, there is no fiscal impact.

If the intent of this bill were to define "year" as a calendar year, DLI would adjust its annual billing cycle from July 1st to January 1st. This would, however, require DLI to seek temporary cash flow assistance from the general fund to maintain its operations during the period of July through December of 2005.

References/Sources

Chief Financial Officer

FN Coord Signature: CINDY FARRELL
Date: 04/14/05 Phone: 284-5528

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KEITH BOGUT
Date: 04/14/05 Phone: 296-7642

1 A bill for an act

2 relating to economic development; modifying provisions
3 relating to job opportunity building zones and
4 biotechnology and health sciences industry zone;
5 amending Minnesota Statutes 2004, sections 272.02,
6 subdivision 64; 289A.56, by adding a subdivision;
7 297A.68, subdivisions 37, 38; 469.310, subdivision 11,
8 by adding a subdivision; 469.316; 469.317; 469.319,
9 subdivision 1, by adding a subdivision; 469.320,
10 subdivision 3; 469.330, subdivision 11; 469.337;
11 469.340, subdivision 1; repealing Minnesota Statutes
12 2004, sections 272.02, subdivision 65; 477A.08.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

14 Section 1. Minnesota Statutes 2004, section 272.02,
15 subdivision 64, is amended to read:

16 Subd. 64. [JOB OPPORTUNITY BUILDING ZONE PROPERTY.] (a)

17 Improvements to real property, and personal property, classified
18 under section 273.13, subdivision 24, and located within a job
19 opportunity building zone, designated under section 469.314, are
20 exempt from ad valorem taxes levied under chapter 275.

21 (b) Improvements to real property, and tangible personal
22 property, of an agricultural production facility located within
23 an agricultural processing facility zone, designated under
24 section 469.314, is exempt from ad valorem taxes levied under
25 chapter 275.

26 (c) For property to qualify for exemption under paragraph

27 (a), the occupant must be a qualified business, as defined in
28 section 469.310.

29 (d) The exemption applies beginning for the first

1 assessment year after designation of the job opportunity
2 building zone by the commissioner of employment and economic
3 development. The exemption applies to each assessment year that
4 begins during the duration of the job opportunity building zone
5 and-to-property. To be exempt, the property must be occupied by
6 July 1 of the assessment year by a qualified business that has
7 signed the business subsidy agreement and relocation agreement,
8 if required, by July 1 of the assessment year. This exemption
9 does not apply to:

10 (1) the levy under section 475.61 or similar levy
11 provisions under any other law to pay general obligation bonds;
12 or

13 (2) a levy under section 126C.17, if the levy was approved
14 by the voters before the designation of the job opportunity
15 building zone.

16 [EFFECTIVE DATE.] This section is effective for taxes
17 payable in 2006 and thereafter.

18 Sec. 2. Minnesota Statutes 2004, section 289A.56, is
19 amended by adding a subdivision to read:

20 Subd. 7. [BIOTECHNOLOGY AND HEALTH SCIENCES INDUSTRY ZONE
21 REFUNDS.] Notwithstanding subdivision 3, for refunds payable
22 under section 297A.68, subdivision 38, interest is computed from
23 90 days after the refund claim is filed with the commissioner.

24 [EFFECTIVE DATE.] This section is effective for refund
25 claims filed on or after July 1, 2005.

26 Sec. 3. Minnesota Statutes 2004, section 297A.68,
27 subdivision 37, is amended to read:

28 Subd. 37. [JOB OPPORTUNITY BUILDING ZONES.] (a) Purchases
29 of tangible personal property or taxable services by a qualified
30 business, as defined in section 469.310, are exempt if the
31 property or services are primarily used or consumed in a job
32 opportunity building zone designated under section 469.314.

33 (b) Purchase and use of construction materials and,
34 supplies for, or equipment used or consumed in the construction
35 of improvements to real property in a job opportunity building
36 zone are exempt if the improvements after completion of

1 construction are to be used in the conduct of a qualified
2 business, as defined in section 469.310. This exemption applies
3 regardless of whether the purchases are made by the business or
4 a contractor.

5 (c) The exemptions under this subdivision apply to a local
6 sales and use tax regardless of whether the local sales tax is
7 imposed on the sales taxable as defined under this chapter.

8 (d) This subdivision applies to sales, if the purchase was
9 made and delivery received during the duration of the zone.

10 (e) The lease of a motor vehicle by a qualified business,
11 as defined in section 469.310, is exempt if the motor vehicle is
12 principally garaged in the job opportunity building zone and is
13 primarily used as part of or in direct support of the business's
14 operations carried on in the job opportunity building zone.

15 [EFFECTIVE DATE.] This section is effective for leases
16 entered into or sales made after December 31, 2003.

17 Sec. 4. Minnesota Statutes 2004, section 297A.68,
18 subdivision 38, is amended to read:

19 Subd. 38. [BIOTECHNOLOGY AND HEALTH SCIENCES INDUSTRY
20 ZONE.] (a) Purchases of tangible personal property or taxable
21 services by a qualified business, as defined in section 469.330,
22 are exempt if the property or services are primarily used or
23 consumed in a biotechnology and health sciences industry zone
24 designated under section 469.334.

25 (b) Purchase and use of construction materials and,
26 supplies for, or equipment used or consumed in the construction
27 of improvements to real property in a biotechnology and health
28 sciences industry zone are exempt if the improvements after
29 completion of construction are to be used in the conduct of a
30 qualified business, as defined in section 469.330. This
31 exemption applies regardless of whether the purchases are made
32 by the business or a contractor.

33 (c) The exemptions under this subdivision apply to a local
34 sales and use tax regardless of whether the local sales tax is
35 imposed on the sales taxable as defined under this chapter.

36 (d)(1) The tax on sales of goods or services exempted under

1 this subdivision are imposed and collected as if the applicable
2 rate under section 297A.62 applied. Upon application by the
3 purchaser, on forms prescribed by the commissioner, a refund
4 equal to the tax paid must be paid to the purchaser. The
5 application must include sufficient information to permit the
6 commissioner to verify the sales tax paid and the eligibility of
7 the claimant to receive the credit. No more than two
8 applications for refunds may be filed under this subdivision in
9 a calendar year. The provisions of section 289A.40 apply to the
10 refunds payable under this subdivision.

11 (2) The amount required to make the refunds is annually
12 appropriated to the commissioner of revenue.

13 (3) The aggregate amount refunded to a qualified business
14 must not exceed the amount allocated to the qualified business
15 under section 469.335.

16 (e) This subdivision applies only to sales made during the
17 duration of the designation of the zone.

18 [EFFECTIVE DATE.] This section is effective for sales made
19 after December 31, 2003.

20 Sec. 5. Minnesota Statutes 2004, section 469.310,
21 subdivision 11, is amended to read:

22 Subd. 11. [QUALIFIED BUSINESS.] (a) "Qualified-business"
23 means A person carrying on a trade or business at a place of
24 business located within a job opportunity building zone is a
25 qualified business for the purposes of sections 469.310 to
26 469.320 according to the criteria in paragraphs (b) to (f).

27 (b) A person is a qualified business only on those parcels
28 of land for which the person has entered into a business subsidy
29 agreement, as required under section 469.313, with the
30 appropriate local government unit in which the parcels are
31 located.

32 (c) Prior to execution of the business subsidy agreement,
33 the local government unit must consider the following factors:

34 (1) how wages compare to the regional industry average;

35 (2) the number of jobs that will be provided relative to
36 overall employment in the community;

1 (3) the economic outlook for the industry the business will
2 engage in;

3 (4) sales that will be generated from outside the state of
4 Minnesota;

5 (5) how the business will build on existing regional
6 strengths or diversify the regional economy;

7 (6) how the business will increase capital investment in
8 the zone; and

9 (7) any other criteria the commissioner deems necessary.

10 ~~(b)~~ (d) A person that relocates a trade or business from
11 outside a job opportunity building zone into a zone is not a
12 qualified business, unless the business meets all of the
13 requirements of paragraphs (b) and (c) and:

14 ~~(i)~~ (1) increases full-time employment in the first full
15 year of operation within the job opportunity building zone by at
16 least a minimum of five jobs or 20 percent, whichever is
17 greater, measured relative to the operations that were relocated
18 and maintains the required level of employment for each year the
19 zone designation applies; or

20 ~~(ii)-makes-a-capital-investment-in-the-property-located~~
21 ~~within-a-zone-equivalent-to-ten-percent-of-the-gross-revenues-of~~
22 ~~operation-that-were-relocated-in-the-immediately-preceding~~
23 ~~taxable-year; and~~

4 (2) enters a binding written agreement with the
25 commissioner that:

26 (i) pledges the business will meet the requirements of
27 clause (1);

28 (ii) provides for repayment of all tax benefits enumerated
29 under section 469.315 to the business under the procedures in
30 section 469.319, if the requirements of clause (1) are not met
31 for the taxable year or for taxes payable during the year in
32 which the requirements were not met; and

33 (iii) contains any other terms the commissioner determines
34 appropriate.

35 (e) The commissioner may waive the requirements under
36 paragraph (d), clause (1), if the commissioner determines that

1 the qualified business will substantially achieve the factors
2 under this subdivision.

3 (f) A business is not a qualified business if, at its
4 location or locations in the zone, the business is primarily
5 engaged in making retail sales to purchasers who are physically
6 present at the business's zone location.

7 (g) A qualifying business must pay each employee
8 compensation, including benefits not mandated by law, that on an
9 annualized basis is equal to at least 110 percent of the federal
10 poverty level for a family of four.

11 [EFFECTIVE DATE.] This section is effective the day
12 following final enactment and applies to any business entering a
13 business subsidy agreement for a job opportunity development
14 zone after that date, except that paragraph (b) is effective
15 retroactively from June 9, 2003.

16 Sec. 6. Minnesota Statutes 2004, section 469.310, is
17 amended by adding a subdivision to read:

18 Subd. 13. [RELOCATION PAYROLL PERCENTAGE.] "Relocation
19 payroll percentage" is a fraction, the numerator of which is the
20 zone payroll of the business for the tax year minus the payroll
21 from the relocated operations in the last full year of
22 operations prior to the relocation, and the denominator of which
23 is the zone payroll of the business for the tax year. The
24 relocation payroll percentage of a business that is not a
25 relocating business is 100 percent.

26 [EFFECTIVE DATE.] This section is effective the day
27 following final enactment but applies only to qualified
28 businesses with business subsidy agreements that are fully
29 executed after June 30, 2005.

30 Sec. 7. Minnesota Statutes 2004, section 469.316, is
31 amended to read:

32 469.316 [INDIVIDUAL INCOME TAX EXEMPTION.]

33 Subdivision 1. [APPLICATION.] An individual, estate, or
34 trust operating a trade or business in a job opportunity
35 building zone, and an individual, estate, or trust making a
36 qualifying investment in a qualified business operating in a job

1 opportunity building zone qualifies for the exemptions from
2 taxes imposed under chapter 290, as provided in this section.
3 The exemptions provided under this section apply only to the
4 extent that the income otherwise would be taxable under chapter
5 290. Subtractions under this section from federal taxable
6 income, alternative minimum taxable income, or any other base
7 subject to tax are limited to the amount that otherwise would be
8 included in the tax base absent the exemption under this
9 section. This section applies only to taxable years beginning
10 during the duration of the job opportunity building zone.

11 Subd. 2. [RENTS.] An individual, estate, or trust is
12 exempt from the taxes imposed under chapter 290 on net rents
13 derived from real or tangible personal property used by a
14 qualified business and located in a zone for a taxable year in
15 which the zone was designated a job opportunity building zone.
16 If tangible personal property was used both within and outside
17 of the zone by the qualified business, the exemption amount for
18 the net rental income must be multiplied by a fraction, the
19 numerator of which is the number of days the property was used
20 in the zone and the denominator of which is the total days the
21 property is rented by the qualified business.

22 Subd. 3. [BUSINESS INCOME.] An individual, estate, or
23 trust is exempt from the taxes imposed under chapter 290 on net
24 income from the operation of a qualified business in a job
25 opportunity building zone. If the trade or business is carried
26 on within and without the zone and the individual is not a
27 resident of Minnesota, or the taxpayer is an estate or trust,
28 the exemption must be apportioned based on the zone percentage
29 and the relocation payroll percentage for the taxable year. If
30 the trade or business is carried on within and without the zone
31 and the individual is a resident of Minnesota, the exemption
32 must be apportioned based on the zone percentage and the
33 relocation payroll percentage for the taxable year, except the
34 ratios under section 469.310, subdivision 7, clause (1), items
35 (i) and (ii), must use the denominators of the property and
36 payroll factors determined under section 290.191. No

1 subtraction is allowed under this section in excess of 20
2 percent of the sum of the job opportunity building zone payroll
3 and the adjusted basis of the property at the time that the
4 property is first used in the job opportunity building zone by
5 the business.

6 Subd. 4. [CAPITAL GAINS.] (a) An individual, estate, or
7 trust is exempt from the taxes imposed under chapter 290 on:

8 (1) net gain derived on a sale or exchange of real property
9 located in the zone and used by a qualified business. If the
10 property was held by the individual, estate, or trust during a
11 period when the zone was not designated, the gain must be
12 prorated based on the percentage of time, measured in calendar
13 days, that the real property was held by the individual, estate,
14 or trust during the period the zone designation was in effect to
15 the total period of time the real property was held by the
16 individual;

17 (2) net gain derived on a sale or exchange of tangible
18 personal property used by a qualified business in the zone. If
19 the property was held by the individual, estate, or trust during
20 a period when the zone was not designated, the gain must be
21 prorated based on the percentage of time, measured in calendar
22 days, that the property was held by the individual, estate, or
23 trust during the period the zone designation was in effect to
24 the total period of time the property was held by the
25 individual. If the tangible personal property was used outside
26 of the zone during the period of the zone's designation, the
27 exemption must be multiplied by a fraction, the numerator of
28 which is the number of days the property was used in the zone
29 during the time of the designation and the denominator of which
30 is the total days the property was held during the time of the
31 designation; and

32 (3) net gain derived on a sale of an ownership interest in
33 a qualified business operating in the job opportunity building
34 zone, meeting the requirements of paragraph (b). The exemption
35 on the gain must be multiplied by the zone percentage of the
36 business for the taxable year prior to the sale.

1 (b) A qualified business meets the requirements of
2 paragraph (a), clause (3), if it is a corporation, an S
3 corporation, or a partnership, and for the taxable year its job
4 opportunity building zone percentage exceeds 25 percent. For
5 purposes of paragraph (a), clause (3), the zone percentage must
6 be calculated by modifying the ratios under section 469.310,
7 subdivision 7, clause (1), items (i) and (ii), to use the
8 denominators of the property and payroll factors determined
9 under section 290.191. Upon the request of an individual,
10 estate, or trust holding an ownership interest in the entity,
11 the entity must certify to the owner, in writing, the job
12 opportunity building zone percentage needed to determine the
13 exemption.

14 [EFFECTIVE DATE.] This section is effective for tax years
15 beginning after December 31, 2003, except that changes in
16 subdivision 3 relating to the relocation payroll percentage are
17 effective the day following final enactment and apply only to
18 qualified businesses with business subsidy agreements that are
19 fully executed after June 30, 2005.

20 Sec. 8. Minnesota Statutes 2004, section 469.317, is
21 amended to read:

22 469.317 [CORPORATE FRANCHISE TAX EXEMPTION.]

23 (a) A qualified business is exempt from taxation under
24 section 290.02, the alternative minimum tax under section
25 290.0921, and the minimum fee under section 290.0922, on the
26 portion of its income attributable to operations within the
27 zone. This exemption is determined as follows:

28 (1) for purposes of the tax imposed under section 290.02,
29 by multiplying its taxable net income by its zone percentage and
30 by its relocation payroll percentage and subtracting the result
31 in determining taxable income;

32 (2) for purposes of the alternative minimum tax under
33 section 290.0921, by multiplying its alternative minimum taxable
34 income by its zone percentage and by its relocation payroll
35 percentage and reducing alternative minimum taxable income by
36 this amount; and

1 (3) for purposes of the minimum fee under section 290.0922,
2 by excluding property and payroll in the zone from the
3 computations of the fee or by exempting the entity under section
4 290.0922, subdivision 2, clause (7).

5 (b) No subtraction is allowed under this section in excess
6 of 20 percent of the sum of the corporation's job opportunity
7 building zone payroll and the adjusted basis of the property at
8 the time that the property is first used in the job opportunity
9 building zone by the corporation.

10 (c) This section applies only to taxable years beginning
11 during the duration of the job opportunity building zone.

12 [EFFECTIVE DATE.] This section is effective the day
13 following final enactment but applies only to qualified
14 businesses with business subsidy agreements that are fully
15 executed after June 30, 2005.

16 Sec. 9. Minnesota Statutes 2004, section 469.319,
17 subdivision 1, is amended to read:

18 Subdivision 1. [REPAYMENT OBLIGATION.] A business must
19 repay the amount of the total tax reduction listed in section
20 469.315 and any refund under section 469.318 in excess of tax
21 liability, received during the two years immediately before it
22 ceased to operate in the zone, if the business:

23 (1) received tax reductions authorized by section 469.315;
24 and

25 (2)(i) did not meet the goals specified in an agreement
26 entered into with the applicant that states any obligation the
27 qualified business must fulfill in order to be eligible for tax
28 benefits. The commissioner of employment and economic
29 development may extend for up to one year the period for meeting
30 any goals provided in an agreement. The applicant may extend
31 the period for meeting other goals by documenting in writing the
32 reason for the extension and attaching a copy of the document to
33 its next annual report to the commissioner of employment and
34 economic development; or

35 (ii) ceased to operate its facility located within the job
36 opportunity building zone or otherwise ceases to be or is not a

1 qualified business.

2 [EFFECTIVE DATE.] This section is effective the day
3 following final enactment.

4 Sec. 10. Minnesota Statutes 2004, section 469.319, is
5 amended by adding a subdivision to read:

6 Subd. 6. [RECONCILIATION.] Where this section is
7 inconsistent with section 116J.994, subdivision 3, paragraph
8 (e), or 6, or any other provisions of sections 116J.993 to
9 116J.995, this section prevails.

10 [EFFECTIVE DATE.] This section is effective the day
11 following final enactment.

12 Sec. 11. Minnesota Statutes 2004, section 469.320,
13 subdivision 3, is amended to read:

14 Subd. 3. [REMEDIES.] If the commissioner determines, based
15 on a report filed under subdivision 1 or other available
16 information, that a zone or subzone is failing to meet its
17 performance goals, the commissioner may take any actions the
18 commissioner determines appropriate, including modification of
19 the boundaries of the zone or a subzone or termination of the
20 zone or a subzone. Before taking any action, the commissioner
21 shall consult with the applicant and the affected local
22 government units, including notifying them of the proposed
23 actions to be taken. ~~The commissioner shall publish any order~~
24 ~~modifying a zone in the State Register and on the Internet.~~ The
25 applicant may appeal the commissioner's order under the
26 contested case procedures of chapter 14.

27 [EFFECTIVE DATE.] This section is effective the day
28 following final enactment.

29 Sec. 12. Minnesota Statutes 2004, section 469.330,
30 subdivision 11, is amended to read:

31 Subd. 11. [QUALIFIED BUSINESS.] (a) "Qualified business"
32 means a person carrying on a trade or business at a
33 biotechnology and health sciences industry facility located
34 within a biotechnology and health sciences industry zone. A
35 person is a qualified business only on those parcels of land for
36 which it has entered into a business subsidy agreement, as

1 required under section 469.333, with the appropriate local
2 government unit in which the parcels are located.

3 (b) A person that relocates a biotechnology and health
4 sciences industry facility from outside a biotechnology and
5 health sciences industry zone into a zone is not a qualified
6 business, unless the business:

7 (1)(i) increases full-time employment in the first full
8 year of operation within the biotechnology and health sciences
9 industry zone by at least 20 percent measured relative to the
10 operations that were relocated and maintains the required level
11 of employment for each year the zone designation applies; or

12 (ii) makes a capital investment in the property located
13 within a zone equivalent to ten percent of the gross revenues of
14 operation that were relocated in the immediately preceding
15 taxable year; and

16 (2) enters a binding written agreement with the
17 commissioner that:

18 (i) pledges the business will meet the requirements of
19 clause (1);

20 (ii) provides for repayment of all tax benefits enumerated
21 under section 469.336 to the business under the procedures in
22 section 469.340, if the requirements of clause (1) are not met;
23 and

24 (iii) contains any other terms the commissioner determines
25 appropriate.

26 [EFFECTIVE DATE.] This section is effective retroactively
27 from June 9, 2003.

28 Sec. 13. Minnesota Statutes 2004, section 469.337, is
29 amended to read:

30 469.337 [CORPORATE FRANCHISE TAX EXEMPTION.]

31 (a) A qualified business is exempt from taxation under
32 section 290.02, the alternative minimum tax under section
33 290.0921, and the minimum fee under section 290.0922, on the
34 portion of its income attributable to operations of a qualified
35 business within the biotechnology and health sciences industry
36 zone. This exemption is determined as follows:

1 (1) for purposes of the tax imposed under section 290.02,
2 by multiplying its taxable net income by its zone percentage and
3 subtracting the result in determining taxable income;

4 (2) for purposes of the alternative minimum tax under
5 section 290.0921, by multiplying its alternative minimum taxable
6 income by its zone percentage and reducing alternative minimum
7 taxable income by this amount; and

8 (3) for purposes of the minimum fee under section 290.0922,
9 by excluding zone property and payroll in-the-zone from the
10 computations of the fee. The qualified business is exempt from
11 the minimum fee if all of its property is located in the zone
12 and all of its payroll is zone payroll.

13 (b) No subtraction is allowed under this section in excess
14 of 20 percent of the sum of the corporation's biotechnology and
15 health sciences industry zone payroll and the adjusted basis of
16 the property at the time that the property is first used in the
17 biotechnology and health sciences industry zone by the
18 corporation.

19 (c) No reduction in tax is allowed in excess of the amount
20 allocated under section 469.335.

21 [EFFECTIVE DATE.] This section is effective for tax years
22 beginning after December 31, 2003.

23 Sec. 14. Minnesota Statutes 2004, section 469.340,
24 subdivision 1, is amended to read:

25 Subdivision 1. [REPAYMENT OBLIGATION.] A business must
26 repay the amount of the tax reduction listed in section 469.336
27 and any refunds under sections 469.338 and 469.339 in excess of
28 tax liability, received during the two years immediately before
29 it ceased to operate in the zone, if the business:

30 (1) received tax reductions authorized by section 469.336;
31 and

32 (2)(i) did not meet the goals specified in an agreement
33 entered into with the applicant that states any obligation the
34 qualified business must fulfill in order to be eligible for tax
35 benefits. The commissioner of employment and economic
36 development may extend for up to one year the period for meeting

1 any goals provided in an agreement. The applicant may extend
2 the period for meeting other goals by documenting in writing the
3 reason for the extension and attaching a copy of the document to
4 its next annual report to the commissioner of employment and
5 economic development; or

6 (ii) ceased to operate its facility located within the
7 biotechnology and health sciences industry zone or otherwise
8 ceases to be or is not a qualified business.

9 [EFFECTIVE DATE.] This section is effective the day
10 following final enactment.

11 Sec. 15. [REVISOR'S INSTRUCTION.]

12 The revisor shall renumber Minnesota Statutes, section
13 469.310, subdivision 11, as section 469.3135, and insert the
14 following definition of "qualified business" in Minnesota
15 Statutes, section 469.310: "'Qualified business' means the
16 entity described in section 469.3135."

17 Sec. 16. [REPEALER.]

18 Minnesota Statutes 2004, sections 272.02, subdivision 65;
19 and 477A.08, are repealed.

20 [EFFECTIVE DATE.] The repeal of section 272.02, subdivision
21 65, is effective for taxes payable in 2006 and thereafter. The
22 repeal of section 477A.08 is effective for aid payable in 2005
23 and thereafter.

APPENDIX
Repealed Minnesota Statutes for S1564-1

272.02 EXEMPT PROPERTY.

Subd. 65. **Biotechnology and health sciences industry zone property.** (a) Improvements to real property, and personal property, classified under section 273.13, subdivision 24, and located within a biotechnology and health sciences industry zone are exempt from ad valorem taxes levied under chapter 275, as provided in this subdivision.

(b) For property to qualify for exemption under paragraph (a), the occupant must be a qualified business, as defined in section 469.330.

(c) The exemption applies beginning for the first assessment year after designation of the biotechnology and health sciences industry zone by the commissioner of employment and economic development. The exemption applies to each assessment year that begins during the duration of the biotechnology and health sciences industry zone. This exemption does not apply to:

(1) a levy under section 475.61 or similar levy provisions under any other law to pay general obligation bonds; or

(2) a levy under section 126C.17, if the levy was approved by the voters before the designation of the biotechnology and health sciences industry zone.

(d) The exemption does not apply to taxes imposed by a city, town, or county, unless the governing body adopts a resolution granting the exemption. A city, town, or county may provide a complete property tax exemption, partial property tax exemption, or no property tax exemption to qualified businesses in the biotechnology and health sciences industry zone. "City" includes a statutory or home rule charter city.

(e) For property located in a tax increment financing district, the county shall not adjust the original net tax capacity of the district under section 469.177, subdivision 1, paragraph (a), upon the expiration of an exemption under this subdivision.

477A.08 JOB OPPORTUNITY BUILDING ZONE AID.

Subdivision 1. **Eligibility.** (a) For each assessment year that the exemption for job opportunity building zone property is in effect under section 272.02, subdivision 64, the assessor shall determine the difference between the actual net tax capacity and the net tax capacity that would be determined for the job opportunity building zone, including any property removed from the zone that continues to qualify under section 469.320, subdivision 4, if the exemption were not in effect.

(b) Each city and county is eligible for aid equal to one-half of:

(1) the amount by which the sum of the differences determined in paragraph (a) for the corresponding assessment year exceeds three percent of the city's or county's total taxable net tax capacity for taxes payable in 2003, multiplied by

(2) the city's or the county's, as applicable, average local tax rate for taxes payable in 2003.

Subd. 2. **Certification.** The county assessor shall notify the commissioner of revenue of the amount determined under subdivision 1, paragraph (b), clause (1), for any city or county that qualifies for aid under this section by June 30 of the assessment year, in a form prescribed by the commissioner. The commissioner shall notify each city and county of its qualifying aid amount by August 15 of the assessment year.

APPENDIX
Repealed Minnesota Statutes for S1564-1

Subd. 3. **Appropriation; payment.** The commissioner shall pay each city and county its qualifying aid amount by July 20 of the following year. An amount sufficient to pay the aid under this section is appropriated to the commissioner of revenue from the general fund.

- 1 Senator moves to amend S.F. No. 1564 as follows:
- 2 Pages 1 to 4, delete sections 1 to 4
- 3 Pages 6 to 10, delete sections 6 to 8
- 4 Pages 12 and 13, delete section 13
- 5 Page 14, delete sections 15 and 16
- 6 Renumber the sections in sequence and correct the internal
- 7 references
- 8 Amend the title accordingly

SF 1564 BakK

Consolidated Fiscal Note – 2005-06 Session

Bill #: H1640-0 **Complete Date:** 03/17/05

Chief Author: MAGNUS, DOUG

Title: JOB OPPORTUNITY BUILDING ZONES

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agencies: Revenue Dept (03/17/05)

Employment & Economic Dev Dept (03/15/05)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Consolidated EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NANCY HOMANS

Date: 03/17/05 Phone: 296-9370

SF. 1564

Bakik

Fiscal Note – 2005-06 Session

Bill #: H1640-0 **Complete Date:** 03/17/05

Chief Author: MAGNUS, DOUG

Title: JOB OPPORTUNITY BUILDING ZONES

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Revenue Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

This bill version has no fiscal effect on our agency.

FN Coord Signature: JOHN POWERS

Date: 03/16/05 Phone: 556-4054

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NANCY HOMANS

Date: 03/17/05 Phone: 296-9370

Fiscal Note – 2005-06 Session

Bill #: H1640-0 **Complete Date:** 03/15/05

Chief Author: MAGNUS, DOUG

Title: JOB OPPORTUNITY BUILDING ZONES

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Employment & Economic Dev Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description:

Makes technical changes to the JOBZ and Bio-Zone legislation. Specifically, by section, the bill does the following:

Sec. 1. JOBZ property tax exemption. Amends Minn. Stat. § 272.02, subd. 64 to clarify that the business subsidy agreement and relocation agreement, if required, must be signed by July 1 of the assessment year for the property to qualify for the JOBZ exemption from property taxes payable in the following year. Effective beginning with taxes payable in 2006.

Sec. 2. Interest on Biotechnology and Health Sciences Zone sales tax refunds. Amends Minn. Stat. § 289A.56, subdivision 7 to provide that interest is computed on biotechnology and health sciences zone sales tax refunds beginning 90 days after the refund claim is filed. Effective for refund claims filed after July 1, 2005.

Sec. 3. JOBZ building contract sales and use tax exemption. Amends Minn. Stat. § 297A.68, subdivision 37 to allow contractors to purchase exempt from sales and use tax equipment installed as part of a construction contract performed in a JOBZ for a qualified business. Also exempts from tax leases of motor vehicles so that the exemption for leased vehicles uses the same criteria as the exemption for the purchase of vehicles. Effective for sales made on or after January 1, 2004.

Sec. 4. Biotechnology and Health Sciences Zone building contract sales and use tax exemption. Amends Minn. Stat. § 297A.68, subdivision 38 to allow contractors to purchase exempt from sales and use tax equipment installed as part of a construction contract performed in the biotechnology and health sciences zone for a qualified business. Effective for sales made on or after January 1, 2004.

Sec 5. Qualified business for purposes of JOBZ. Amends Minn. Stat. § 469.310, subd. 11 in four ways.

1. Clarifies that a business is eligible for tax benefits under the job opportunity building zone laws only if it has signed a business subsidy agreement with the appropriate local government unit. Effective retroactively to June 9, 2003, which is the original effective date of § 469.310.

2. Requires local government unit, before signing a business subsidy agreement, to consider various factors to evaluate the appropriateness of allowing a business to receive JOBZ benefits. Factors include:

1. how wages plus benefits compare to 110 percent of the statewide poverty rate for a family of four;
2. how wages compare to the regional industry average;
3. the number of jobs that will be provided relative to overall employment in the community;
4. the economic outlook for the industry the business will engage in;
5. sales that will be generated from outside the state of Minnesota;
6. how the business will build on existing regional strengths or diversify the regional economy;
7. how the business will increase capital investment in the zone; and
8. any other criteria the commissioner of DEED deems necessary.

3. Changes the criteria which a relocating business must meet to become a qualified business. Under current law, a relocating business must either increase employment by 20% or make capital investment of at least 10% of the gross revenues from the relocated operations. Under the change, a relocating business would be required to increase employment by a minimum of 5 jobs or 20%, whichever is greater. The commissioner of DEED can waive this requirement.

4. Also prohibits a business from becoming a qualified business if, at its location or locations in the zone, the business is primarily engaged in making retail sales to purchasers who are physically present at the business's zone location.

The changes mentioned under items 2, 3 and 4 are effective the day following final enactment but apply only to businesses entering into business subsidy agreements or relocation agreements after that date.

Sec. 6, 7, and 8. Business income deduction for JOBZ relocating businesses. Amends Minn. Stat. §§ 469.310, 469.313 and 469.317 to change the way that relocating businesses calculate the JOBZ income tax or corporate tax deduction. As under current law, relocating business will calculate the JOBZ subtraction by applying their zone percentage to their net income. They will then multiple the result by a fraction, the numerator of which is zone payroll in the current year minus payroll from the relocated operation and the denominator of which is

zone payroll in the current year. Applies to relocating businesses that sign business subsidy agreements or relocation agreements after June 30, 2005.

Sec. 7. JOBZ income of estates and trusts. In addition to the change relating to relocating businesses described above, section 7 also amends Minn. Stat. § 469.313 to clarify that estates and trusts are eligible for JOBZ income tax subtractions. Also clarifies that the income tax deduction for renting property in a JOBZ zone applies only to rents received from a qualified business. Effective for tax years beginning after December 31, 2003.

Sec. 9. JOBZ claw back. Amends Minn. Stat. § 469.319 by changing the definition of "commissioner" from commissioner of revenue to commissioner of employment and economic development to reflect the fact that the annual report required by zone administrators of the biotechnology and health science zone that is mentioned in subdivision 1 is submitted to the commissioner of employment and economic development under § 469.320. Effective the day following final enactment.

Sec. 10. Reconciliation of JOBZ and business subsidy claw back provisions. Amends Minn. Stat. § 469.319 to provide that the claw back provisions of the JOBZ law prevail over any conflicting claw back provisions of the business subsidy laws. Effective the day following final enactment.

Sec. 11. Publication of JOBZ zone modifications. Amends Minn. Stat. § 469.320, subdivision 3 to repeal the requirement that the commissioner of employment and economic development publish in the State Register all JOBZ zone modifications. Effective the day following final enactment.

Sec. 12. Qualified business for purposes of the Biotechnology and Health Sciences Zone. Amends Minn. Stat. § 469.330, subd. 11 to clarify that a business is eligible for tax benefits under the biotechnology and health sciences industry zone laws only if it has signed a business subsidy agreement with the appropriate local government unit. Effective retroactively to June 9, 2003, which is the original effective date of § 469.330.

Sec. 13. Biotechnology and Health Sciences Zone minimum fee calculation. Amends Minn. Stat. § 469.337 to provide that a qualified business operating in the Biotechnology and Health Sciences Zone is exempt from the minimum fee if it has a zone percentage of 100%. Effective for tax years beginning after December 31, 2003.

Sec. 14. Biotechnology and Health Sciences Zone claw back. Amends Minn. Stat. § 469.340 by changing the definition of "commissioner" from commissioner of revenue to commissioner of employment and economic development to reflect the fact that the annual report required by zone administrators of the biotechnology and health science zone that is mentioned in subdivision 1 is submitted to the commissioner of employment and economic development under § 469.341. Effective the day following final enactment

Sec. 15. Note to revisor. Instructs the revisor to renumber the definition of "qualified business", from Minn. Stat. § 469.310, subdivision 11, to Minn. Stat. § 469.3135.

Sec. 16. Repealer. Repeals Minn. Stat. § 272.02, subdivision 65, the property tax exemption for property used by a qualified business in the Biotechnology and Health Sciences Zone. Effective for taxes payable in 2006 and thereafter. Also repeals Minn. Stat. § 477A.08, JOBZ aid. Effective for aid payable in 2005 and thereafter.

Assumptions:

The JOBZ program is administered primarily by DEED but has administrative roles assigned to the Department of Revenue as well. This fiscal note only address the affect the proposed changes will have on DEED's administration of the program.

Expenditure and/or Revenue Formula:

There should be no expenditures necessary for the technical changes that affect DEED's administration of the JOBZ program.

Long-term Fiscal Consideration:

There should be no fiscal impact to DEED in their administration of the JOBZ program.

Local Government Costs:

There should be no cost to local governments .

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EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KEITH BOGUT
Date: 03/15/05 Phone: 296-7642

Bill would tighten JOBZ program

BY JULIE FORSTER

Pioneer Press

Legislators will consider a bill that would tighten requirements for businesses to qualify for tax breaks under a state-run program aimed at creating jobs in rural Minnesota.

The incentive plan — created by the Legislature in 2003 and known as JOBZ — sets up tax-free zones in counties outside of the Twin Cities. The program encourages companies to expand their business in the state to receive state and local tax breaks for up to 12 years.

State revenue and economic development officials concluded after a series of meetings with legislators from around the state last summer that more oversight is needed in deciding which businesses qualify for tax breaks. Legislators also said they wanted to make it tougher for companies to join the tax-break program.

A bill designed to tweak the

law establishes evaluation criteria — including wages, capital investment and the number of jobs — that local officials must examine in deciding whether a business qualifies for the program.

Retail businesses would be excluded; the minimum job creation needed to qualify would be tightened. Now, a business — no matter how small — needs only to increase employment by 20 percent. A minimum of five jobs would be required if the bill is passed.

That provision was added to address concern about companies in the program that add just one job or two jobs to the local economy, said John Rajkowski, legislative director for the Department of Employment and Economic Development.

The state lists the number of JOBZ deals, through January, at 125. Fifty percent of the JOBZ transactions involved deals with five or fewer new jobs. A third

of the transactions involved deals of between six to 25 new jobs, according to a report from the Center for Rural Policy and Development in St. Peter.

State Sen. Tom Bakk, DFL-Cook, is sponsoring the legislation in the Senate. It is not uncommon, he said, for lawmakers to make changes to new laws that require major policy changes.

“We have had some projects approved that don’t have any new jobs in them,” Bakk said. “We are trying to avoid that and tighten up some of the relocations.”

The bill is scheduled to be heard Monday by the Senate Economic Development and Tourism subcommittee.

The JOBZ program is the subject of a lawsuit filed Friday that questions the legality of the tax breaks.

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