



NEW LAWS 2003

A Complete Summary of the
Regular and Special Sessions

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Regular and Special Sessions**



Prepared by



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Cover design by Paul Battaglia
Photograph by Andrew VonBank

Introduction

The 83rd Session of the Minnesota Legislature convened on Jan. 7, 2003, and adjourned at midnight May 19, 2003, the last day lawmakers could meet as specified by the Minnesota Constitution.

A total of 59 legislative days were used — one day short of half the biennial allotment of 120 legislative days. (A legislative day is counted when a quorum of either the House or Senate is present to conduct business as a body.) The task of resolving a \$4.5 billion projected budget deficit took longer than expected, and for the eighth time since 1994 (and 43rd time in state history) a special session was needed. Both bodies approved only two omnibus bills — the higher education finance bill and the environment and natural resources, agriculture, economic development, and housing finance bill — before the constitutional deadline.

Gov. Tim Pawlenty did not waste any time, calling legislators back to work at 11 a.m. May 20. The state government finance bill and judiciary finance bill were passed that day.

However, a number of other agreements were yet to be resolved, and negotiators kept to their task through the Memorial Day weekend in hopes of ending the session soon thereafter. The tax and transportation bills were approved May 27, but the health and human services bill, a major sticking point throughout the session, was not passed until two days later.

The House adjourned the special session around 9 p.m. May 29, and the Senate about one hour later. Pawlenty took his time to sign all bills passed in special session — signing the final five on June 12, two weeks after receiving them. By law, the governor has 14 days (Sundays are not included, but holidays are) to act on special session bills once they are received.

In 2003, 1,658 bills were introduced in the House and 1,576 in the Senate. During the special session, the House introduced another 70 bills and the Senate introduced an additional 47. Of the 156 bills sent to the governor during both the regular and special sessions, two bills were vetoed in full, and a portion of one other bill was line-item vetoed. No vetoes were overridden during 2003.

Overall, the list of accomplishments from the 2003 session includes a change in the way aid to local governments is calculated; a number of benefit adjustments to the state's health care, public assistance, long-term care, and child-care programs; 2 a.m. bar closing; a 24-hour waiting period for abortions; a change in the way handgun permits are issued; and the replacement of the Profile of Learning with a new set of academic standards for the state's public school students.

New Laws 2003 is divided into five major parts:

First, the Highlights section beginning on page 9 is written in an easy-to-read style for those who want a quick overview of legislation approved in 2003.

Second, the Vetoed Bills section lists all the bills that were vetoed and line-item vetoed by the governor and synopses of his reasons for doing so.

Third, the Bills in Limbo section describes some of the bills discussed in 2003, but not passed by both the House and Senate. Because this is the first year of the two-year spending cycle, these bills remain alive, or viable, for consideration next year.

Fourth, the Summary section gives a technical summary of each approved bill as it appeared on the bill when it was sent to the governor. Also included is a listing of all sections of *Minnesota Statutes* that the bill affects.

And fifth, the Index section provides a list of bills by Chapter number, House file number, Senate file number, bill title, effective date, and finally, by keywords. Many indexes are included to make it as easy as possible for people to find what they need.

If you wish to obtain a copy of a bill, call the House Chief Clerk's Office (651) 296-2314, or the Senate Information Office (651) 296-0504. Ask for the bill by Chapter number, or by the House or Senate file number.

Bills are also available on the Legislature's World Wide Web site (<http://www.leg.mn>). Click here to search for bills on the site.

For further information, contact the House Public Information Services Office at (651) 296-2146 or 1-800-657-3550. To reach the Senate Information Office call (651) 296-0504 or 1-888-234-1112.

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Selected 2003 laws

Editor's note: *Highlights, the first section in New Laws 2003, is written for those who want a general overview of major legislation that was approved during the 2003 regular and special sessions.*

The new laws are categorized alphabetically under topics, such as Agriculture, Banking, and Bonding. Where bills fall under more than one topic, cross references are cited. Appropriations bills are discussed under the topics to which they apply.

For easy reference, House file (HF) numbers, Senate file (SF) numbers, and Chapter (CH) numbers appear at the end of each highlight. An asterisk after either the House file or the Senate file indicates the version of the bill sent to the governor. Stories on major appropriations laws include references to article and section numbers wherever possible. Effective dates are included in most of the stories.

The Highlights Subject Index beginning on page 131 also is useful for finding information on specific subjects.

★ AGRICULTURE

Policy provisions

Organic food growers will get new rules and promotional help, a mandatory ethanol content for gasoline will be set, and a number of state agriculture rules will be updated to match federal regulations, under a new law.

However, conference committee members removed House-adopted provisions that would have amended state law to allow immigrant holders of investment visas to purchase dairy farms in the state.

Originally proposed in HF447, sponsored by Rep. Greg Blaine (R-Little Falls), the immigrant farmer proposal would have eased the state's restrictions on farmland ownership by legal aliens and non-American corporations.

The state Agriculture Department supported the legislation to recruit dairy farmers, primarily from the Netherlands, who face land-use and livestock herd restrictions in their home country, and are interested in relocating to the United States.

As amended by the conference committee, the law will allow a few holders of E-2 investment visas who already own farms in the state

to retain ownership by becoming a permanent resident alien or a citizen of the United States within five years.

Effective Aug. 1, 2003, all gasoline sold or offered for sale in the state will be required to contain at least 10 percent denatured ethanol by volume. Besides the slight increase in the oxygenate blend to 10 percent, the law will require that denatured ethanol must be the oxygenate used as the fuel additive.

The law will also set annual production goals for ethanol of up to 480 million gallons in 2008 and subsequent years. Existing production among the state's 14 ethanol plants is an estimated 375 million gallons.

State law governing produce grown by organic farming methods will be updated to match the federal definition of "organic production." A 14-member organic advisory task force will be created to advise the state agriculture commissioner.

The group will meet twice a year prior to June 30, 2005, to advise the Agriculture Department on "expanding, improving, and developing production and marketing of the organic products of Minnesota agriculture."

In addition, the Agriculture Department will be required to provide comparable data on price, yield, and profitability of organic farms versus conventional farms, and information "on the positive and negative impacts of organic production on the environment and human health."

The law will also bring the state into

compliance with more than a dozen federal regulations regarding pesticide chemicals; food, drugs, color additives, fair packaging and labeling, as well as product rules covering dairy grades, fruits, vegetables, meat, poultry, and fish.

Rep. Howard Swenson (R-Nicollet) and Sen. Steve Murphy (DFL-Red Wing) are the sponsors.

HF1213/SF990*/CH107

In honor of Gov. Freeman

A new office building for the state Agriculture and Health departments, expected to open in fall 2005, will be named in honor of the late Orville L. Freeman, under a new law.

Freeman died Feb. 20 at age 84.

He was the state's 29th governor, serving from 1955-61, and he served in two presidential administrations as the U.S. Secretary of Agriculture from 1961 to 1969. In 1954, Freeman was the first gubernatorial candidate to be elected from the Democratic-Farmer-Labor Party.

Site preparation for the new \$77.2 million building, to be located just off the main State Capitol complex, began in April.

The 342,000-square foot, five-story building will house 1,000 state employees and be connected to a new \$60 million Agriculture and Health Laboratory Building by a skyway across Columbus Street.

The Agriculture Department currently



PHOTO BY ANDREW VONBANK

A new office building for the state Agriculture and Health departments will be named in honor of the late Orville L. Freeman, under a new law. Ground was broken for the building in June 2003. It is expected to open in the fall of 2005.

leases an office building in St. Paul. The Health Department will move more than 700 employees from a building on the University of Minnesota's Minneapolis campus and other Twin Cities metropolitan area locations.

Rep. Dean Urdahl (R-Grove City), and Sen. D. Scott Dibble (DFL-Mpls) sponsored the law, which is effective Aug. 1, 2003.
HF1374*/SF1263/CH67

Regulating warranty work

Warranty work performed by independent farm equipment dealers on behalf of farm equipment manufacturers will now be regulated, under a new law.

Effective Aug. 1, 2003, the law requires manufacturers to reimburse dealer's labor expenses at a reasonable rate, and to reimburse for parts at a rate 15 percent higher than the dealer's net price. In addition, manufacturers must approve or deny dealers' reimbursement claims within 30 days, and pay claims that have been approved within 30 days.

Historically, most farm equipment manufacturers offer warranties on equipment sold to farmers through authorized dealers. The new law stemmed from claims that some manufacturers do not reimburse dealers adequately for repairs performed under warranty, nor do they possess written warranty reimbursement policies or agreements.

Fifteen states, including North Dakota and South Dakota, have farm equipment warranty laws. Minnesota has a similar law for warranty work on lawn and garden equipment, all-terrain vehicles, boats, snowmobiles, and licensed motor vehicles.

Three implement dealers in Caledonia, Fergus Falls, and Madison, as well as the Farm Equipment Dealers Association based in Owatonna, endorsed the measure during testimony before House committees.

The law also modifies the definition of farm implements to include heavy and utility equipment.

Rep. Greg Davids (R-Preston) and Sen. Dallas Sams (DFL-Staples) sponsored the law.
HF547*/SF674/CH78

'Hogs, frogs, and jobs'
(See Budget, page 12)

New investors
(See Business, page 15)

Limiting arsenic in fertilizers
(See Environment, page 29)

Funding college, grants
(See Higher Education, page 42)

Pesticide fund transfer rejected
(See Vetoed Bills, page 73)

★ **ARTS**

\$231 million law signed:
Arts
(See Bonding, page 11)

★ **BANKING**

Hours, policy changes

State-regulated banks will be allowed to close early on Christmas Eve and New Year's Eve, and bank employees may get loans without special approval from the bank's board of directors, under a new law.

The new law makes a variety of changes, some technical or clarifying in nature, to laws governing financial institutions, as well as to laws regulating annuity contracts provided by insurance companies.

- Among other things, the new law:
- Reduces the required frequency of financial examinations from 18 months to 24 months for financial institutions.
 - Eliminates the requirement that banks opening new sites or relocating notify by mail other banks in the area, and instead allow them to declare the same in a legal notice in a qualified newspaper within the city.
 - Eliminates the requirement that the board of directors of a bank approve loans to its directors, officers, and employees. Such loans would remain subject to other existing approval provisions, however.
 - Eliminates the prohibition against advertising bank ownership of particular ATMs on the ATM itself, as well as eliminates the



PHOTO BY TOM OLMSCHEID

State-regulated banks will be allowed to close early on Christmas Eve and New Year's Eve, and bank employees may get loans without special approval from the bank's board of directors, under a new law.

prohibition against advertising on ATMs the location of other ATMs owned by the bank.

- Permits state bank board members to be non-residents of the state, provided they live within a certain distance of the bank's main office.
 - Allows a financial institution to post unrated general obligation securities of a local government as collateral against funds deposited by that local government.
- The sponsors were Rep. Greg Davids (R-Preston) and Sen. Dan Sparks (DFL-Austin).
HF1039/SF1069*/CH51

★ **BONDING**

\$231 million law signed

A number of bonding projects vetoed in 2002 by Gov. Jesse Ventura fared better one year later under a new administration and are now law.

Rep. Jim Knoblach (R-St. Cloud) sponsored the measure, which he described as "déjà vu all over again."

Included in the \$230.9 million bonding package are allocations to the University of Minnesota, Minnesota State Colleges and Universities (MnSCU) system, and Department of Natural Resources. Among other law components are transportation funding and continued flood assistance for Roseau.

More than \$108 million of the total goes toward higher education, including \$59.7 million for MnSCU and \$48.7 million for the University of Minnesota. (Art. 1, Secs. 2, 3)

- Among the projects funded are:
- \$24.7 million for the Translational Research Facility at the university's Twin Cities campus, but the appropriation must be matched with at least \$12.3 million from non-state sources;
 - \$10 million to convert Centennial Hall at St. Cloud State University from library to classroom use;
 - \$10 million to acquire property near MnSCU campuses;
 - \$9.2 million for Southwest Minnesota State University library improvements;
 - \$8.6 million for a social science building renovation at the University of Minnesota's Morris campus, requiring \$400,000 from non-state sources;
 - \$8.4 million for Minnesota State University, Mankato to continue an athletic facility upgrade; and



PHOTO BY TOM OLMSCHIED

Included among the \$48.7 million worth of bonding provisions for the University of Minnesota is \$8 million for the renovation of Jones Hall on the Minneapolis campus.

- \$1.5 million for a renovation to provide additional laboratory space at the Veterinary Diagnostic Laboratory on the University of Minnesota's St. Paul campus.

In addition, renovations will be made at three of the University of Minnesota's student housing facilities to improve fire protection systems.

Sen. Keith Langseth (DFL-Glyndon) sponsored the Senate version. The law is effective June 13, 2003.

2003 Special Session: HF8*/SFnone/CH20

Arts

One of the more contentious parts of the law is \$25 million to help design, construct, furnish, and equip a new Guthrie Theater. At least three times the bonded amount must be committed to the project through non-state sources to get the bonding funds.

The law also allocates \$5 million to the Children's Theatre for an expansion project. The theater must provide an equal amount from non-state sources to the project.

Both theaters are in Minneapolis. (Art. 1, Sec. 8)

Education Department

The Department of Education's allocation of \$11.5 million is broken down as follows:

- \$5.5 million to build the Trollwood Performing Arts School in Moorhead,
- \$5 million to acquire land and construct the Paul and Sheila Wellstone Center for Community Building in St. Paul that will be a welcoming center for new immigrants, and
- \$1 million to remove architectural barriers

from library buildings or sites with handicap accessibility problems.

The arts school and community center funds must also be met with non-state sources. (Art. 1, Sec. 4)

Flooding aid

The law will continue to aid communities that were affected by the 2002 flooding in and around Roseau in northwestern Minnesota. Among the provisions are the following:

- \$3 million for flood hazard mitigation grants;
- \$1.12 million to help restore storm sewers,

wastewater and municipal utility services, drinking water systems, and other infrastructure damaged by the flooding;

- \$1 million to help with road and bridge repair and replacement;
- \$500,000 to Roseau to relocate the flood damaged city hall, auditorium, library, museum, and police department out of the Roseau River flood plain; and
- \$400,000 to repair a structure on state Highway 220 north of Climax that was damaged. (Art. 2, Secs. 1-5)

Parks and recreation

The Department of Natural Resources will receive nearly \$10.8 million, for a number of projects, including:

- \$2.7 million to complete renovation of the Como Park Conservatory in St. Paul, including renovation of the fern room and construction of a bonsai collection space, an orchid growing and display house, and a children's activity zone;
- \$2.7 million to acquire land for wetlands or restore wetlands drained or filled as a result of the repair, maintenance, or rehabilitation of existing public roads;
- \$1 million for acquisition of private lands within the boundaries state park and recreation areas;
- \$500,000 to construct the National Eagle Center in Wabasha, which requires \$1 million in non-state sources; and
- \$475,000 to develop the Goodhue Pioneer Trail in southeastern Minnesota. (Art. 1, Secs. 5, 6)

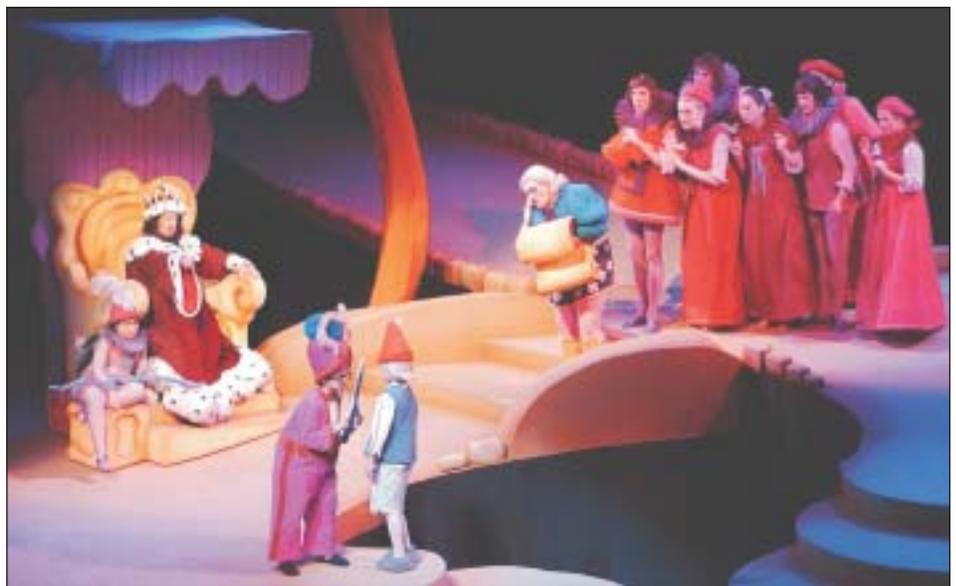


PHOTO BY ANDREW VONBANK

Included in the \$230.9 million bonding law is \$5 million to the Children's Theatre for an expansion project. The Minneapolis theater must provide an equal amount from non-state sources to the project.

The Minnesota Amateur Sports Commission will receive \$5 million to build an event center at the National Sports Center in Blaine. The law specifically designates that the money not be used in supporting activities of the National Youth Golf Center that was appropriated money in 1998 and was a point of contention during this year's legislative session over use of the prior funds allotted. (Art. 1, Sec. 7)

Other projects

- \$20 million to the Minnesota Department of Transportation for a local road improvement loan program;
- \$3.5 million, to be matched by non-state funds, for freight access improvements at the Winona harbor, including commercial harbor dredging, overpass construction, street widening, signal installation, and intersection reconstruction;
- \$1 million for Greater Minnesota transit facilities;
- \$1 million to the Metropolitan Council for the design of the Northwest Busway Corridor; and
- \$200,000 to the Minnesota Historical Society for a grant to Jackson County to construct, furnish, and equip a new site for historic Fort Belmont. (Art.1, Secs. 9, 10, 13)

Funding for roads, transit
(See Transportation, page 64)

BUDGET



'Hogs, frogs, and jobs'

A new law will dedicate nearly \$636 million from the state general fund toward the environment, agriculture, jobs and economic development, and emergency housing services over the next two years.

Total spending reaches more than \$1 billion when additional funding sources such as lottery proceeds, license and permit fees, and federal dollars are added to the equation.

Gov. Tim Pawlenty line-item vetoed one item in the measure – a \$400,000 biennial appropriation from the agricultural fund to the Agricultural Utilization Research Institute. (See related story, page 73.)

Rep. Dennis Ozment (R-Rosemount) and Sen. Steve Murphy (DFL-Red Wing) sponsored the legislation. Funding provisions are effective July 1, 2003.

Here are some highlights.
HF967/SF905*/CH128

DNR, PCA, Agriculture

More than half of the overall spending – nearly \$586 million – will be directed toward the Department of Natural Resources (DNR) for responsibilities including management of wildlife, minerals, forestry, state parks, and game and fish law enforcement. (Art. 1, Sec. 5)

The law will allocate \$221 million to the Pollution Control Agency for land, water, and air

monitoring and regulation enforcement. A \$4.7 million appropriation to the agency will support a clean water partnership initiative directed toward local governments. Another \$4.6 million will fund the agency's county feedlot administration grant program. The law consolidates a number of accounts and funds that support agency activities into the environmental fund and the remediation fund. (Art. 1, Sec. 2)

The overall Agriculture Department budget for the 2004-05 biennium will be an estimated \$146 million, including anticipated federal funding, and additional licensing and fee revenues. (Art. 3, Sec. 2)

Jobs and housing

The overall budget for jobs and housing in the new law weighs in at \$326.4 million. (Art. 10, Sec. 1)

The jobs and economic development finance budget provides for the new Department of Employment and Economic Development (formerly the departments of Economic Security and Trade and Economic Development), Housing Finance Agency, Labor and Industry Department, Public Service Department, and the Minnesota Historical Society.

A partnership promoting biotechnology and medical genomic research between the University of Minnesota and Rochester's Mayo Clinic will be given \$2 million. The initiative, offered by the governor, will also have the clinic and the university each contributing \$500,000. (Art. 10, Sec. 2)

The historical society will receive \$900,000 more than was proposed by the House budget, slightly lessening the agency's 2004-05 budget biennium cut proposed by the House to \$9.6 million. Overall, the society receives about \$44.6 million in the law. The cuts, according to the historical society, will result in employee layoffs and scaled back services. (Art. 10, Sec. 8)

The Minnesota Film and TV Board will receive \$350,000 in the 2004-05 biennium. The House proposal would have eliminated the agency's funding altogether. (Art. 10, Sec. 2)

Other agencies

The Office of Environmental Assistance will receive \$52 million. Of that amount, \$25 million is earmarked for grants to counties for recycling programs and solid waste management. (Art. 1, Sec. 3)

Smaller biennial budget amounts include \$36 million for the Minnesota Zoological Board and \$31 million for the Board of Water and Soil Resources. (Art. 1, Secs. 4, 7)

Funding for the Science Museum of



PHOTO BY ANDREW VONBANK

The omnibus bonding law allocates \$2.7 million to complete renovation of the Como Park Conservatory in St. Paul, including renovation of the fern room and construction of a bonsai collection space, an orchid growing and display house, and a children's activity zone.



PHOTO BY ANDREW VONBANK

Funding for the Science Museum of Minnesota is set at \$1.5 million for the 2004-05 biennium, under a new law. The House and the governor had recommended eliminating museum funding beginning in fiscal year 2005.

Minnesota will be set at \$1.5 million over the biennium. The House and the governor had recommended eliminating museum funding beginning in fiscal year 2005. (Art. 1, Sec. 8)

The Minnesota Conservation Corps will receive just under \$1.7 million as it transitions from the DNR to a private nonprofit entity. (Art. 1, Sec. 6)

The law also includes \$8.3 million for the Board of Animal Health and \$3.2 million for the Agricultural Utilization Research Institute. The governor had recommended merging the two entities into the Agriculture Department. However, both agencies will remain independent. (Art. 3, Secs. 3-4)

A number of environmental projects will be funded through a \$32.7 million appropriation to the Legislative Commission on Minnesota Resources. (Art. 1, Sec. 9)

Revising road construction permits

The law takes a conciliatory path toward environmental permit requirements for road construction projects. One provision will adjust the watershed district rulemaking process to allow for comment and appeal from transportation authorities, rather than providing exemptions from permit requirements as a House transportation committee had proposed.

Another provision will allow one of the two acres under the 2:1 wetland replacement ratio for roadwork in the seven-county Twin Cities metropolitan area to be placed in a major

watershed that drains into the defined metropolitan area. (Art. 1, Sec. 113)

Developing ATV trails

The law directs the DNR to establish a continuous 70-mile trail for off-highway vehicles with four rest areas by April 1, 2007, and complete a formal trail system.

The Environmental Quality Board is instructed to develop new environmental standards for motorized trail use, and certain state forest motorized trails are temporarily exempted from environmental review.

Other provisions will require all off-highway vehicles to be registered with the state and direct money toward local law enforcement agencies for enforcement and public education expenditures. Qualified clubs will also be eligible for safety and conservation education grant money.

The law specifies guidelines for off-highway vehicle operation in ditches and spells out other restricted areas. Enforcement efforts will be bolstered with the establishment of a civil citation for operators who cause environmental damage or break the law.

And the law will activate a damage account until July 1, 2005, to pay for the restoration of property damaged by off-highway vehicles. (Art. 1, Secs. 18-34)

Increasing fees

Certain state park permit fees will be raised, including the annual permit from \$20 to \$25 and the daily permit from \$4 to \$7, and a

separate motorcycle state park permit will be created. (Art. 1, Secs. 45, 44) Various hunting, angling, and commercial fishing fees will also increase. Additionally, the law will raise water appropriation permit fees, eliminate the senior discount for certain state park camping, and enable the Minnesota Zoo to charge an entry fee for elementary school children on organized field trips. (Art. 2, Sec. 53; Art. 1, Secs. 43, 46)

The law increases many agriculture-related fees, including those covering food handlers, processors, inspections, and seeds and will establish a new set of fees to fund an expanded nursery and horticulture inspection program. (Arts. 3-8)

No mourning dove hunt

A House provision that would have authorized a mourning dove hunting season and a stamp earmarked for habitat improvement was removed in conference committee. Mourning dove hunts have been banned in the state since 1947. (See related story, page 86.)

Retaining airline jobs

Commercial airlines with corporate headquarters in Minnesota will temporarily be exempt from paying Petroleum Tank Release Cleanup Fund fees until July 1, 2005, provided the company directs the savings toward minimizing job losses. Beneficiaries will be Northwest, Sun Country, and Mesaba airlines. (Art. 1, Sec. 172)

Supporting ethanol

The law provides \$44.4 million for ethanol producer payments. Payments during fiscal 2004 and 2005 will be based on a rate of 13 cents per gallon, 7 cents a gallon lower than the previous rate.

The law maintains the 13 cents per gallon rate for ethanol payments into the 2006-07 biennium, but will keep the 20-cent-a-gallon rate in statute.



PHOTO BY ANDREW VONBANK

No state parks will be closed under a new law, as some people feared during much of the 2003 session. However, the law does increase certain state park permit fees by \$3 and \$5.



PHOTO BY TOM OLMSCHIED

A new law provides \$44.4 million for ethanol producer payments in 2004-05.

The law also includes so-called catch-up payments for ethanol plants to eventually recover \$20 million cut by the governor from the program during fiscal year 2003 and reduced payments during the upcoming biennium. (Art. 3, Sec. 38)

Chronic wasting disease control

The law will earmark more than \$800,000 during the next two years for a mandatory surveillance program, administered by the Board of Animal Health, to control chronic wasting disease in cervidae animals, primarily deer and elk. (Art. 3, Sec. 3)

Owners of captive deer or elk herds will be required to register with the board and pay a fee of \$10 per animal, up to a maximum of \$100 annually. (Art. 3, Sec. 10)

The law will also give the DNR the option to seize and destroy live cervidae possessed in violation of the law. (Art. 3, Sec. 12)

Reviewing feedlots

The law removes new and expanded livestock feedlots between 300 and 1,000 animal units from petition-generated environmental review if certain compliance and public disclosure requirements are met. (Art. 3, Sec. 40)

For example, 1,000 mature cows, weighing less than 1,000 pounds each, would account for 1,000 animal units, under state feedlot rules. And 1,000 pigs, weighing between 55 pounds and 300 pounds would account for 300 animal units.

A Senate proposal requiring that a landowner proposing a new feedlot or expanding an existing one provide notice to neighboring property owners not less than 20 business days before a feedlot permit will be issued is in the law. Previous law provided notice for not less than 10 business days. (Art. 3, Sec. 39)

The law will also require the state

Environmental Quality Board to study and evaluate environmental review information and the public input process regarding proposed feedlots of less than 1,000 animal units, and report its findings to the Legislature by Jan. 15, 2004. (Art. 3, Sec. 46)

Workforce issues

The workforce development fund will gain more revenue, through a two-year increase in the special assessment rate employers pay to the fund. The fund provides for the training of laid-off and unemployed workers, and did so in 2002 at the amount of \$66 million.

Under previous law, all employers paid the assessment for the first \$22,000 earned annually by each one of their employees. The previous rate levied seven-hundredths of 1 percent per year on all taxable wages.

As written in the new law, the rate will rise to one-tenth of 1 percent for two years, effective Jan. 1, 2004, with additional discretion for the state to raise the rate to one-twelfth of 1 percent in 2004 and 2005. The rate will fall back to seven-hundredths of 1 percent in 2006. (Art. 12, Sec. 5)

Minnesota Technology Inc., an economic development organization serving Greater Minnesota, will be forced to transform from a state agency to a nonprofit, stand-alone entity through an appropriation giving \$3 million in 2004, but nothing thereafter. The Senate plan called for giving it \$11.6 million in the 2004-05 biennium. The House number was \$2 million in 2004 only, and at zero thereafter. (Art. 10, Sec. 3)

Apprentices enrolled in official apprenticeship job-training programs will be charged \$30 per year, under the law. In addition to a \$350,000 allocation from the workforce development program, the revenues will fund employees at the Labor and Industry Department overseeing the apprentice program. The governor proposed cutting the staff. (Art. 11, Sec. 7)

Emergency housing

Homeless shelters, transitional housing, and homeless prevention programs will receive \$14.1 million in the 2004-05 biennium. (Art. 10, Secs. 4, 10)

Statistics show that more than 1,000 people are turned away from homeless shelters each day, due to lack of space. Officials estimate the cuts may result in programs not being able to support services for hundreds of others.

Flooding reconstruction

Roseau and surrounding areas will receive \$7.9 million to address flood damage through a combination of direct appropriations and bond sales. (Art. 1, Sec. 5; Art 10, Secs. 2, 4) (See related story, page 11.)

Further study required

The bill will order studies on a number of issues, including:

- state park funding (Art. 1, Sec. 9);
- motorized trail use on state lands (Art. 1, Sec. 168);
- impaired waters program (Art. 1, Sec. 2);
- solid waste management funding (Art. 1, Sec. 3);
- phosphorus in the wastewater stream (Art. 1, Sec. 9); and
- workforce service areas. (Art. 13, Sec. 38)



PHOTO BY KRISTINE LARSEN

Homeless shelters, transitional housing, and homeless prevention programs will receive \$14.1 million in the 2004-05 biennium, under a new law.

2003 adjustments

Several spending adjustments and transfers to the fiscal year 2003 budget were enacted under a new law. The adjustments were necessary following the unallotments made by

Gov. Tim Pawlenty in February, according to the law's sponsors.

Effective June 13, 2003, the law cancels \$110 million in general fund money, originally part of an appropriation for road projects in 2000, and appropriates the same amount from bond proceeds in the trunk highway fund.

In addition, it authorizes the transfer of \$15 million from the state airports fund to ease general fund shortfalls. The airports fund collects revenue from aircraft registrations and special aircraft fuel taxes, and funds are disbursed for improvements to airport facilities. The fund currently has a surplus, though a number of projects to use the funds are planned. The law will require the commissioner of finance to repay the airports fund by July 1, 2007.

Several other adjustments are also made, particularly in the areas of K-12 education finance and health and human services. Many of those program budgets are forecasted – meaning they are based on an estimated number of recipients. Some of the forecasts underestimated the use of those programs, and the appropriations need to be adjusted accordingly.

In addition, the law limits the appropriations and transfers included in the bill so that they do not occur more than once.

The law also removes the 2003 expiration for the governor's residence council and allows certain funds to be carried forward into 2004 to cover costs associated with employee layoffs.

Sponsors were Rep. Jim Knoblach (R-St. Cloud) and Sen. Richard Cohen (DFL-St. Paul).

2003 Special Session: HF3*/SF19/CH18

Claims bill vetoed, revived

(See Government, page 35)

Funding college, grants

(See Higher Education, page 42)

Pesticide fund transfer rejected

(See Vetoed Bills, page 73)

Fiscal impact notes

(See Bills in Limbo, page 81)

Gas tax, local sales tax options

(See Bills in Limbo, page 95)

License fee revenue

(See Bills in Limbo, page 95)

BUSINESS



Later bar closing time

Closing time in Minnesota's drinking establishments could be 2 a.m., brewpubs could sell take-out jugs of their own beer, and more liquor licenses for hotels and restaurants can be authorized by cities, under a new law.

Supporters said the law would help draw convention business throughout the state and keep people from crossing into Wisconsin and South Dakota to take advantage of later bar closing times in those states.

Opponents said it will create an extra burden on law enforcement and may encourage excessive drinking. In addition, they said it may have the effect of drawing folks across the state's border with North Dakota, which has a 1 a.m. bar closing time.

Providing for several major changes in state regulation of alcoholic beverage sales, the law will also:

- allow the sale of Minnesota produced wine at the state fair, a first in the annual summer event's 140-year history;
- remove bowling centers, hotels, and restaurants from state liquor license limits; and
- allow, for the first time, an on-sale liquor license to be issued to a racetrack – Elko Speedway.

Additional liquor licenses for 11 Minnesota cities will also be provided by the law. Rep. Michael Beard (R-Shakopee), who sponsored the law with Sen. Sandra Pappas (DFL-St. Paul), said the law preserves state restrictions on the number of on-sale licenses a city may issue to bars or taverns serving drinks only. State law has long restricted the number of liquor licenses a city can issue based on population and a city's classification.

Cities authorized to issue additional on-sale liquor licenses (and the number of licenses) under the law include: Blaine, 15; Maple Grove, Woodbury, 12; St. Michael, Sartell, five; Waconia, Hastings, St. Joseph, three; Stillwater, two; Duluth and Thief River Falls, one.

A conference committee adopted the Senate provisions lifting on-sale license limits for hotels and restaurants, and allowing brewpub restaurants that make their own beer to sell 64-ounce containers called growlers. An off-sale license for take-home brewpub beer would cap sales at 50 percent of the brewer's production, or 1,000 barrels, whichever is less.

The 2 a.m. closing time provisions were initially contained in HF1493, sponsored by Rep. Dan Dorman (R-Albert Lea). Those

provisions are effective July 1, 2003, as provided in the omnibus transportation finance law. (See related story, page 64.)

The remainder of the law is effective May 29, 2003.

HF719*/SF143/CH126

Clarifying disclosure requirements

Clearing up something done in a 2002 law is the goal of a new law relating to automobile dealers.

Under previous law, all advertising done by a motor vehicle dealer must disclose that the vehicle is being offered by a dealer in the following ways: using the dealership name, the term "dealer," or the abbreviation "DLR." A newspaper classified advertisement also needed to include the dealer's license number.

The new law, which is effective Aug. 1, 2003, is mostly a technical change in that the license number is only necessary if the dealer's true name or properly filed commercial assumed name is not included in the advertisement.

Said Rep. Larry Howes (R-Walker), House sponsor of the new law, "There was some concern on the part of dealers that with the electronic age someone could use that number for other purposes" if it were so easily accessible. No incidents have occurred yet, that he knows of, he said.

Sen. Steve Murphy (DFL-Red Wing) was the Senate sponsor.

HF741*/SF718/CH94

New investors

A new law will allow certain member-owned cooperatives in an effort to encourage capital investment.

Sponsored by Rep. Howard Swenson (R-Nicollet) and Sen. Rod Skoe (DFL-Clearbrook), the law will allow all forms of co-ops in Minnesota to take on investor-members in addition to the traditional patron-members. Investor-members may not necessarily purchase products from the co-op but join the cooperative to earn a profit on an investment and to provide capital funds for cooperative expansion.

The law is based on a law passed in Wyoming during 2002, said Swenson, who added he was asked to carry similar legislation by the Minnesota Association of Cooperatives. In allowing for investor-members, the law largely combines portions of the traditional cooperative statute with portions of limited liability statute.

The new law will take effect Aug. 1, 2003.

HF984*/SF679/CH105

Timber sales modernized

The Department of Natural Resources and the logging community are hoping a new law will simplify and standardize timber transactions.

Effective Aug. 1, 2003, the new law will update statutory language governing timber sales, much of which has not been changed since 1925. For example, the new law will consolidate references to timber areas, sale areas, or permit areas under one new term: forestry administrative area.

Under prior law, the state had the right to take cut timber if the permit holder had not properly marked the wood. The new law will instead designate the offense as trespassing.

Another provision of the new law is designed to help the logging community, particularly smaller outfits, with bond requirements by offering a "performance deposit" option that will entail a smaller bond amount.

Rep. Doug Lindgren (R-Bagley) and Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored the legislation.

HF859*/SF888/CH73

Policy provisions

(See Agriculture, page 9)

Regulating warranty work

(See Agriculture, page 10)

Hours, policy changes

(See Banking, page 10)

'Hogs, frogs, and jobs'

(See Budget, page 12)

Fair phone competition

(See Consumers, page 17)

Phone bill assistance

(See Consumers, page 17)

Correcting burial errors

(See Consumers, page 18)

Membership travel contracts

(See Consumers, page 18)

Clearing obsolete law

(See Consumers, page 18)

Fighting financial crimes

(See Crime, page 20)

Background check information

(See Crime, page 20)

Merger complete, department renamed

(See Development, page 21)

Dollars for the unemployed

(See Employment, page 27)

Unnecessary agency licensing

(See Employment, page 27)

Sprinklin' in the rain

(See Environment, page 30)

Cost disclosure

(See Government, page 35)

Manufactured home titles

(See Housing, page 45)

Maintaining closed mines

(See Industry, page 48)

Official newspaper designation

(See Local Government, page 54)

Conflict of interest change

(See Local Government, page 54)

Tougher penalties for OSHA violations

(See Safety, page 59)

Exemptions to seatbelt law

(See Safety, page 60)

Aid formulas, new taxing districts

(See Taxes, page 61)

Tobacco sales penalties

(See Bills in Limbo, page 75)

Authorizing sports fantasy games

(See Bills in Limbo, page 85)

Don't bet on it

(See Bills in Limbo, page 85)

Focusing emergency response

(See Bills in Limbo, page 92)

Tax haven countries

(See Bills in Limbo, page 93)

Delayed payment

(See Bills in Limbo, page 94)

Small resort assistance

(See Bills in Limbo, page 94)

★ CHILDREN

Substitute teachers

Licensed child-care providers were granted more flexibility in filling-in for absent teachers, under a new law.

The law will allow "experienced aides" to continue filling in for classroom teachers without supervision for up to one-quarter of a center's daily hours. Centers must notify parents that they use experienced aides and post notice in the classroom where the aide works.

Experienced aides must be at least 20 years old, be certified in first aid and cardiopulmonary resuscitation (CPR), and have two years or more of child-care experience including at least four months at that child-care center. They are not required to be full-time employees or certified teachers.

The practice is already allowed under similar legislation signed into law in 1999. Effective Aug. 1, 2003, the new law removes a



PHOTO BY TOM OLMSCHIED

A new law will allow experienced aides to fill in for classroom teachers without supervision for up to one-quarter of a center's daily hours. Centers must notify parents that they use experienced aides and post notice in the classroom where the aide works.

June 30, 2003 sunset date for that program, allowing it to continue indefinitely.

House sponsor Rep. Barb Sykora (R-Excelsior) said child-care providers have been pleased with the practice. Since they are already employees of the center, experienced aides are familiar with the students they supervise, she said. "So when they fill in for a teacher on a day when they need a substitute it really works out better than a substitute might," Sykora said on the House floor.

Changes suggested by opponents of the 1999 law were incorporated into this year's version and some of those former opponents testified in favor of the bill in House committees.

Sen. Claire Robling (R-Jordan) sponsored the legislation in the Senate.

HF419*/SF796/CH57

Victims rights laws

(See Crime, page 19)

School funding

(See Education, page 22)

Parental history

(See Family, page 31)

Custody changes

(See Family, page 31)

Medical assistance choice

(See Health, page 39)

Benefits adjusted, work plans begun

(See Human Services, page 45)

Managed care, programming projects

(See Human Services, page 47)

Guardians for vulnerable Minnesotans

(See Law, page 53)

Younger referees

(See Recreation, page 57)

Youth officials

(See Recreation, page 57)

Tobacco sales penalties

(See Bills in Limbo, page 75)

Statute of limitations for abuse

(See Bills in Limbo, page 75)

Enhancing abuse penalty

(See Bills in Limbo, page 76)

First-degree murder

(See Bills in Limbo, page 76)

Charter school creation

(See Bills in Limbo, page 78)

Child support changes stall

(See Bills in Limbo, page 83)

Surrogate pregnancies

(See Bills in Limbo, page 83)

Crib safety

(See Bills in Limbo, page 91)

CONSUMERS



Fair phone competition

A new law will allow so-called "hard wire" telephone companies to offer service promotional packages similar to those offered by less-regulated wireless companies.

Sponsored by Rep. Bob Gunther (R-Fairmont) and Sen. James Metzen (DFL-South St. Paul), the new law will permit a telephone company to offer "bundled" service packages and to establish package prices, terms, and conditions, provided that the following conditions are met:

- each telecommunications service subject to state Public Utilities Commission regulation is available on a stand-alone basis;
- the packaged rate or price does not exceed the sum of the unpackaged prices of each individual component offered in the promotion; and
- the company lists all regulated and unregulated services included in the package.

The new law will also amend state statute to limit a customer from receiving the benefits of a service promotion package to nine months. State law currently provides that no single promotion may be effective for longer than 90 days at a time.

The law will allow primarily older companies whose core business remains wired connected phones to "promote what they have and create competition," Gunther said.

It will also amend existing law to relieve a telephone company from filing cost information with the state regarding a service promotion package.

Furthermore, the commission, state Commerce Department, or attorney general's office will be allowed to request company information if needed to determine whether a promotion meets legal requirements.

The scheduled Jan. 1, 2006 expiration date of state law governing experiments in alternative regulation for phone companies will be repealed.

The new law takes effect June 1, 2003.

HF671*/SF660/CH97

Phone bill assistance

A state program that provides a monthly telephone service credit to eligible households will change its participation rules, under a new law.

Sponsored by Rep. Joe Hoppe (R-Chaska) and Sen. Steve Kelley (DFL-Hopkins), the new law will require that residents participating in the state's telephone assistance plan program meet federal Lifeline telephone service discount eligibility requirements to receive a greater monthly credit on their phone bill.

The law will "reduce the number of people on the state program," Hoppe said.

Of the approximately 35,000 people in the state program, 25,000 also participate in the federal Lifeline program, he said. Telephone companies providing local service annually advise phone customers of the program.

The law will drop the state requirements for the program, which are income-based and limited to households with a disabled or elderly (at least 65 years old) member.

To continue in the program, a state resident will have to meet income-based federal program requirements, including participation in either Medicaid, food stamps, supplemental security income, federal public housing assistance, or low-income home energy assistance.

The state plan, regulated by the Department of Commerce, is funded by a monthly charge of 5 cents on each wire line (not wireless) in the state. The Public Utilities Commission has the authority to charge up to 10 cents per line.

According to the Human Services Department Web site, residents who now participate in both the state program and the federal Lifeline program can receive up to a \$9.50 phone bill credit per month. State program only participants are capped at about \$7 a month. The new law will not affect the \$9.50 credit.

A department official who had testified in committee hearings said shifting the eligibility requirements to the federal guidelines could lead to more people being served in the program at the higher monthly credit. The federal Lifeline credit is not limited to elderly participants, as the state program is.

The new law will also relieve the department of conducting an annual review of eligible participants in the state program, an administrative savings of \$315,000, Hoppe said.

The measure takes effect Aug. 1, 2003.

HF1115/SF1260*/CH79

Correcting burial errors

Cemeteries that have interred bodies in the wrong burial spaces will be required to correct their mistakes, under a new law.

The new law requires cemetery operators who have been informed or become aware of a wrongful burial to exhume the burial container and place it in the proper location. Expenses will be the responsibility of the cemetery.

Rep. Connie Ruth (R-Owatonna), who sponsored the new law with Sen. Dick Day (R-Owatonna), said she agreed to carry the legislation after a constituent told how a cemetery inadvertently buried a body in the plot adjacent to the location where her granddaughter had been buried earlier. The family had purchased that plot and other vacant spots surrounding the granddaughter's burial space for future interment of deceased family members.

When the mistake was realized, the family of the recently buried was asked to allow the disinterment of that burial container. The family refused; a lawsuit ensued.

Effective May 16, 2003, the new law allows both families in any given case to avoid unearthing a wrongfully buried body by agreeing to leave the situation as is.

HF1234*/SF1252/CH48



PHOTO BY ANDREW VONBANK

A new law requires cemetery operators who have become aware of a wrongful burial to exhume the burial container and place it in the proper location at their expense. Both families in any given case can avoid unearthing a wrongfully buried body by agreeing to leave the situation as is.

Membership travel contracts

Travel clubs offering fraudulent and fictitious free and reduced vacations will find it harder to do business in Minnesota, under a new law.

The new law is targeted at non-legitimate travel clubs. Unaffected would be major credit card issued services and agencies such as the American Automobile Association, better known as AAA.

Effective Aug. 1, 2003, the law requires that certain items be disclosed to consumers, provides the right for them to cancel, and



PHOTO BY TOM OLMSCHIED

Under a new law, travel clubs are prohibited from offering enticements that result in the club member paying more than would have been paid without membership.

prohibits certain practices that may involve misrepresentations of features of the travel.

Supporters who testified before the House Commerce, Jobs and Economic Development Policy Committee told how they were offered free trips, only to find memberships to a travel bureau system were required. The price for a one-year membership started at \$8,000, but dropped to \$1,058, according to a White Bear Lake woman.

The law sponsors were Rep. Doug Meslow (R-White Bear Lake) and Sen. Charles Wiger (DFL-North St. Paul).

HF501/SF420*/CH125

Clearing obsolete law

A new law will expunge from state books an antiquated law designed to protect consumers from dishonest wagon canvas salesmen.

Effective Aug. 1, 2003, the new law will repeal a 1913 law requiring that all cotton canvas manufacturers label canvases – used for awnings, wagon covers, tents, grain and hay covers, stable or tent tops – with their correct weight.

The law is one of several provisions introduced over the course of the past several sessions to eliminate obsolete laws from the state's books.

Rep. Marty Seifert (R-Marshall) and Sen. Sharon Marko (DFL-Cottage Grove) were the sponsors.

HF95*/SF291/CH4

Regulating warranty work
(See Agriculture, page 10)

Hours, policy changes
(See Banking, page 10)

Identity theft
(See Crime, page 19)

Allowing prescriptions
(See Health, page 38)

Administering immunizations
(See Health, page 39)

Security deposits
(See Housing, page 44)

Manufactured home titles
(See Housing, page 45)

Health insurance purchasing alliances
(See Insurance, page 49)

Notifying homeowners of cancellation
(See Insurance, page 49)

Terrorism coverage
(See Insurance, page 49)

Property-related adjustments
(See Law, page 53)

Credit card skimming
(See Bills in Limbo, page 76)

Ensuring coverage exists
(See Bills in Limbo, page 89)

Vehicle tax break
(See Bills in Limbo, page 93)

★ CRIME

Identity theft

Effective Aug. 1, 2003, a new law will allow local law enforcement agencies to take reports of identity theft from people living or working within their jurisdiction even if the crime occurred somewhere else. Previously, departments typically did not take reports for crimes that occurred in other jurisdictions, in part because it would skew crime statistics. The law will also let prosecutors bring charges against identity thieves in either the county where the theft occurred or the county where the victim lives.

Reports filed in a county other than where the crime took place will not count toward that county's property crime statistics.

The law also creates the crime of mail theft in Minnesota. It imposes a felony sentence of up to three years in prison and a fine up to \$5,000 for stealing or opening mail addressed to someone else.

The provision (originally HF463) is intended to crack down on an increasingly common practice where thieves obtain and use private information contained in letters stolen from mailboxes or post offices. That information can include photographs, ID cards, bank or credit card numbers, medical information, and social security numbers.

While already a federal crime, federal courts

and prosecutors do not have the resources to deal with any but the biggest instances of mail theft, according to supporters of the law. Minnesota prosecutors will be able to file mail theft charges in either the county where the theft occurred or the county where the victim lives or works in order to give them more flexibility in prosecuting the crime.

Any of the ID theft crimes in the law can be combined for the purposes of charging an offender who committed multiple instances of theft within a six-month period.

House Majority Leader Erik Paulsen (R-Eden Prairie) and Sen. Leo Foley (DFL-Coon Rapids) sponsored the legislation.

HF821/SF980*/CH106

Victims rights laws

Several changes will be made to Minnesota's victims' rights laws, under a new law. The changes include the way certain videotaped proceedings are handled, what judicial hearings victims may attend, and who bears the costs of certain medical examinations.

Videotaped interviews of child abuse victims will be more closely regulated under the law, which takes effect Aug. 1, 2003 and applies to crimes committed on or after that date.

Under the law, such tapes may only be used by prosecutors and defense attorneys while

preparing for a case or while in the courtroom. No copies or transcripts may be made of the tapes, and any person granted access to the tape must sign an agreement that they are aware of the laws regarding such tapes. Once a case is finished, tapes must be returned to the prosecuting attorney.

A separate provision of the law provides that costs incurred for the examination of sexual assault victims must be borne by the county where the offense occurred whether or not the crime was reported to law enforcement. The law clarifies exactly what costs must be covered and that counties may seek reimbursement from a victim's insurance company only with the victim's permission.

Crime victims will be allowed to attend plea agreement hearings under the law. It also allows them to express orally or in writing any objections they have to the agreement reached. Prosecutors would have to inform victims of their right to do this. Prior law only allowed this right in sentencing hearings.

The law also clarifies the definition of primary and secondary residences as they apply to predatory offenders.

Rep. Eric Lipman (R-Lake Elmo) and Sen. Mee Moua (DFL-St. Paul) sponsored the legislation.

HF1278/SF964*/CH116

Statements allowed

Effective Aug. 1, 2003, a new law will allow Minnesota's forensic scientists to submit reports regarding the handling of evidence in a criminal proceeding, rather than having to testify in person in the courtroom.

Under the new law, courts can accept reports about who handled particular pieces of evidence without requiring scientists to verify those reports in person. Currently, forensic scientists from the state Bureau of Criminal Apprehension must appear in court to testify that a chain of custody report is accurate. Chain of custody reports detail when, where, and by whom pieces of evidence were handled.

Rep. Eric Lipman (R-Lake Elmo), the House sponsor, said that such reports are relatively administrative matters that rarely become important in a criminal case. Much more important, he said, are reports detailing a scientist's analysis of the evidence, which do not require scientists to appear in court.

The law will now treat both types of reports the same way. Defense attorneys who wish to challenge or question the reports can still



PHOTO BY TOM OLMSCHIED

A new law creates the crime of mail theft in Minnesota. It imposes a felony sentence of up to three years in prison and a fine up to \$5,000 for stealing or opening mail addressed to someone else.

subpoena scientists up to 10 days before a trial.

Sen. Satveer Chaudhary (DFL-Fridley) was the Senate sponsor.

HF909/SF942*/CH29

Death certificate issuance

Independent, contracted, and board-certified forensic pathologists with the Minnesota Department of Corrections are permitted to issue death certificates, effective Aug. 1, 2003.

Pathologists were previously called into criminal investigations to do the investigative work, but were unable to issue a death certificate, leaving the job to a local coroner. Coroners were hesitant to sign the certificates because they did not actually perform the death investigations themselves.

No person, other than the county coroner, medical examiner, or judge exercising probate jurisdiction were previously permitted by law to sign a death certificate.

The law also states that a Department of Corrections' contracted, board-certified forensic pathologist must issue the certificate of death in all deaths that involve inmates in corrections custody.

Rep. Doug Fuller (R-Bemidji) and Sen. Wes Skoglund (DFL-Mpls) sponsored the law.

HF920/SF907*/CH27

Obtaining search warrants

A new law will change the way search warrants are granted in Minnesota.

Effective Aug. 1, 2003, the new law will eliminate a restriction that search warrants can only be issued to officers with jurisdiction in the area where the search is to be conducted. It will allow any officer to apply for a search warrant in any jurisdiction as long as they notify a local police chief before conducting the search. If the search is to take place in an area with no police chief, the officer must notify the local county sheriff.

Judges issuing search warrants will still have to have jurisdiction over the area to be searched.

Rep. Steve Strachan (R-Farmington) and Sen. Mike McGinn (R-Eagan) sponsored the legislation.

HF522/SF256*/CH86

Fighting financial crimes

A new law will authorize the continuation of the state's financial crimes task force established in 2001.

The task force, which was established to facilitate investigation of financial crimes that often cross jurisdictional boundaries, was set to expire on June 30, 2003. It will now be continued indefinitely.

Rep. Doug Meslow (R-White Bear Lake), House sponsor of the law, said the task force has been working well in achieving cross-jurisdictional cooperation. He also noted that the U.S. attorney for Minnesota is dedicating \$1 million in extraordinary restitution funds to help sustain operations of the task force.

The new law maintains the previous structure of the task force, but will allow the creation of regional offices, if funds are available, and will allow federal law enforcement agencies to join. In addition, it would expand the scope of the task force beyond such crimes as credit card fraud, counterfeit identification, Internet fraud, and forged checks to include:

- investment fraud,
- insurance fraud,
- vehicle insurance fraud,
- financial institution fraud,
- fraud related to state or federal programs,
- tax fraud, and
- mail and wire fraud.

Sen. Wes Skoglund (DFL-Mpls) sponsored the law in the Senate. It is effective July 1, 2003.

HF1226/SF515*/CH36

Background check information

A new law brings Minnesota into compliance with federal requirements about the information that can be disclosed after criminal background checks on property managers.

Effective May 24, 2003, the law will narrow the information that can be given to property owners as a result of the background checks done on potential property managers.

According to Minnesota law, all potential managers must undergo a criminal background check administered by the state Bureau of Criminal Apprehension. While the bureau must check state and national criminal history databases and report if there are any relevant crimes, the new law prohibits giving property owners specific information about past crimes gained from federal sources.

It still requires the bureau to give owners a description of the crime, the date and jurisdiction of conviction, and the date a sentence

was carried out if that information is gleaned from state databases.

Though federal law says the specifics of a crime in a national database cannot be disclosed, such a crime could still disqualify someone from a property management position.

Rep. Paul Kohls (R-Victoria) and Sen. John Marty (DFL-Roseville) sponsored the legislation.

HF731/SF926*/CH89

Breath-test accuracy

A new law will more clearly specify when the results of a breath-test on a suspected drunken driver are sufficiently accurate.

Effective Aug. 1, 2003, the new law provides that two separate breath tests registering a blood-alcohol concentration within 0.02 percent of one another are acceptable. If there is a greater discrepancy, the test is considered deficient and another must be administered.

In addition, the law will provide that two deficient tests constitute a refusal on the part of the offender.

Breath tests will be administered as follows:

- a drunken driver provides the first sample by blowing into a breathalyzer or similar instrument used to measure blood-alcohol content;
- the instrument analyzes the percentage of alcohol in the blood; and
- the driver provides a second sample.

The combination of the two samples is used to determine the level of alcohol in the suspected drunken driver's system.

According to the state Bureau of Criminal Apprehension, some drunken driving offenders deliberately attempt to throw off the results of breath tests by providing a strong breath on the first sample and a weak breath on the second.

Rep. Steve Strachan (R-Farmington) and Sen. Don Betzold (DFL-Fridley) were the sponsors.

HF1035/SF1158*/CH96

Public safety radio compliance

Volunteers assigned to carry police radios with them or in their cars in order to help out law enforcement officials will no longer be violating Minnesota law under a new law effective Aug. 1, 2003.

The law changes a statute that made it illegal for people not licensed by the state Bureau

of Criminal Apprehension to receive police radio communications. Supporters say it gives local police and sheriffs another tool in providing security at events that take place in their area.

House sponsor Rep. David Dill (DFL-Crane Lake) told legislators that a volunteer in his district was ticketed for having a police radio at a community event. It's not uncommon for law enforcement to use volunteer security personnel at events that require extra security, but giving the volunteers radios violated a state law dating back to 1935.

"Realizing that we are talking about thousands and thousands of volunteers that are routinely using radios to help us respond to ambulance calls and fire calls and helping at community events...we thought it would be appropriate to streamline the regulations," Dill said.

The new law permits people to carry emergency radio equipment with the written permission of their local sheriff or police chief instead of having to apply to the state Bureau of Criminal Apprehension.

A conference committee removed a House provision (originally HF784) that would have made it a felony to knowingly disrupt emergency communications among police, firefighters, or emergency medical workers. The provision is now contained in the omnibus judiciary finance law.

Sen. Tom Bakk (DFL-Cook) sponsored the legislation in the Senate.

HF808/SF351*/CH121

Arson penalties

Minor cases of arson that cause personal injury could result in higher criminal penalties, under a new law effective Aug. 1, 2003.

Sponsored by Rep. Doug Fuller (R-Bemidji) and Sen. Wes Skoglund (DFL-Mpls), the law will upgrade the crime of fifth-degree arson to a gross misdemeanor if it results in bodily harm, including causing illness or impairing a person's physical condition. The penalty for such an offense will be up to a year in prison and a fine of \$3,000.

Under prior law, fifth-degree arson was a misdemeanor offense, punishable by up to 90 days in jail and up to a \$700 fine. A separate provision of the law will increase the maximum fine for that offense to \$1,000, a technical correction to adjust the penalty so it is in line with other misdemeanor offenses. The offense applies in cases where someone intentionally burns any

property valued at less than \$300 in a non-public place. Arsons committed at higher loss values or in public buildings are covered under higher-degree arson offenses in state law.

Fuller said prosecutors who want another tool to punish low-level arsonists brought him the measure. State courts and corrections officials said the changes are not likely to result in many new cases or prisoners because of the small number of cases it will affect.

HF385*/SF355/CH82

Courts, corrections, safety funding

(See Law, page 50)

Reporting crimes

(See Law, page 52)

Tobacco sales penalties

(See Bills in Limbo, page 75)

Enhancing abuse penalty

(See Bills in Limbo, page 76)

Credit card skimming

(See Bills in Limbo, page 76)

First-degree murder

(See Bills in Limbo, page 76)

Vehicle forfeiture woes

(See Bills in Limbo, page 76)

Paying for treatment

(See Bills in Limbo, page 76)

Security camera installers

(See Bills in Limbo, page 77)

Sports boards

(See Bills in Limbo, page 84)

Authorizing sports fantasy games

(See Bills in Limbo, page 85)

Don't bet on it

(See Bills in Limbo, page 85)

★ DEVELOPMENT

★ Merger complete, department renamed

A 2001 law dictated that the state departments of Economic Security and Trade and Economic Development would merge. Though difficult budget times temporarily delayed the move, the merger was recommended in Gov. Tim Pawlenty's budget and is now complete.

And the first item of business: naming the new department. A new law provides that it

will now be called the Department of Employment and Economic Development (DEED).

The Department of Economic Security primarily dealt with workforce and employment issues. It disbursed unemployment benefits and maintained the state's unemployment trust fund, which collects taxes from employers to provide unemployment benefits to Minnesotans who lose their jobs. In addition, the department operated the Minnesota Workforce Centers around the state that provide help with searching for jobs, preparing resumes, and other employment issues.

In contrast, the Department of Trade and Economic Development served primarily as a manager for economic development programs in the state, including the state Office of Tourism. Much of the department's funding was distributed through various programs in the form of grants to businesses, employers, and other organizations.

Specifically, the department provides services to existing and developing businesses, promotes trade and markets for Minnesota products, helps employers train workers or create higher paying jobs, and promotes Minnesota as a tourist destination.

The department has also provided some job training services, in conjunction with the Economic Security Department.

The core functions of both the former departments will be maintained in the new department. Its organizational chart focuses on the five following areas: business and community development; workforce partnerships, including the workforce center system; workforce services, including State Services for the Blind; unemployment insurance; and tourism.

Prior to settling on the new name for the merged department, leaders debated calling it the Department of Economic and Workforce Development (DEWD) and the Workforce and Economic Development Department (WEDD).

The new law, effective July 1, 2003, was sponsored by Rep. Bob Gunther (R-Fairmont) and Sen. Dallas Sams (DFL-Staples).

2003 Special Session: HF25/SF28*/CH4

Paying for parks

Developers may find counties requiring them to pay for or build parks, trails, and open spaces when constructing housing subdivisions, under a new law.

State statute already allows cities and

townships to require parkland or in-lieu-of fees of developers. The law simply allows the same authority to counties, said the House sponsor, Rep. Peter Nelson (R-Lindstrom). Sen. Betsy Wergin (R-Princeton) is the Senate sponsor.

While no discussion was initiated on the House floor, the law received considerable input during debate before the House Local Government and Metropolitan Affairs Committee April 9.

People once thought that requiring recreational spaces of developers in cities and townships was sufficient, said Larry Haws, a Stearns County commissioner. However, he said, most townships don't have parks departments to oversee such amenities.

"This is a good way to put the counties in the park-planning business," Haws said.

The law will have growth paying for its fair share, said Scott County Administrator David Unmacht, adding that a general property tax increase is not the solitary solution to more parks.

Members expressed concern about the provision increasing the cost of the average new home by \$1,200. Haws said while that may be true for cities, which are already affected by the provision, the cost of the average home in a county, dealt with in the new law, would only increase by \$300.

Specifically, the law will permit a county by ordinance to require dedication of some portion of a proposed subdivision for public use as parks, recreational facilities, playgrounds, trails, wetlands, or open space, or to accept cash in lieu of such a dedication. It takes effect Aug. 1, 2003.

Any county desiring to invoke such authority must first adopt a capital improvement program and a parks and open space plan, or have a component in its comprehensive plans for parks, trails, and open spaces.

The in-lieu-of fees must be fair, reasonable, and proportionate to need, under the law. Money received must be used to acquire, improve, or develop parks and similar facilities, and not for parks operations or maintenance.

In addition, counties cannot force a developer to waive his right to challenge the validity of the fee or land dedication.

HF657/SF484*/CH95

\$231 million law signed
(See Bonding, page 10)

'Hogs, frogs, and jobs'
(See Budget, page 12)

Capitol planning board clarifications
(See Government, page 35)

Redefining a displaced person
(See Housing, page 44)

Aid formulas, new taxing districts
(See Taxes, page 61)

Common provisions
(See Taxes, page 63)

Labor contracts
(See Bills in Limbo, page 77)

Nanotechnology institute
(See Bills in Limbo, page 94)

★ EDUCATION

School funding

Minnesota's public school districts and charter schools will be supported by nearly \$11.9 billion in state general fund money for 2004-05, under a new law.

Education finance represents more than 40 percent of state general fund spending.

Overall, the spending plan does not differ markedly from the administration's education budget recommendations proposed in February.

Rep. Alice Seagren (R-Bloomington), who sponsored the law with Sen. Steve Kelley (DFL-Hopkins), said the cuts represent a 2 percent reduction overall. Most cuts will not affect core K-12 instruction funding, she said, but are applied to compensatory, and special education revenue, and funding for English language learning students, among other areas.



PHOTO BY TOM OLMSCHEID

A framework and funding mechanism for online learning programs was a part of the omnibus education law passed in 2003.

In addition, a provision in the new law is repealed by another law passed during the 2003 session. (See related story, page 25.)

The following is a look at some of the provisions in the new law, effective July 1, 2003, unless otherwise noted.

2003 Special Session: HF51*/SFnone/CH9

Appropriations

The law sets the following state education appropriations:

- general education funding at \$9.95 billion;
- special education funding at \$1.27 billion;
- early childhood programs at \$92.4 million;
- adult education programs at \$71.9 million; and
- state Education Department and academies at \$81.5 million.

The latter category includes \$47.3 million for the renamed Department of Education, which administers K-12 funds, policies, and regulations. Another \$20.9 million is allocated to state academies for the blind and deaf. (Art. 10, Secs. 10, 11)

One-time transition revenue included in the law, totaling about \$35.7 million, is expected to help schools match their existing classroom spending. Nearly two-thirds of the transition state aid is for fiscal 2004. Beginning in fiscal year 2005, school districts are required to levy a share of their transition revenue on referendum market value to maintain the 2004 transition revenue amount. Beginning in fiscal year 2008, districts must ask their voters to approve keeping the transition revenue as part of their locally approved operating referendum. (Art. 1, Secs. 30, 31)

Locally generated property tax revenue, the other major source of education funding, is expected to provide an additional estimated \$2.56 billion for school districts during the next two years.

The law provides no increase in levy authority overall for districts to seek additional revenue from property taxpayers, without voter approval, but school districts may still seek additional funds through a referendum. Some suburban districts that have reached their maximum amount of referendum

authority have the authority to seek small inflationary increases in operating revenue through tax referenda.

School districts with lower total property value will receive more state referendum equalization aid, and equity revenue for low-revenue districts will also increase. (Art. 1, Secs. 36-38)

House and Senate conferees shifted monies within the proposed K-12 education spending proposals to soften cuts in several areas, including early childhood education, summer school programs, and training and experience revenue for districts with experienced and/or highly educated teachers.

The conferees restored \$5 million of an \$8 million cut the House had initially approved in state funding of federally supported Head Start programs and also eliminated a requirement that a percentage of future state grants for Head Start be considered for "innovative programming." The final agreement also provides \$4 million more in state aid than the \$30.8 million the governor had proposed for early childhood and family education programs. (Art. 7, Sec. 11)

The governor's recommendation to fund English language learning students for only five years is in the law. The House had proposed a seven-year program with funding being phased out in the last three years. The amount of state aid per pupil for English language learners will increase, but will be based on a more narrowly defined formula. (Art. 1, Secs. 13, 14)

Approximately \$102 million is included for extended day school programs, which include after-school classes for students in academic need, and summer school. The new "extended time revenue" was not proposed by the governor. (Art. 1, Sec. 53)

To garner more funds, school districts are permitted to seek additional revenue through advertising, sponsorships, and offering building naming rights. (Art. 2, Sec. 12)

Early childhood family support

The law removes a requirement that 11 percent of state Head Start dollars be used for grants for innovative programming designed either to target resources to particular at-risk groups of children or to provide services in addition to those allowed under federal regulations. Additionally, each grantee must submit a work plan to the education commissioner for approval. The plan is to include the estimated number of low-income children and families it will be able to serve, a

program description and service delivery area, and a program design that ensures fair and equitable access for all populations of the service area. (Art. 7, Sec. 1)

Early childhood programs are encouraged to prioritize resources for children from birth to age three if funding is not sufficient for all youth. (Art. 7, Sec. 3)

Early childhood and family education revenue to school districts in fiscal year 2005 is reduced to \$96 multiplied by the greater of 150 or the number of people under age 5 in the district. In fiscal years 2002-2004, the amount was \$120. It was \$113.50 in fiscal years 2000 and 2001. (Art. 7, Sec. 6)

Local early intervention committees are added to school district school readiness advisory councils. (Art. 7, Sec. 8)

Charter schools

The law permits a nonprofit corporation to sponsor one or more charter schools if the charter school has operated for at least three years under a different sponsor and if the nonprofit corporation has existed for at least 25 years. (Art. 2, Sec. 22)

If a teacher makes a written request for an extended leave of absence to teach at a charter school, the district must grant the leave. Under the new law, the leave cannot exceed a total of five years. Previously, the length was based upon the teacher request. However, school boards are given discretion to extend the leave. This section is effective May 31, 2003. (Art. 2, Sec. 25)

The maximum charter school building lease aid is reduced from \$1,500 per pupil to \$1,200. Charter schools with lease aid amounts above the cap are grandfathered in at their current building lease aid amount. This is effective for revenue for fiscal year 2004. (Art. 2, Sec. 28)

A charter school in its first year of operation during fiscal year 2004 or 2005 is not eligible for charter school start-up aid. (Art. 2, Sec. 51)

Health and safety

Health and safety projects with estimated costs of \$500,000 or more per site, approved after Feb. 1, 2003, are excluded from eligibility for health and safety revenue. However, they may be eligible for alternative facilities bonding and levy revenue, according to state statute.

The law both narrows and more specifically defines the list of acceptable uses of health and safety revenue: indoor quality mold abatement, upgrades or replacement of mechanical ventilation systems to meet standards, changes to meet Department of Health food

code, and changes to correct swimming pool hazards, excluding depth correction. It also specifies what health and safety revenue must not be used for. Both sections were effective May 31, 2003. (Art. 4, Secs. 5, 7)

Vehicles, and vehicle safety

The law modifies school bus safety training requirements. Students in kindergarten through 10th grade must receive school bus safety training, and ninth and 10th graders must receive instruction in the laws and proper procedures when operating a vehicle near a school bus. (Art. 1, Sec. 6)

A type III school bus, defined in statute as "passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less," is now exempt from the requirement of having to stop at railroad crossings. Additionally, a vehicle newer than 12 years old may be used as a type III school bus, instead of the previous limit of 10 years. The latter is effective May 31, 2003. (Art. 1, Secs. 44, 46-47)

Local projects, issues

A number of local levies or actions are permitted under the law, including the following:

- The Southland School District in Mower County may levy up to \$66,000 of its remaining disabled access levy authority over five or fewer years, effective May 31, 2003. (Art. 4, Sec. 27)
- For taxes payable in 2004 only, the Elgin-Millville School District in Wabasha County is permitted to levy up to \$8,000 for handicapped access and safety improvements. (Art. 4, Sec. 28)
- A school bus storage facility may be leased by the Sartell School District in Stearns County, which is given permission to levy up to \$107,000 for taxes payable in 2004, 2005, and 2006. The district can levy for the amount only if it sells its current bus storage site to the city of Sartell. Furthermore, the district is prohibited from using this levy as part of a lease purchase agreement to replace its current bus storage facility. (Art. 4, Sec. 29)
- The Ulen-Hitterdal School District in Clay County is permitted to include in its health and safety revenue for fiscal year 2005 costs for the demolition of a portion of its high school. This is effective May 31, 2003. (Art. 4, Sec. 30)
- Effective May 31, 2003, the Duluth School District may reduce from five to three the

- number of at-large school board members. (Art. 2, Sec. 54)
- A three-year pilot project is established for the Rochester School District and up to three other districts or cooperative units selected by the education commissioner to determine what impact waiving specific state special education requirements has on the quality and cost effectiveness of the instructional services provided to and the educational outcomes of eligible students in the participating districts. This is effective May 31, 2003. (Art. 3, Sec. 18)
 - Money is provided to the Albert Lea (\$375,000), Mesabi East (\$250,000), and Roseau (\$50,000) school districts for declining pupil aid to compensate for large plant closings and floods; \$117,000 is allocated to the Yellow Medicine East district for tornado impact declining enrollment aid; and \$100,000 is allocated to the Warroad School District to operate the Angle Inlet school, a one-room schoolhouse. (Art. 1, Sec. 53)

Other provisions

The state's Board of Teaching will collect an additional \$10 per license in fees from teachers beginning in fiscal year 2004. Teachers and administrators' licenses will cost \$57. (Art. 10, Sec. 5)

The board can also issue a lifetime qualified short-call substitute teaching license to qualified individuals. A person holding such a license is exempt from having to complete continuing education clock hours. This takes effect with the 2003-04 school year. (Art. 10, Sec. 4)

The statutory requirement that school boards and teachers agree to a collective bargaining agreement by Jan. 15 or face a financial penalty is waived for the 2004-05 biennium, just as it was for the 2002-03 biennium. (Art. 2, Sec. 48)

A primary is required if there are more than two candidates for a specific school board position or if there are more than twice as many candidates as will be elected to an at-large board. This is effective May 31, 2003 for the St. Cloud School District and Jan. 1, 2004 for all other districts. (Art. 2, Sec. 43)

A framework and a funding mechanism for online learning programs are established under the law. Students can enroll in a maximum of 12 semester-long courses online and complete course work at a different grade level than their own. Teachers with a state license could assemble and deliver online course instruction. The law, effective for the 2003-04 school year and later, limits the teacher-to-student ratio for an online

course to 1:40. (Art. 2, Sec. 20)

The Minnesota State High School League is allowed to adopt policies on corporate sponsorships and similar agreements. This is effective May 31, 2003. (Art. 2, Sec. 39)

Effective May 31, 2003, a school board may elect to participate in a two-year pilot project to evaluate parent involvement policies and strategies in the district and in school sites, with the goal of improving the academic achievement of all students within the district, including at-risk students. (Art. 2, Sec. 50)

New academic standards

After five years of vigorous political debate about the Profile of Learning, a new law provides the framework for a new set of academic standards for the state's public school students.

Effective May 22, 2003, the new law establishes new grade-level academic standards in five required subject areas: language arts, mathematics, science, social studies, and the creative arts.

"This bill returns authority to the school district," said Rep. Barb Sykora (R-Excelsior), who sponsored the law with Sen. Steve Kelley (DFL-Hopkins). Rep. Tony Kielkucki (R-Lester Prairie) carried the original Profile repeal bill (HF6) that passed the House Feb. 17. "We are not mandating everything. It doesn't tell teachers how to teach, demand performance packages, or have a grading system that no one could understand."

Sykora referred to a number of issues that parents, school administrators, teachers, and other critics of the complex profile requirements consistently raised since the graduation requirements were first implemented by the state in 1998.

The law authorizes the proposed English and math K-12 grade level standards that have been developed in recent months by Department of Education Commissioner Cheri Pierson Yecke to become the new academic standards in those two subject areas.

School districts must determine the arts standards that Senate negotiators added to the compromise bill.

New standards in these three subject areas will be implemented for the 2003-04 school year. New statewide English and math tests, based on the standards for students in grades three through eight and at the high school level, will not be implemented until the 2005-06 school year.

To comply with the federal No Child Left

Behind law, the state will add tests based on the standards in the fourth and sixth grades for the 2005-06 school year. Students must still pass the statewide basic skills tests to graduate from high school.

The law requires the commissioner to propose standards in science and social studies to the Legislature by Feb. 1, 2004. The social studies subject area includes history, geography, economics, government/citizenship, and world history.

Rep. Paul Marquart (DFL-Dilworth), a member of the conference committee, said the law includes "safeguards that will insulate the standards from the ebb and flow of this legislative body.

"It's not going to be a moving target," he said. "Hopefully we can take the politics out of this."

HF302*/SF481/CH129

Pledging allegiance

Reciting the Pledge of Allegiance at least once a week is required in the state's public and charter schools beginning this fall, under a new law.

Effective Aug. 1, 2003, the law will allow school boards or a charter school board of directors to annually waive the requirement.

The law will require school districts or charter schools to include a statement in a student handbook or school policy guide that anyone may elect not to recite the pledge for "any personal reasons," and "that students must respect another person's right to make that choice." That provision will not be effective until the 2004-05 school year.

The law will also allow for the pledge to be recited by a teacher in the classroom or over a school's public address system by a person



PHOTO BY TOM OLMSCHIED

Reciting the Pledge of Allegiance at least once a week will be required in the state's public and charter schools, under a new law. The law permits school boards or a charter school board of directors to annually waive the requirement.

designated by the school principal.

School districts that don't waive the pledge requirement, according to the law, must instruct students in proper flag etiquette, correct flag display, and respect regarding the flag, "and in patriotic exercises."

Rep. Bruce Anderson (R-Buffalo Township) and Sen. Steve Murphy (DFL-Red Wing) are the sponsors.

HF6/SF287*/CH120

Changing a department name

The state agency responsible for K-12 public schools will be known by a former name under a new law.

Effective Aug. 1, 2003 the department reverts to the name Department of Education.

In 1995, the Legislature changed the department's name to the Department of Children, Families and Learning as part of a state agency reorganization led by Gov. Arne Carlson's administration.

Gov. Tim Pawlenty recommended that the name revert to the Department of Education in his Feb. 6 State of the State address.

The name change is expected to cost \$39,000. Department officials testified in House committees that the cost would be absorbed in the department's budget.

Legal documents must reflect the name change immediately, according to department officials, and the sign outside the department's leased office building in Roseville will also be changed. Existing stationary will be used until supplies are exhausted.

Rep. Randy Demmer (R-Hayfield) and Sen. Geoff Michel (R-Edina) were the law's sponsors.

HF517/SF296*/CH130



PHOTO BY ANDREW VONBANK

Under a new law, the Department of Children, Families and Learning will revert to the name Department of Education. In 1995, the Legislature changed the department's name to the Department of Children, Families and Learning as part of a state agency reorganization by Gov. Arne Carlson's administration.

\$231 million law signed
(See Bonding, page 10)

2003 adjustments
(See Budget, page 14)

Substitute teachers
(See Children, page 16)

Political party designations
(See Elections, page 25)

Linking bingo games
(See Gambling, page 31)

Funding college, grants
(See Higher Education, page 42)

Promoting abstinence
(See Bills in Limbo, page 77)

Fighting expulsions
(See Bills in Limbo, page 77)

History curriculum concerns
(See Bills in Limbo, page 78)

Charter school creation
(See Bills in Limbo, page 78)

Small school aid
(See Bills in Limbo, page 78)

Earlier school year start
(See Bills in Limbo, page 79)

Coaching contracts
(See Bills in Limbo, page 79)

Special education scholarships
(See Bills in Limbo, page 79)

Student survey consent
(See Bills in Limbo, page 79)

American Indian scholarship office
(See Bills in Limbo, page 80)

Mandate opt out
(See Bills in Limbo, page 80)

Contracting services
(See Bills in Limbo, page 80)

Charter school creation
(See Bills in Limbo, page 81)

Fiscal impact notes
(See Bills in Limbo, page 81)

Allocating state grant dollars
(See Bills in Limbo, page 87)

Opt-in plan for student fees
(See Bills in Limbo, page 87)

Studying abroad
(See Bills in Limbo, page 88)

State grant eligibility
(See Bills in Limbo, page 88)

No grants for summer classes
(See Bills in Limbo, page 88)

No voluntarism requirement
(See Bills in Limbo, page 88)

Opting out of mandates
(See Bills in Limbo, page 90)

Surcharge for student learning
(See Bills in Limbo, page 94)

ELECTIONS



Political party designations

A new law repeals a provision in the omnibus K-12 law relating to major and minor political parties.

Rep. Ron Abrams (R-Minnetonka), the House sponsor, said the state could face possible lawsuits regarding the constitutionality of the K-12 measure if the language were not removed.

In the omnibus law, a majority party was defined in several sections:

- a political party that maintains a party organization in the state, political division, or precinct in question and that has presented at least one candidate for election to the office of governor and lieutenant governor, secretary of state, state auditor, attorney general or
- a political party that maintains a party organization in the state, political subdivision, or precinct in question and whose members present to the secretary of state a petition for a place on the state partisan primary ballot, which petition contains signatures of a number of the party members equal to at least 5 percent of the total number of individuals who voted in the preceding state general election.

The minor party would have had to meet the same definitions as the major party, but also must adopt a state constitution, designate a state party chair, held a state convention in the last two years, filed with the secretary of state no later than Dec. 31 following the most recent state general election a certification that the party has met the foregoing requirements.

Additionally, a minor party, in order to be considered in all elections statewide, must have presented at least one candidate for election to the office of governor and lieutenant

governor, secretary of state, state auditor, attorney general, presidential elector, or U.S. senator who received votes in each county that in the aggregate equal at least 1 percent of the total number of individuals who voted in the election, as opposed to 5 percent required for major party designation.

Concerns were raised by the Independence Party of Minnesota as to whether the addition of election provisions to the K-12 law violated the single subject rule, which governs what a single law passed by the Legislature may address. If a political party were to pursue the argument of the additional language violating the single subject rule, the K-12 law could have been repealed in a court of law.

According to the party Web site, the law would have also delayed political funds to Nov. 1, making it more difficult for political parties with less funding to campaign. There were also concerns about language that would require a party to have a presidential candidate to maintain major party status.

The law, effective June 13, 2003, was also sponsored by Sen. John Marty (DFL-Roseville).

2003 Special Session: HF67*/SFnone/CH17

Federal conformity

Minnesota election laws must be adjusted to comply with the federal Help America Vote Act signed into law by President Bush in 2002. A law passed during the 2003 special session makes those modifications.

Among other things, the federal law helps establish election standards for states and local units of government.

Sponsored by Rep. Jim Rhodes (R-St. Louis Park) and Sen. Linda Scheid (DFL-Brooklyn Park), the law creates an account for the state to receive \$6.5 million in federal dollars under the act. An additional \$14 million could be added to the fund, if the state provides \$700,000 in matching funds.

The appropriated money can be used in a variety of ways, including: training election officials such as judges and county administrators, educating voters, and buying voting systems.

The law also establishes a procedure to review complaints regarding voting system standards, computerized statewide registration lists and equipment, voter registration requirements, and other features of state implementation.

The law is effective retroactively to the full extent permitted by the Help America Vote Act.

2003 Special Session: HF16*/SF8/CH7

Ballot question deadline

Ballot questions must be submitted by a deadline prior to an election in order to be considered for placement on a ballot, under a new law.

Sponsored by Rep. Tony Kielkucki (R-Lester Prairie) and Sen. Jim Vickerman (DFL-Tracy), the law clarifies timelines that petition organizers must meet in order for their proposals to be considered.

Kent Sulem, an attorney for Minnesota Association of Townships, told a House committee that petitions have been received as late as one week before an election in the past. Because of a lengthy process to put the questions on a ballot, officials were unable to comply.

Previous election law didn't specifically state that a petition must be submitted by a deadline, so there wasn't anything to show a resident why a question couldn't be accepted, Sulem acknowledged.

Effective Aug. 1, 2003, the new law doesn't require a city to schedule a special election when a submission is made, however Minnesota statute does call for a special election if 20 percent of the voters at the last municipal general election signed the petition and the question hasn't been submitted in the previous six months.

HF504*/SF384/CH75

Township special elections

Townships will be required to hold a special election if they are unable to fill a vacancy of an elected town official by appointment, under a new law.

Rep. Tony Kielkucki (R-Lester Prairie), who sponsored the law with Sen. Dallas Sams (DFL-Staples), said townships have had trouble getting vacancies filled.

Under previous law, a town board was directed to fill a vacancy through an appointment process, with a special election necessary if members failed to agree. The new law, which takes effect Aug. 1, 2003, provides procedures for holding the election. It requires the supervisors and town clerk, or two of them together with at least 12 other town officials, to file a statement in the town clerk's office. The statement must include the reason why the election is called and that the interests of the town require the election.

The law also states that an election may be called by petition of 20 percent of the voters at the last general election.

HF361*/SF329/CH56

Seeking office as employees
(See Local Government, page 55)

Met Council, legislative changes
(See Metro Affairs, page 56)

Distorted photographs
(See Bills in Limbo, page 81)

Contributing campaign funds
(See Bills in Limbo, page 81)

Political phone surveys
(See Bills in Limbo, page 82)



PHOTO BY TOM OLMSCHIED

Under previous law, a town board was directed to fill a vacancy through an appointment process, with a special election necessary if members failed to agree. A new law provides procedures for holding the election.

★ EMPLOYMENT

Dollars for the unemployed

The long-term solvency of the state unemployment insurance trust fund will be addressed, under a new law.

The law was previously passed by the House. Additional action was required because it hadn't been approved by both the Senate and House prior to the end of the regular legislative session on May 19.

Effective May 31, 2003, the new law calls for changing the formula by which employers pay into the state unemployment insurance trust fund in hopes of keeping it solvent. So many people have been collecting unemployment in Minnesota that in April the state was forced to borrow \$200 million from the federal government to continue paying benefits to laid-off and unemployed workers.

Under current law, the base tax rate paid by all taxpaying employers fluctuates between one-tenth and six-tenths of 1 percent of taxable wages, depending on how much money is in the unemployment insurance trust fund. When the fund is low, a higher rate is collected. The exact amount to be paid in any given year is based on the fund balance on June 30 of each year.

Effective Jan. 1, 2005, the law will continue adjusting the rate employers pay but would determine the fund balance by comparing the balance on March 31 of any year to the percentage of total wages paid to employees in the previous year. According to nonpartisan House research staff, this has the effect of comparing the balance to the fund's exposure. The more being paid in wages, the more the fund may need to pay out in benefits if unemployment rates rise.

The rate would fluctuate between one-tenth and four-tenths of 1 percent of taxable wages.

Employers who traditionally lay off their employees — such as those in the construction trades — would pay a slightly higher rate, under the bill. The employees themselves, however, wouldn't see a lower benefit amount in the event of a layoff.

Last year the state paid out more than \$1 billion in unemployment benefits to laid-off and unemployed workers.

Rep. Bob Gunther (R-Fairmont) and Sen. Ellen Anderson (DFL-St. Paul) are the sponsors.

2003 Special Session: HF12/SF18*/CH3

Unnecessary agency licensing

Rarely utilized state statutes requiring the licensing of entertainment agencies employing musicians will be repealed through a new law.

Under existing law, entertainment agencies employing three or more artists or groups of artists were to be licensed by the state Department of s Artists were defined as musical artists, musical organizations, musical directors, composers, lyricists, and arrangers.

The annual license fee was \$250 with an additional \$25 filing fee. Also required was submittal of a \$10,000 bond to the secretary of state. In applying for a license, the applicant allows the Labor and Industry Department to investigate the applicant's "character and responsibility," as well as the location at which the entertainment agency aims to do business.

According to April 3 testimony by the department before the House Commerce, Jobs, and Economic Development Policy Committee, the statutes had been rendered obsolete due to the fact that no more than three entertainment agencies had been licensed in the state at any one time. Furthermore, the department had little authority to enforce the statutes.

Grace Schwab, legislative liaison for the department, said the entertainment agency statutes were adopted in 1984, despite the fact that no one seems to know their purpose. "For all practical purposes we don't even license," she said.

The new law takes effect Aug. 1, 2003.

The law was sponsored by Rep. Chris Gerlach (R-Apple Valley) and Sen. Michele Bachmann (R-Stillwater).

HF1132/SF1099*/CH131

License renewal

A new law will require architects, engineers, surveyors, landscape architects, geoscientists, and interior designers to renew their licenses every other year.

Under the law, all licenses and certificates other than in-training certificates, issued by the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design expire at midnight on June 30 of each even-numbered calendar year if not renewed.

Rep. Sondra Erickson (R-Princeton), who sponsored the legislation with Sen. Linda Scheid (DFL-Brooklyn Park), said problems

arose from vague language written in law several years ago and renewal times were different among professions. In an attempt to clarify the renewal process, the law also creates set standards for renewing a lapsed license.

Under the law, an individual may reinstate an expired license upon satisfying all prior continuing education requirements, by paying all the renewal fees due for the current renewal period and those that the license was expired, and by paying a delayed renewal fee in an amount set by the board. The continuing education must be completed within four years immediately prior to reinstatement. Hours that had previously been used to renew the license cannot be used again for renewal or for a certificate to be reinstated.

Exceptions are made for those with a serious illness, injury, or other extenuating circumstances, and include those who have been called to active duty in the military service for a time exceeding 120 consecutive days.

The law is effective May 24, 2003.

HF677*/SF638/CH85

'Hogs, frogs, and jobs'

(See Budget, page 12)

Merger complete, department renamed

(See Development, page 21)

Title protection

(See Health, page 40)

Contract ratification

(See Health, page 41)

Professional board powers

(See Health, page 42)

Benefits adjusted, work plans begun

(See Human Services, page 45)

Extended testing time

(See Industry, page 48)

Health insurance purchasing alliances

(See Insurance, page 49)

Job descriptions

(See Local Government, page 55)

Earning full pay

(See Military, page 57)

Younger referees

(See Recreation, page 57)

Youth officials

(See Recreation, page 57)

Tougher penalties for OSHA violations

(See Safety, page 59)

Coaching contracts
(See Bills in Limbo, page 79)

Job references
(See Bills in Limbo, page 82)

Salary and wage freeze
(See Bills in Limbo, page 82)

Operators as essential employees
(See Bills in Limbo, page 82)

Limiting contract negotiations
(See Bills in Limbo, page 83)

Health, dental coverage
(See Bills in Limbo, page 87)

★ ENERGY

Additional nuclear storage approved

Effective May 30, 2003, a new law will allow more nuclear waste to be stored at the Prairie Island nuclear plant subject to federal license limits for dry cask storage. The law also provides renewable energy objectives, authorizes an innovative energy project in Greater Minnesota, and makes other energy-related adjustments to state law.

The federal license for the dry cask storage facility at Prairie Island, which is located outside of the plant, allows for up to 48 casks. The Legislature approved 17 casks in 1994.

The law authorizes additional storage casks to allow Prairie Island to operate to 2013 and 2014, the respective expiration dates for operation of its two licensed nuclear reactors. Xcel Energy has said the plant could not operate beyond 2007 without additional storage. The last of the current 17 casks were filled in 2002. A pool inside the plant stores spent nuclear fuel rods following their removal from a reactor. (Art. 1, Sec. 2)

The Public Utilities Commission will decide, under the law, on

additional nuclear waste storage for both Prairie Island and the Monticello nuclear plants should Xcel Energy request the storage to allow the plants to operate beyond their current federal licenses. The license for the Monticello plant, which has sufficient pool storage to operate through the end of the current license period and does not have any existing dry cask storage, expires in 2010. License extensions will first have to be approved by the federal Nuclear Regulatory Commission.

Whatever rulings the commission makes will not take effect until June 1 following the legislative session subsequent to the commission's action. If the decision is not overturned or amended by the Legislature during that session, it will stand as ordered.

In addition, the law ratifies the agreement between Xcel Energy and the Mdewakanton Dakota Tribal Council, which governs the American Indian communities near the Prairie Island plant. The settlement provides that the utility give the tribe up to \$2.5 million per year to help the tribe purchase land for members to relocate away from the plant. It may be placed in trust, under the law, but the governor reserves the right to oppose any individual application to place land in trust. (Art. 1, Sec. 3)

The law proposes that Xcel Energy increase funding of a renewable development account for wind, biomass, and hydrogen-based energy development to \$16 million annually during the Prairie Island plant's continued operation. The fund, which is financed through the

utility's rate structure, is now \$8.5 million annually. (Art. 2, Sec. 1)

The utility will be required, under the law, to contribute an additional \$7.5 million each year, if the commission determines that Xcel Energy is not making a good faith effort to move spent fuel from the state.

In addition, up to \$6 million of the renewable energy funds each year must be directed to production incentives for certain facilities, including small wind energy facilities and on-farm biogas reactors.

Five percent of the utility's spending on renewable energy research, estimated at \$1.5 million to \$2 million annually, will be allocated to the University of Minnesota Initiative for Renewable Energy and the Environment. (Art. 2, Sec. 5)

Utilities must also report biennially on their progress toward meeting renewable energy objectives established in 2001. Under that law, each utility must make a good faith effort to generate 10 percent of its electricity from renewable sources by 2015. A key component of the law makes Xcel Energy's renewable energy objective a requirement contingent on a few provisions, rather than allowing a good faith effort to suffice, as it would under previous law.

Under the new law, hydrogen will become a part of the list of renewable energy sources. Among sources already included are wind power, solar power, biomass, and landfill gas. (Art. 2, Secs. 2, 3, 6)



PHOTO BY TOM OLMSCHIED

A new law permits additional nuclear waste storage casks at the Prairie Island nuclear plant. The last of the current 17 casks were filled in 2002. Officials expect that the additional casks will allow the plant to be operational until 2013 and 2014, the expiration dates for operation of its two licensed nuclear reactors.

In conjunction with including hydrogen as a renewable energy source, the law provides for \$10 million in unobligated renewable funds for research and other activities, at the University of Minnesota, regarding hydrogen and renewables. At least \$3 million must go to one of the university's rural campuses. (Art. 2, Sec. 18)

Also, the law will direct three state departments to work together in developing

energy innovation zones and to provide tax breaks and other incentives for companies to develop fuel cells and other hydrogen infrastructure. (Art. 2, Sec. 19)

The law includes “clean energy technology” as a potential energy source that utilities such as Xcel Energy can use to meet a state renewable fuels objective. Xcel is required to provide 2 percent of its electricity from clean energy technology, provided the Public Utilities Commission makes certain findings.

The new law also provides incentives for the development of a plant using this clean coal technology in an energy facility on the Iron Range in northern Minnesota. (Art. 4, Sec. 1)

As defined, clean energy technology “utilizes coal as a primary fuel in a highly efficient combined cycle configuration with significantly reduced sulfur dioxide, nitrogen oxide, particulate, and mercury emissions.” The provision allowing the technology will expire in 2012. (Art. 2, Sec. 4)

In regard to general energy policies in the new law, the Legislative Electric Energy Task Force is directed to study sources of future electric energy resources and report to the full Legislature regarding related opportunities. The initial report will be due Jan. 15, 2005. (Art. 3, Secs. 6-7)

Another measure in the bill prohibits disconnection of power during extreme heat and cold weather. (Art. 3, Secs 1-3)

Rep. Torrey Westrom (R-Elbow Lake) and Sen. Steve Murphy (DFL-Red Wing) were the sponsors.

2003 Special Session: HF9*/SF21/CH11

Saving money

A new law will make it easier for schools and municipalities to enter into long-term energy savings plans.

Effective May 31, 2003, the law will extend the maximum length of a guaranteed energy savings contract from 10 to 15 years. Under a 1983 law, school districts and municipalities can enter into agreements for energy efficiency improvements, such as new lighting and heating and cooling systems. The upgrades are paid from the energy cost savings over a period of time; no upfront cash payment is required. The entity receives the full benefit of lower energy costs after the upgrades have been paid.

Extending the maximum contract length could make it easier for entities to purchase back-up generators, which often can't be paid off in 10 years due to the cost of the machine

and the amount of the rate rebate from the utility company.

The new law will not require that contracts be fixed at 15 years; a lesser number of years will be allowed.

Forty-seven states in the nation have similar laws, with the maximum contract length varying from 10 to 25 years.

Rep. Lynn Wardlow (R-Eagan) and Sen. Steve Kelley (DFL-Hopkins) were the sponsors.

2003 Special Session: HF34/SF27/CH10

ENVIRONMENT



Limiting arsenic in fertilizers

Effective Aug. 1, 2003, fertilizers containing certain levels of arsenic will be illegal in Minnesota under a new law.

The state's agriculture commissioner will be prohibited from licensing or registering any fertilizer containing more than 500 parts per million by weight of arsenic for sale or use in Minnesota, under the new law.

Fertilizer must be registered with the state before it is sold.

Arsenic is a very poisonous chemical element, compounds of which are used in insecticides. Rep. Dan Dorman (R-Albert Lea), the House sponsor, said the legislation was modeled after a similar proposal in Maine directed at fertilizers containing tailings, which are mining waste byproducts.

On a national level, public health and environmental groups have cited a brand of fertilizer called Ironite, saying it contains high levels of arsenic. According to those advocates, Ironite is produced from the mine tailings of a proposed Superfund environmental clean-up site in Arizona and sold to consumers as a lawn and garden fertilizer. The company that produces Ironite maintains that the fertilizer is safe.

Sen. D. Scott Dibble (DFL-Mpls) is the Senate sponsor.

HF258*/SF680/CH33

Solid waste plans

Solid waste managers in 80 Greater Minnesota counties and the Western Lake Superior Sanitary District will be granted some administrative relief, under a new law effective Aug. 1, 2003.

When integrated solid waste planning began in the mid-1980s, it was an evolving

industry, and administrators were required to renew their plans with the state every five years.

The systems are relatively stable now and changing filing requirements to every 10 years will allow solid waste staff to spend more time implementing programs than updating plans, said supporters of the new law.

The new law will modify Office of Environmental Assistance planning rules that solid waste administrators have said do not reflect the demographic, regional, and geographic differences between counties.

Rep. Denny McNamara (R-Hastings) and Sen. Tom Saxhaug (DFL-Grand Rapids) were the sponsors.

HF1054/SF1001*/CH13

Drainage authority alternatives

A new law aims to provide drainage authorities with some alternatives to expensive bridge repairs.

Most county boards in the state also serve as local drainage authorities, with the responsibility to maintain and replace ditches and bridges.

Effective May 24, 2003, the new law will allow drainage authorities to compensate landowners for permanent removal of a private bridge if it would be less expensive than repairing the bridge. This option is available only if landowners agree to the situation and waive any rights to future reconstruction.

The legislation was prompted after estimates to replace a particular Nicollet County bridge over a drainage ditch on private land came in two to three times higher than the estimated \$35,000 for landowner compensation and removal. The drainage authority pursued legislative intervention after the attorney general issued an opinion against the compensation option.

Rep. Howard Swenson (R-Nicollet) and Senate Majority Leader John Hottinger (DFL-St. Peter) sponsored the measure.

HF1257*/SF1195/CH84

Land transactions approved

A new law will authorize a number of state land transactions, re-establish a state minerals commission, and modify the boundaries along a Minneapolis whitewater trail.

The omnibus lands law will grant legislative approval of land sales, exchanges, or acquisitions in the following designated areas:

- Fort Snelling State Park between Minneapolis and St. Paul;
 - Lake Bemidji State Park in north central Minnesota;
 - Tettegouche State Park on the Lake Superior north shore;
 - Iron Range Off-Highway Vehicle Recreation Area in northeastern Minnesota;
 - Paul Bunyan State Forest near Park Rapids in northwestern Minnesota;
 - Savanna State Forest near Jacobson, west of Duluth;
 - Waukenabo State Forest in Aitkin County; and
 - Big Bog State Recreation Area near Upper Red Lake in north-central Minnesota.
- Land is deleted in the following areas:
- Tettegouche State Park;
 - Foot Hills State Forest in north-central Minnesota;
 - Kabetogama State Forest in northeastern Minnesota;
 - Mississippi Headwaters State Forest near Lake Itasca;
 - Red Lake State Forest in north-central Minnesota near Red Lake; and
 - Red Lake Wildlife Management Area. (Secs. 7-12)

The new law will also establish boundaries for Greenleaf State Park in Meeker County, but specifies that the Department of Natural Resources (DNR) may not use the general land acquisition account to pay for the land. (Sec. 6) And the new law authorizes, under certain conditions, various private and public land sales, conveyances, and exchanges in Aitkin, Beltrami, Cass, Crow Wing, Itasca, Koochiching, Lake, Lake of the Woods, Norman, Scott, St. Louis, and Wadena counties. (Secs. 14-33)

Also under the new law, language authorizing a whitewater trail on the Mississippi River in Minneapolis is modified to be less restrictive in its boundary designation. Previously, the statute limited kayakers and others to an area below the Stone Arch Bridge, and the new law will clarify that the trail follows a larger route near St. Anthony Falls. (Sec. 3)

In response to a dispute between the DNR and the Minnesota Waterfowl Association over the documentation of grant money expenditures, the new law alters the way the department administers technical agreements with private farmland owners and local governments relating to Canadian geese hunting and management. (Sec. 13)

Finally, the new law will re-establish the Minerals Coordinating Commission as a

state-supported resource to promote research and diversification of mining assets. (Sec. 5)

Most provisions are effective Aug. 1, 2003, with the exception of the DNR goose management change and certain transactions in Cass, Crow Wing, and St. Louis counties, which are effective June 13, 2003.

An omnibus lands bill passed the House during the regular session, but did not make it out of the Senate. That bill contained several provisions relating to state-owned Permanent School Fund lands within the Boundary Waters Canoe Area Wilderness, including a possible federal land exchange and fee-for-land-use authorization, that were dropped in the special session legislation.

Rep. Larry Howes (R-Walker) and Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored the new law.

2003 Special Session: HF13*/SF9/CH13

Sprinklin' in the rain

A new law aims to reduce water bills and unnecessary irrigation.

All new landscape irrigation systems installed after July 1, 2003, must have mechanisms to prevent sprinklers from operating during rainstorms and at times when the ground is saturated to a pre-programmed level, under the new law. The systems are intended to sense when sprinkling and irrigation is unnecessary and inhibit or interrupt the watering mechanisms.

The average cost of the rainfall sensor is \$30 for a residential system, according to testimony from landscape professionals.

Similar legislation passed the House and Senate in 1999 but was vetoed by then-Gov. Jesse Ventura, who called it an unenforceable government mandate.

The legislation was introduced again at the behest of landscape industry representatives who said they wanted to "level the playing field" in competitive bidding situations, according to House sponsor Rep. Dennis Ozment (R-Rosemount).

Sen. John Marty (DFL-Roseville) is the Senate sponsor.

HF335*/SF781/CH44

Management change

A new law will allow the Department of Natural Resources (DNR) to turn over ownership and management of a portion of the Minnesota Valley State Recreation Area to

Sibley County.

Local residents are interested in expanded recreational opportunities, such as horseback riding trails, but DNR budget reductions have rolled back staff from two to one in the area and park officials are unable to visit the area as often as they would like, according to department testimony.

The new law is effective May 3, 2003, but Sibley County must submit a resolution authorizing the land conveyance. If Sibley County declines to take over the area, the city of Henderson may assume responsibility after submitting a request in the form of a resolution.

The new law specifies that the land will revert to state ownership if the county or city does not keep it open to the general public, but it does authorize the new owners to charge a fee for use of the land or certain services.

Rep. Laura Brod (R-New Prague) and Sen. Thomas Neuville (R-Northfield) sponsored the measure.

HF850*/SF841/CH24

Soil and water policies

The laws governing Minnesota's 91 soil and water conservation districts were first drafted in 1937 in response to Dust Bowl environmental conditions. A new law will update those policy statements to reflect modern land and water management concepts.

Effective Aug. 1, 2003, the new law also will change the petition process to establish, consolidate, divide, or terminate conservation districts.

Previously, the statute read that "improper land use practices have caused serious wind and water erosion of the land of this state, the runoff of polluting materials, increased costs to maintain agricultural productivity, increased energy costs and increased flood damage."

The new law will strike that introduction and replace it with what proponents describe as more positive language.

"Maintaining and conserving the quality of soil and water for the environmental and economic benefits they produce, preventing degradation and restoring degraded soil and water resources of this state contribute greatly to the health, safety, economic well-being, and general welfare of this state and its citizens," reads the new language.

The new law does not refer to "enhancing" the quality of soil and water and it does not grant districts levy authority, as the House version of the bill did upon introduction.

Rep. Ray Cox (R-Northfield) and Sen. Steve Murphy (DFL-Red Wing) sponsored the measure.

HF414*/SF392/CH104

Policy provisions

(See Agriculture, page 9)

'Hogs, frogs, and jobs'

(See Budget, page 12)

Timber sales modernized

(See Business, page 16)

Paying for parks

(See Development, page 21)

Additional nuclear storage

(See Energy, page 28)

Claims bill vetoed, revived

(See Government, page 35)

Creating lake districts

(See Greater Minnesota, page 36)

Watershed district billing authority

(See Greater Minnesota, page 36)

Controlling the cash

(See Local Government, page 55)

Handgun permit law

(See Safety, page 58)

Pesticide fund transfer rejected

(See Vetoed Bills, page 73)

Wetlands dispute vetoed

(See Vetoed Bills, page 73)

Designating fair game

(See Bills in Limbo, page 85)

★ ETHICS

Conflict of interest change

(See Local Government, page 54)

Seeking office as employees

(See Local Government, page 55)

Distorted photographs

(See Bills in Limbo, page 81)

★ FAMILY

Parental history

Effective Aug. 1, 2003, a new law will make it easier for Minnesota's adoptees and their parents to get social and medical background information from biological parents.

Since 1994, the state has required birth families to provide prospective adoptive parents with detailed social and medical histories of their families. That information is collected on a particular form developed by the Department of Human Services that is designed not to reveal any personally identifiable information about the biological parents or birth families.

The new law states that when an adopted person or adoptive parent requests the birth family's social and medical history adoption agencies must provide the information collected on that form.

In addition, agencies will have to use the same form when requesting information from birth parents who had not previously given it.

Rep. Lynne Osterman (R-New Hope), an adoptee herself, told a House committee that she has had a very difficult time tracking down important medical information from her birth parents. She said a lack of uniform reporting requirements compound the problem.

The information can be useful in determining the best medical treatments for a given individual based on family medical history.

Rep. Stephanie Olsen (R-Brooklyn Park) and Sen. David Knutson (R-Burnsville) sponsored the legislation.

HF653/SF727*/CH68

Custody changes

A new law will allow parents to give up custody of a child to someone outside their family, as long as certain parties all agree to the change.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Richard Cohen (DFL-St. Paul), the new law will change a law that currently only allows parents to give custody of a child to another family member. Both parents must agree with the decision.

The law also corrects a "misunderstanding" between the Legislature and the courts over a law allowing *de facto* custody of children. Under a law passed in 2002, individuals or couples who have cared for a child for one year or more without a parent's active participation can take custody of that child. For children under age 3, the time limit is six months.

Courts applying the 2002 law held that the time a child spent with the third party custodian must be consecutive. Holberg said this was not the intent of the law. She said there are instances where children lived the entire six-month or one-year time period specified under the law with their grandparents, but if

they traveled for a few weeks for a vacation, the courts considered that a break and they would no longer qualify for the law's provisions. The new law clarifies that the six-month or one-year time period need not be consecutive.

The law is effective Aug. 1, 2003.

HF457/SF356*/CH7

Substitute teachers

(See Children, page 16)

Correcting burial errors

(See Consumers, page 18)

School funding

(See Education, page 22)

Abortion consent measure

(See Health, page 37)

Medical assistance choice

(See Health, page 39)

MHFA housekeeping

(See Housing, page 39)

Benefits adjusted, work plans begun

(See Human Services, page 45)

Managed care, programming projects

(See Human Services, page 47)

Guardians for vulnerable Minnesotans

(See Law, page 53)

Common provisions

(See Taxes, page 63)

Enhancing abuse penalty

(See Bills in Limbo, page 76)

Student survey consent

(See Bills in Limbo, page 79)

Child support changes stall

(See Bills in Limbo, page 83)

Surrogate pregnancies

(See Bills in Limbo, page 83)

Limiting family planning grants

(See Bills in Limbo, page 87)

Crib safety

(See Bills in Limbo, page 91)

★ GAMBLING

Linking bingo games

A new law will allow multiple bingo sites to be linked electronically, potentially allowing participants to win a larger pool of money.

Currently, single site bingo jackpots are

capped at \$200 per game, but supporters say the prize could increase to \$8,000 to \$9,000 if several halls link together.

Those provisions were amended onto the legislation, which House sponsor Rep. Carl Jacobson (R-Vadnais Heights) described on the House floor as “clarifying language and definitions” for the Minnesota Gambling Control Board. Sen. Jim Vickerman (DFL-Tracy) was the Senate sponsor.

The most significant change to current law is allowing rent paid by an organization for space leased for gambling to be based on a percentage of gross profit.

The new law also makes changes in existing law that authorizes school districts and booster groups to conduct raffles to support high school programs. Raffle sponsors must now sell all tickets for the same price, and only to people age 18 and older. Raffle sponsors must also report the amount of gross receipts received, the total expenses for the raffles, the total prizes awarded, and an accounting of the expenditures from the gross receipts of the raffles to the gambling control board if a raffle exceeds \$12,000 in gross receipts in a calendar year, or \$5,000 in a single raffle.

The law takes effect Aug. 1, 2003.
HF1244*/SF1153/CH110

Funding state departments
(See Government, page 32)

Don't bet on a racino...yet
(See Bills in Limbo, page 84)

Another tribal casino
(See Bills in Limbo, page 84)

Sports boards
(See Bills in Limbo, page 84)

Authorizing sports fantasy games
(See Bills in Limbo, page 85)

Don't bet on it
(See Bills in Limbo, page 85)

★ **GAME & FISH**

'Hogs, frogs, and jobs'
(See Budget, page 12)

Designating fair game
(See Bills in Limbo, page 85)

★ **GOVERNMENT**

Funding state departments, offices

The omnibus state government finance law allocates more than \$550.9 million in general fund dollars for state agencies in the 2004-05 biennium.

The total amount in the law calls for nearly \$637.6 million in spending, including various special funds.

Rep. Bill Haas (R-Champlin) and Sen. Jane Ranum (DFL-Mpls) were the sponsors of the measure.

The following are highlights of the law, effective July 1, 2003, unless otherwise noted.

2003 Special Session: HF1*/SF1/CH1

Appropriations

The law represents a 10 percent to 15 percent reduction from the 2002-03 biennium for most state departments and constitutional offices.

Among other reductions is a 9.6 percent cut for the Legislature, including a House reduction of 8.5 percent and a Senate cut of 9 percent. Reductions to the Legislative Coordinating Commission equal about 15 percent, including the elimination of the Subcommittee on Geographic Information Systems. In addition, legislative television funding is now appropriated to the commission. (Art. 1, Sec. 2)

Under the law, the Lawful Gambling Control Board and Minnesota Racing Commission will become self-supporting through charged fees. Each is given some money in fiscal year 2004 to begin the conversion, but the organizations must repay those funds and support themselves in 2005. (Art. 1, Secs. 21-22 and Art. 2, Secs. 69-71)

New policies, studies

Along with the appropriations, the law contains a number of policy provisions.

For example, the commissioner of finance is directed to reduce general fund appropriations to the executive branch state agencies by \$17.6 million. The amount cannot exceed \$2.5 million to the Minnesota State Colleges and Universities system, and any cuts to the constitutional officers must be the same percentage of each officer's general fund appropriation. (Art. 1, Sec. 30)

Under the law, 911 emergency telecommunications services will be transferred from the Department of Public Safety to the Department of Administration and the fee will be increased by 7 cents, from 33 cents to 40 cents.

Total appropriations for the program is \$52.7 million including \$15.5 million from the special revenue fund for public safety answering points.

In addition, the Public Safety Radio Planning Commission will study and make recommendations by Jan. 15, 2004 on the feasibility of consolidating public safety answering points. Minimum standards for answering points and possible funding sources for consolidation are also to be recommended. (Art. 1, Sec. 29)

Cost saving measures

A main theme in Gov. Tim Pawlenty's budget documents was the need for state government to do more with fewer resources. The law features a number of provisions to encourage that idea.

The state's finance commissioner may require direct deposit for all state employees paid by the state payroll system. In addition, recipients of payments from the state treasury may be required to supply bank routing information so payments can be made electronically. Previously, only those receiving more than 10 payments or those receiving in excess of \$10,000 annually had to supply the information. (Art. 2, Secs. 35-36)

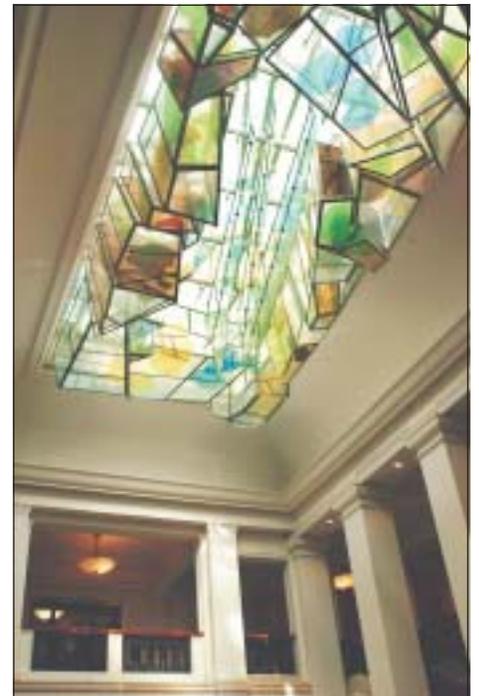


PHOTO BY ANDREW VONBANK

The cost for art in newly constructed or renovated state buildings is capped at the lesser of \$100,000 or 1 percent of the project's total cost, under new law. Previous law contained just the 1 percent threshold.

Art in newly constructed or renovated state buildings is capped at the lesser of \$100,000 or 1 percent of the project's total cost. Previous law contained just the 1 percent threshold. The amount available for administration of the program is limited to 10 percent of the total amount available for art, under the law. (Art. 2, Sec. 40)

The state's central duplication and printing agency is eliminated. PrintComm closed late last year, but reopened after a judge ordered the move. It was losing money each month of operation. (Art. 2, Sec. 44)

The use of reverse auction is expanded to include engineering design and computer services. Previously, the electronic bidding process where bidders can see what competitors are offering and then lower their price in order to win the contract was used for some goods, such as computer paper and metal for license plates. (Art. 2, Sec. 56)

The commissioner of administration must determine whether it is cost-effective for agencies to develop and use shared information and communications technology systems for the delivery of electronic government services. (Art. 2, Sec. 58)

The commissioner of employee relations must evaluate whether joining a multi-state or multi-agency drug purchasing program would save money and improve operations of drug benefit programs administered by the department and other state agencies. (Art. 2, Sec. 61)

Gambling issues, fees

In addition to increasing a number of fees relating to gambling distributors, pull-tab manufacturers, and bingo hall licenses, the law increases the value of raffle prizes that can be awarded by an organization, such as a school,

without a license from the Minnesota Lawful Gambling Control Board. (Art. 2, Secs. 87, 91, 94, 96, 98)

The law also provides that beginning Jan. 1, 2004, a licensed organization may not put into play a pull-tab or tipboard deal that provides for a prize payout of greater than 85 percent of the ideal gross of the deal. (Art. 2, Sec. 100)

All unclaimed prize money from the Minnesota State Lottery will now go to the state's general fund. Previously, 42 cents of each dollar went back into the general fund, 30 cents went to the lottery's prize pool, and 28 cents went to the environment and natural resources fund. (Art. 2, Sec. 101)

In the wake of additional gaming facility bills heard by the Legislature in 2003, a provision in the law calls for the state lottery director to contract with an independent entity to perform an economic analysis of the effects a new facility would have on existing tribal gaming facilities located in or within 100 miles of the metropolitan area. This would only occur if the Legislature authorizes the lottery to operate a gaming facility in the metropolitan area. (Art. 2, Sec. 129)

Contracts for services

The law contains a number of provisions relating to practices of hiring outside contractors for state-level professional and technical services, including:

- a contract may be extended for up to 10 years if it is determined the contractor will incur upfront costs that cannot be recovered within a two-year period and will provide cost savings to the state that will be amortized over the life of the contract;
- new rules are in place requiring the administration commissioner to approve a contract, before implementation, in most cases;
- the attorney general must periodically review and evaluate a sample of state agency contracts to ensure compliance;



PHOTO BY TOM OLMSCHIED

The omnibus state government finance law provides \$195,000 each year for equipment grants to Minnesota Public Radio, Inc. to help stations in Greater Minnesota.

- the law repeals an existing legal provision that before a contract is approved it must be determined that no agency has previously performed or contracted for tasks that would be substantially duplicated by the contract; and
- an agency must provide a summary of work done under a contract, including an appraisal of timeliness, quality, cost, and overall performance. (Art. 2, Secs. 45-55)

Lobbyists

For lobbyists, the law changes the legal definition of a lobbyist to include a person who is engaged for pay or other consideration of more than \$3,000 from all sources for the purpose of attempting to influence legislative or administrative action. The new law also excludes certain types of individuals from that definition, such as those who voluntarily lobby for a campaign. On Jan. 15, 2004 a one-time fee will be charged to lobbyists for each group a lobbyist is representing. The Board of Campaign Finance and Public Disclosure must consult with specified groups to develop an equitable fee schedule to recover the board's regulatory costs. (Art. 2, Secs. 18, 24, 134)

The law also states a lobbyist must file a registration form with the board within five days of being engaged by a new individual, association, political subdivision, or higher education system. (Art. 2, Sec. 21)

Insurance changes

The law prohibits government-owned or controlled insurers from doing business in Minnesota. An exception is made if a company's sole business in Minnesota involves providing workers' compensation to a business located in the insurer's home state



PHOTO BY ANDREW VONBANK

All unclaimed lottery prize money will go into the state's general fund, under a new law. Previously, 42 cents of each dollar went into the general fund, 30 cents went to the lottery's prize pool, and 28 cents went to the environment and natural resources fund.

whose employees may be eligible for Minnesota's workers' compensation benefits because they could get injured while working in Minnesota. This exception only holds true if the employer's operations in the state are for less than 30 consecutive days and the employer has no other significant contacts in the state.

Those in Minnesota's insurance industry said that North Dakota's selling of insurance raised concern. An official there said offering the coverage was necessary because a reciprocity agreement that state has with a number of states covers employees in an event of an incident, but not in Minnesota where there is no reciprocity agreement. As a result employees of North Dakota companies working in this state were considered uninsured, and those companies could not obtain competitive Minnesota coverage for incidental exposures. (Art. 4, Sec. 1)

Additionally, the law orders a study to review the availability and cost to ambulance services of vehicle and malpractice insurance and factors influencing those costs. A recommendation on ways to ensure availability of affordable insurance is due to the Legislature by Jan. 10, 2004. (Art. 4, Sec. 2)

Other provisions

The law calls for the sale of at least \$5.5 million worth of state land with the proceeds deposited in the state's general fund. Money is provided, as a loan, to the Administration Department for the costs associated with selling the land. (Art. 1, Sec. 31)

The governor is permitted to employ legal counsel other than the attorney general if he or she believes it is in the public's interest to do so because the attorney general is in any way interested adversely to the state. (Art. 2, Sec. 17)

Administrative law judges and compensation judges in the Office of Administrative Hearings will be required to retire at age 70. (Art. 2, Sec. 30)

The Office of Administrative Hearings no longer must maintain a workers' compensation settlement division office in Detroit Lakes. Offices are now in the Twin Cities metropolitan area and Duluth. (Art. 2, Sec. 121)

The Department of Public Safety must seek grant funding to study the state's emergency medical service preparedness and its relationship to the department's overall homeland security planning. If no grants are awarded there will be no study. (Art. 2, Sec. 124)

Local government representatives are to meet with newspaper representatives and report to the Legislature by Jan. 15, 2004 on

legal publication requirements and consequences of any potential changes. Among the issues expected to be discussed are the publishing of legal notices on a city Web site with just a summary put in the local newspaper. (Art. 2, Sec. 131)

Public and private data

A new law will make a number of changes to the way Minnesota governments collect and use some of the wide variety of data they collect from the public. The changes are included in a larger law making administrative changes to the state Department of Administration. Most provisions take effect Aug. 1, 2003, with exceptions noted below.

Effective May 31, 2003, names, addresses, e-mail addresses, and telephone numbers people submit in order to receive communications from the state lottery will be classified as private data, to be used only by the lottery. (Art. 2, Sec. 18)

Another provision will protect data collected by state Web sites. Information actively submitted by Web site users or passively collected from users' computers will be classified as nonpublic information to be used only for evaluating the effectiveness of its Web services or for preventing people from "hacking" or tampering with those sites.

Users must also be warned before state Web sites place a "cookie" on their computer. Cookies are used to track users' preferences and to customize the content of a site accordingly. Refusing to accept a cookie will not prohibit someone from using a Web site, according to the law. (Art. 2, Sec. 4)

Information on the state archeologist's "Unplanned Burial Site and Earthworks in Minnesota" Web site will be reclassified as security information, meaning its dissemination to the public could jeopardize the security of those archeological sites. (Art. 2, Sec. 17)

Though crime prevention maps and information about members of block clubs are classified in the same manner, the new law will make the location of National Night Out events public data at the request of a community group that wanted to be able to legally publicize the community crime prevention event. (Art. 2, Sec. 7)

Data about nonpublic school students will also become private under the law. It will prohibit public school districts from releasing contact information about home-schooled students and their parents without permission from the parents. The section will also apply to students attending nonpublic schools. (Art. 2, Sec. 5)

Effective Jan. 1, 2004, the state Department of Veterans Affairs will have to more closely guard veterans' discharge information under the law. Any information relating to discharges from military service could only be released to the veteran themselves, their families, or a legal guardian. (See related story, page 66.) (Art. 2, Sec. 15)

While much of the law restricts the dissemination of information, some of its provisions will expand governments' authority to pass along data.

For example, it will allow county health, welfare, human services, corrections, and veterans' service providers to share basic contact information about the people they serve among themselves without the consent of the subject. (Art. 2, Sec. 9)

Names and addresses of people receiving government assistance to rehabilitate housing will be made public. Current law applies only to people receiving aid to purchase housing. The law states that if the recipient were a partnership or a corporation, the names and addresses of the partners or corporate officers become public data along with the value of the assistance they received. (Art. 2, Sec. 10)

The law will also raise requirements governing when a state agency and higher education institution must use the designer selection board process for projects. Previously this process was required for projects estimated to cost \$750,000 or more or carry fees of \$60,000 or more. The new law raises that threshold to a \$2 million project cost and \$200,000 in fees. (Art. 1, Sec. 4)

To address the use of outside vendors for professional and technical services, a provision in the law requires an annual report to identify which contracts were awarded without following the normal solicitation process because officials determined only one source could provide the services. The agency involved must also explain why only one source was available. (Art. 1, Sec. 7)

The data practices portions of the law were originally part of HF739, sponsored by Rep. Dick Borrell (R-Waverly). The entire measure, sponsored by Rep. Philip Krinkie (R-Shoreview) and Sen. Sharon Marko (DFL-Cottage Grove), was re-introduced during the 2003 special session and passed by both bodies.

2003 Special Session: HF29/SF10*/CH8

State treasurer duties

The transfer of duties of the former state treasurer position to the Department of Finance is now law.

The office was officially abolished in January 2003 by a constitutional amendment. Since then the office was handling the treasurer's duties per an executive reorganization order.

Sponsored by Rep. Jim Rhodes (R-St. Louis Park) and Sen. Geoff Michel (R-Edina), the law clarifies the duties and makes several other changes to the Department of Finance. It is effective May 28, 2003.

For example, previous law mandated that the department submit a report to the Legislature regarding the revenue the state collects from fees by January of each odd-numbered year. However, that deadline was missed in 2003.

The law changes the deadline to Nov. 30 of each even numbered year. That way the Legislature has information to determine whether fees should be raised or lowered prior to session.

Other changes include:

- requiring the department's state budget format to include actual expenditures and receipts for the most recent fiscal year, instead of the two most recent fiscal years;
- providing that an agency need not charge interest on a debt if the finance commissioner approves the agency determination that costs of charging interest exceed the benefit;
- allowing state employees to have funds deposited directly into more than one financial institution; and
- permitting the finance commissioner to require direct deposit of pay for all state employees.

HF943*/SF997/CH112

Cost disclosure

Effective July 1, 2003, a new law adjusts state agency requirements dealing with administrative rules.

When a state agency proposes a rule change, the Statement of Need and Reasonableness must specify the portion of the total costs of the rule that will be borne by identifiable categories of affected parties, such as separate classes of governmental units, businesses, or individuals. The costs of not adopting the proposed rule must also be specified.

Under prior law, the Statement of Need and Reasonableness was required to identify the total costs associated with a proposed rule change, but there was no requirement that the agency list the portion of total costs affecting

each category of affected parties.

An example under the new law, said House sponsor Rep. Marty Seifert (R-Marshall) is, "If a Department of Health rule comes down in the rulemaking process and they are going to mandate something to our nursing homes, they have to spell that out in the Statement of Need and Reasonableness, or if we have the Department of Agriculture mandating a rule on farmers, they are to identify the probable costs that will be borne by the farmer."

Administrative rules enacted by state agencies have the full force of law.

Sen. Don Betzold (DFL-Fridley) was the Senate sponsor.

HF64/SF61*/CH3

Claims bill vetoed, revived

A new law will authorize the payment of \$162,950 in various claims against the state.

Each year, a joint House-Senate Subcommittee on Claims meets to determine which petitions will be funded. All state agencies are eligible to receive funding to cover the claims.

Gov. Tim Pawlenty vetoed a claims bill (HF679/SF552*/CH88) passed at the end of the regular session that contained a provision authorizing an additional \$26,000 to reimburse a Nicollet family. The claim arose after the Department of Natural Resources (DNR) removed a drain tiling system in a dispute over a wetlands restoration order. In his veto message, Pawlenty said the bill would set a "terrible precedent for wetlands protection." (See related story, page 73.)

However, the legislation, minus the offending provision, was later revived in the special session and signed into law. It is effective June 9, 2003.

An environment-related provision retained in the new law includes a \$33,858 payment to Craig Waddell of Remer, Minn., for losses due to a state-imposed moratorium against raising sunken logs. The 2001 Legislature reversed a law passed the previous year that allowed the commercial recovery of sunken logs after the DNR and lake associations expressed concerns that the practice might cause environmental damage.

Other sections of the new law approve the following:

- \$2,500 for the Department of Transportation to pay Daniel and Florence Piekarski of Little Falls, for the costs of converting to a municipal water system because of contaminated groundwater;

- \$38,843 to the Department of Revenue for reimbursement to Forest Pharmaceuticals, Inc., of St. Louis, Mo., for overpayment of MinnesotaCare taxes;

- \$33,190 for the Office of the Attorney General to settle a claim that was not fully covered by the Client Security Board; and

- \$54,559 to the Department of Corrections for various inmate medical claims.

Rep. Bruce Anderson (R-Buffalo Township) and Sen. Wes Skoglund (DFL-Mpls) sponsored the legislation.

2003 Special Session: HF57*/SFnone/CH15

Capitol planning board clarifications

The Capitol Area Architectural and Planning Board is designated by law to preserve and enhance the dignity, beauty, and architectural integrity of the State Capitol complex.

A new law provides clarifying language with regard to the board, which occasionally occurs when duplicative language is found in legislation. The law simply removes redundant and obsolete language, and simplifies grammar and syntax without changing the meaning of legal requirements governing the board.

Among the 10-member board's duties are:

- to protect, enhance, and increase the open spaces within the capitol area when considered necessary and desirable to improve the public enjoyment of them;
- to develop proper approaches to the capitol area for pedestrians, the highway system, and mass transit system so that the area achieves its maximum importance and accessibility; and
- to establish flexible framework for growth of the capitol buildings in keeping with the spirit of the original design.

Board members consist of the lieutenant governor, four gubernatorial appointees, one person chosen by the House, one chosen by the Senate, and three chosen by the mayor of St. Paul with the advice and consent of the city council. Of the trio, one must be a resident of the planning council district that includes the capitol area. A three-member advisory committee oversees the projects of the board.

Gov. Tim Pawlenty recommended moving the board into the Department of Administration "to seek efficiencies while maintaining core services." The department provides some support services to the board, and many of the board's authorities have functional relationships with the divisions of the State Building Construction and Plant Management within

the department.

There was fear the board would become political if the move were made, said Nancy Stark, the board's executive secretary. Ultimately, the board was left as a nonpartisan stand-alone organization.

Rep. Dan Severson (R-Sauk Rapids) and Sen. Don Betzold (DFL-Fridley) were the sponsors of the new law, which is effective Aug. 1, 2003.

HF827/SF768*/CH17

In honor of Gov. Freeman

(See Agriculture, page 9)

2003 adjustments

(See Budget, page 14)

Statements allowed

(See Crime, page 19)

Death certificate issuance

(See Crime, page 20)

Merger complete, department renamed

(See Development, page 21)

Changing a department name

(See Education, page 25)

Unnecessary agency licensing

(See Employment, page 27)

Contract ratification

(See Health, page 41)

Insurance guaranty changes

(See Insurance, page 49)

Clarifying interpretation

(See Local Government, page 55)

Met Council, legislative changes

(See Metro Affairs, page 56)

Earning full pay

(See Military, page 57)

Wetlands dispute vetoed

(See Vetoed Bills, page 73)

State agency rulemaking, local costs

(See Vetoed Bills, page 73)

Salary and wage freeze

(See Bills in Limbo, page 82)

Limiting contract negotiations

(See Bills in Limbo, page 83)

Don't bet on a racino...yet

(See Bills in Limbo, page 84)

Health, dental coverage

(See Bills in Limbo, page 87)

GREATER MINNESOTA



Creating lake districts

A larger percentage of lake property owners will have to sign petitions of consent in order to form special lake improvement districts to initiate water quality improvement projects, under a new law effective May 24, 2003.

Lake improvement districts may be formed in defined geographic areas for the purpose of improving water quality. The districts can be formed through three methods: initiation by a county board acting alone or in conjunction with another county; by the Department of Natural Resources commissioner, should the petition be rejected by the county board; and by a petition to the county board. Previously, only 26 percent of the relevant property owners needed to sign a petition for the provision to be valid.

Sponsored by Rep. Mark Olson (R-Big Lake) and Sen. Dallas Sams (DFL-Staples), the new law increases the minimum required property owner signatures to 51 percent.

The former percentage was "far from the majority needed," Olson said on the House floor. Securing a majority from the start, he added, would better assure the success of a lake improvement district.

Wisconsin, which enacted lake improvement district legislation in the 1970s around the same time as Minnesota, counts 200 lake improvement districts, according to Olson. Minnesota claims only 14. The difference is

that Wisconsin requires a majority of property owner signatures.

HF582/SF857*/CH91

Watershed district billing authority

A new law will allow the Clearwater River Watershed District to charge for disposing of sewage and other waste.

The Clearwater River Watershed District encompasses the drainage area of the Clearwater River in central Minnesota, some 160 square miles, including parts of Meeker, Stearns, and Wright counties.

Effective Aug. 1, 2003, the new law will give the watershed district authority to charge users for sewer maintenance expenses on a monthly or quarterly basis. Previously, the watershed district had to use their assessment authority.

The new law also will allow overdue charges to be sent to and collected by the county.

Rep. Mark Olson (R-Big Lake) and Sen. Steve Dille (R-Dassel) sponsored the measure. HF837*/SF1054/CH83

Regulating warranty work

(See Agriculture, page 10)

\$231 million law signed

(See Bonding, page 10)

'Hogs, frogs, and jobs'

(See Budget, page 12)



PHOTO BY TOM OLMSCHIED

A larger percentage of lake property owners will have to sign petitions of consent in order to form special lake improvement districts to initiate water quality improvement projects, under a new law.

School funding

(See Education, page 22)

Solid waste plans

(See Environment, page 29)

Drainage authority alternatives

(See Environment, page 29)

Land transactions approved

(See Environment, page 29)

Management change

(See Environment, page 30)

Seeking office as employees

(See Local Government, page 55)

State highway transfers

(See Transportation, page 66)

Wetlands dispute vetoed

(See Vetoed Bills, page 73)

Another tribal casino

(See Bills in Limbo, page 84)

Increasing rural speed limits

(See Bills in Limbo, page 86)

Nanotechnology institute

(See Bills in Limbo, page 94)

★ HEALTH

Abortion consent and procedure

Effective July 1, 2003, a new law will govern what women must do to provide informed consent to obtain an abortion and what information physicians must provide to facilitate that consent.

The law also appropriates \$488,000 in 2004-05 to implement requirements of the law.

It will require Minnesota abortion providers to supply women with specific kinds of information at least 24 hours before performing abortions.

That information includes:

- risks associated with the abortion procedure;
- the probable age of the fetus at the time of the abortion;
- the medical risks associated with carrying a child to term;
- possible availability of Medical Assistance benefits for prenatal, childbirth, and neonatal costs;
- financial responsibility of the child's father; and
- probable anatomical and physiological characteristics of the child.

Women seeking an abortion will be required to certify in writing that they have received this information and that they have had ample time to review the information. Once the doctor receives that written certification, the woman will have given informed consent, under the law.

The state Department of Health must also provide printed and Internet-based information on the following:

- names and contact information for organizations providing pregnancy, childbirth, child-rearing and adoption services;
- anatomical and physiological characteristics of the unborn child in two-week increments;
- descriptions of abortion methods used and the medical risks associated with them; and
- nervous system development characteristics of an unborn child of 20 weeks or more and information regarding response to pain.

The new law would apply to all abortions, with the exception of those performed on an emergency basis, the conditions of which are laid out in the law.

Physicians who perform abortions will also have to submit annual reports indicating how many of their patients received the information, how they received it, and how many went on to have an abortion.

The new law also provides civil remedies when an abortion was performed or attempted without complying with the provisions of the law.

The law states that if it is challenged, the state Supreme Court will have original jurisdiction in the matter. Should the court strike down one part of the law, the rest will remain in effect.

Rep. Marty Seifert (R-Marshall) and Sen. Steve Dille (R-Dassel) sponsored the law. Initially, the measure was sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Jim Vickerman (DFL-Tracy).

HF94/SF187*/CH14

Reporting medical errors

A new law will create a statewide reporting system for medical errors and other adverse health care events.

Rep. Lynda Boudreau (R-Faribault), who sponsored the legislation with Sen. Steve Kelley (DFL-Hopkins), said the law is needed because Minnesota's hospitals are not as safe as they should be

Rep. Thomas Huntley (DFL-Duluth) said anywhere from 50,000 to 98,000 Americans die each year because of mistakes made in hospitals, making it a leading cause of death in the nation.

Effective Aug. 1, 2003, the law will give the Minnesota Department of Health authority to collect information and create a database of those events in order to find ways to prevent them in the future.

It identifies six categories of reportable events:

- surgical, including surgery performed on the wrong body part or leaving a foreign object in a patient;
- product, including a malfunctioning device or contaminated medications;
- patient protection, including discharging babies to the wrong person or patients going unaccounted for more than four hours;
- case management, including administering a wrong blood type or other medical errors;
- environmental, including burns, electric shock, or falls; and
- criminal, including care by someone impersonating a doctor, kidnapping, or sexual assault.

The information will include data about the hospital reporting it, but no personally identifiable information about patients involved. The information will not be admissible in court cases, including malpractice suits or settlements.

During testimony in a House committee, Dr. Gordon Mosser, executive director of the Institute for Clinical Systems Improvement, said the root cause of harm in hospitals is not the errors themselves but the systems that allow those errors to happen. As an example, he told of a pharmacist dispensing the wrong medication to a patient because a clerk transcribed the doctor's written prescription incorrectly. While the clerk caused the error, hospitals and pharmacies would be wise to switch to an electronic prescription system, eliminating at least one point of possible error, he said.

HF1001/SF1019*/CH99

Assuring long-term care coverage

A new law will give state protection to holders of long-term care insurance in the event their insurer becomes bankrupt.

Effective April 24, 2003, the new law puts long-term care insurance in the same category as health and life insurance. Under Minnesota law, if a company providing those types of insurance goes bankrupt, the state protects its clients by ensuring up to \$300,000 in claims under the Minnesota Life and Health Insurance Guaranty Association.

The association is funded by money collected from the insurance companies whose policies it protects.

Rep. Greg Davids (R-Preston), House sponsor of the law, said he offered it to clear up potential confusion caused because long-term care was not explicitly covered under that protection.

Long-term care insurance covers costs associated with nursing home care and home health care costs. Only a small percentage of Minnesotans currently have the insurance, Davids said. Many legislators have said they want to find ways to increase the use of long-term care insurance to help reduce state health care costs for the elderly.

Sen. Ellen Anderson (DFL-St. Paul) was the Senate sponsor.

HF51*/SF537/CH19



PHOTO BY TOM OLMSCHIED

Organizations that provide care for people with Alzheimer's disease will have to ensure their staff is trained to work with Alzheimer's patients, under a new law.

Alzheimer's training

Organizations that provide care for people with Alzheimer's disease will have to ensure their staff is trained to work with Alzheimer's patients, under a new law.

Effective Aug. 1, 2003, direct care staff and supervisors working in nursing homes, home care, and adult day care facilities will have to be trained in caring for people with dementia, according to the law. That training will include an explanation of Alzheimer's disease and related disorders, assistance with activities of daily living, problem solving with challenging behaviors, and appropriate communication skills.

Each organization will have to provide consumers with a written description of the nature and frequency of their staff's training.

Supporters said the law is a matter of consumer protection for patients and their families, because some organizations have advertised Alzheimer's disease services they are not qualified to deliver.

Rep. Jim Abeler (R-Anoka) and Sen. Linda Higgins (DFL-Mpls) were the sponsors.

HF410/SF433*/CH37

Defining commitment examiners

A new law will make changes to definitions associated with civil commitment proceedings, effective Aug. 1, 2003.

Civil commitment proceedings involve legal actions, typically initiated by family members or guardians, to obtain mental health or

chemical dependency treatment in a confined facility for individuals.

Under the new law, an examiner may be someone who either practices diagnosis or assessment or actively treats mental illness. Previously, an examiner was more limited to those who diagnose disorders, including a licensed physician or psychologist, and state statute did not specify that treatment professionals could serve as examiners.

Said House sponsor, Rep. Chris DeLaForest (R-Andover), the prior definition was "unnecessarily excluding qualified people from serving as examiners."

In addition, the law allows emergency room nurses to sign 72-hour holds for a mentally ill person. Previously, such an action required a law enforcement officer's approval, which often delayed the action or pulled officers away from other more pressing duties.

Sen. Leo Foley (DFL-Coon Rapids) sponsored the Senate version.

HF678/SF578*/CH22

Allowing prescriptions

A new law will increase the types of medications Minnesota's optometrists may prescribe to their patients.



PHOTO BY ANDREW VON BANK

A new law increases the types of medications Minnesota optometrists may prescribe to their patients. In 1993, legislators gave them authority to prescribe topical medications such as eye drops to patients. The new law allows them to also prescribe certain oral medications.

The law extends to optometrists some of the prescribing authority currently reserved for ophthalmologists, who hold medical degrees. Optometrists, who are not medical doctors but hold degrees in optometry, traditionally specialize in prescribing glasses and contact lenses. In 1993, legislators gave them authority to prescribe

topical medications such as eye drops to patients. Effective Aug. 1, 2003, the new law allows them to prescribe certain oral medications, as well.

House sponsor, Rep. Bud Nornes (R-Fergus Falls) framed the legislation as a way to reduce medical costs and allow greater access to care by providing more places for patients to receive their necessary prescriptions.

In his view, too many patients are sent to expensive medical doctors for prescriptions optometrists could easily write themselves, he said. In a House committee, representatives of the Minnesota Optometric Association said oral medications to deal with eye conditions fall within optometrists' realm of expertise and most states already grant such authority.

A compromise contained in the law limits the scope of the new authority to less powerful oral medications. Optometrists still cannot prescribe medications containing strong narcotics, like Tylenol III, according to the law.

The compromise came about because opponents said the legislation further blurs the line between optometrists and ophthalmologists and could result in prescription of drugs that help eye conditions but also have harmful effects on other parts of the body. Some suggested optometrists ultimately want to enter the lucrative laser eye surgery market.

Sen. D. Scott Dibble (DFL-Mpls) sponsored the legislation in the Senate.

HF373/SF418*/CH62

Medical assistance choice

Effective July 1, 2003, a new law will give certain adoptive families a choice between two types of state medical assistance for their adopted children. The act removes the authority for the Department of Human Services to require children eligible for adoption assistance to receive medical assistance services through prepaid health plans.

The law will allow adopted children eligible for government subsidized health care because of medical or rehabilitative needs to continue to access the same doctors or therapists they had prior to adoption through the fee-for-service system. In addition, existing law already allows for families to receive adoption assistance, regardless of their financial situation, for non-medical costs related to adopting special needs children. Parents will be able to voluntarily enroll their children in the prepaid system.

Under the fee-for-service system, the Department of Human Services directly reimburses health care providers at rates specified

by state law. Under the Prepaid Medical Assistance Program, the state pays private sector health plans a flat rate for each enrollee and the plans pay the health care costs based on fees worked out with the providers.

Rep. Marty Seifert (R-Marshall) and Sen. Dennis Frederickson (R-New Ulm) sponsored the law.

HF151*/SF396/CH101

Administering immunizations

Minnesota pharmacists will be allowed to administer two common immunizations, under a new law.

Effective July 1, 2003, pharmacists with proper permission and training will be allowed to give influenza and pneumococcal vaccines to adults. Pharmacists administering the immunizations will have to do so under agreement with a licensed physician.

According to testimony from pharmacist groups, they have long been involved in promoting and educating people about the value of immunizations. In addition, the industry indicated there have been increases in immunization rates in the 36 other states that currently allow pharmacists to immunize patients.

Additionally, new pharmacists are already trained in administering vaccinations as part of graduate school curriculum, according to testimony.

Rep. Jim Abeler (R-Anoka), who sponsored the law with Sen. Linda Higgins (DFL-Mpls), said the goal of the law is to be able to immunize more senior citizens, but it allows pharmacists to vaccinate anyone over age 18. Any vaccinations performed will have to be reported to a patient's primary physician.

An additional provision of the law establishes a board of licensed professional counselors to implement and oversee a new licensure and oversight procedure for professional counselors. That board will also regulate alcohol and drug counselors, effective July 1, 2004. Boards regulating marriage and family therapists must report to the Legislature regarding

whether the new board should also regulate those professions.

Language in the law allows people renewing an occupational therapy license to avoid a late-fee if they have held an equivalent license in another state or jurisdiction. Normally, a \$25 late fee is applied if an occupational therapy license is not renewed within four years after expiration.

Occupational therapists use purposeful activity to maximize the health and independence of people with physical or mental illness or disabilities.

HF692*/SF574/CH118

Disposing of bodies

A new law will add a fourth method for lawfully disposing of a dead human body, effective Aug. 1, 2003.

Under existing law, a body must be "decently buried, entombed, or cremated" within 72 hours after death, with some exceptions. The new law adds alkaline hydrolysis as an acceptable form of disposition for human bodies after death.

Alkaline hydrolysis is a fairly recent technology that uses high temperature, pressure, and pH levels to break remains down to a sterile liquid and leftover bone fragments. The benefits of the process, according to scientific studies, are that it sterilizes any bacteria or disease that may have existed in the organism and its environmental impacts are much less than



PHOTO BY TOM OLMSCHIED

Pharmacists with proper permission and training will be allowed to give influenza and pneumococcal vaccines to adults, under a new law.

those associated with incineration.

The alkaline hydrolysis process is often less expensive and also reduces the volume of the material by more than 90 percent.

It has been most commonly used in disposing of animal remains, particularly those from animals carrying serious diseases.

Rep. Duke Powell (R-Burnsville) and Sen. David Senjem (R-Rochester) were the sponsors.

HF1384/SF1071*/CH32

Title protection

The title of "nurse" will receive official protection under Minnesota law through a new law passed by the 2003 Legislature.

Even though "licensed practical nurse" and "registered nurse" are already protected titles under state law, supporters of the legislation said most people associate the generic term nurse with a certain level of training and expertise and should be protected from people who claim to be nurses without that training.

Proponents of the new law say that under current law some organizations providing health-related services have been able to advertise they have nurses on their staff to gain an image of credibility when those individuals are not actually trained nurses.

Thirty-seven states currently protect the title.

However, opponents contend the law is unnecessary because the state already protects official nursing titles. They expressed concern that hospital staff providing care to patients who are perceived to be nurses would be subject to discipline under the law.

People or organizations violating the law by claiming to be nurses will be informed of the law and told to desist before any formal action will be taken.

A separate provision of the law will allow graduates of foreign nursing schools to work in nursing facilities if they have completed a competency evaluation and a medication training program.

It also extends the existence of some groups that advise the state Board of Medical Practices on certain issues. Those councils include the Acupuncture Advisory Council, the Respiratory Care Practitioner Advisory Council, and the Advisory Council on Licensed Traditional Midwifery. Those provisions are effective July 1, 2003.

The law also allows for speech-language pathologists and audiologists to be licensed

under law rather than just registered, as is current practice. Most provisions are effective Aug. 1, 2003.

Rep. Jim Abeler (R-Anoka) and Sen. Dallas Sams (DFL-Staples) were the sponsors.

HF346/SF333*/CH87

Expanded job duties

A new law will extend the authority of Minnesota's physician assistants and advanced practice registered nurses.

Effective Aug. 1, 2003, the new law will permit physicians to delegate two new tasks to the two groups of assistants. Physician assistants and advanced practice registered nurses will be allowed to certify a person's physical disability for the purposes of obtaining a disabled parking permit and to admit patients for 72-hour emergency mental health treatment.

Physician assistants are qualified to practice medicine under a practicing physician's supervision. Their scope of practice is determined by an agreement with that physician.

Advanced practice registered nurses are licensed registered nurses who are certified as a clinical nurse specialist, nurse anesthetist, nurse-midwife, or nurse practitioner.

In order to receive a disabled parking permit in Minnesota, a person must get a signed certification that they have a physical disability making such a permit necessary. The person signing the certification must state whether the disability is permanent or temporary and for how long the permit should be valid if the disability is temporary. Previously, only a physician or chiropractor could sign such a certification.

The 72-hour mental health services typically affect a person brought to a hospital or treatment facility by law enforcement officers. Under the law, physicians, physician assistants, or advanced practice registered nurses trained in diagnosing mental illness may assess a person to determine if they pose a danger to themselves or others requiring emergency treatment.

Rep. Jim Abeler (R-Anoka) and Sen. Michelle Fischbach (R-Paynesville) sponsored the legislation.

HF279*/SF229/CH108

Regulating social work licenses

A bill that started out related to nuclear materials also dealt with social worker licensure by the time it became law.

The law extends the time permitted for the governor to enter into agreement with the Nuclear Regulatory Commission for state regulation of nuclear non-power plant materials until Aug. 1, 2006. Rep. Judy Soderstrom (R-Mora), who sponsored the law with Sen. Sheila Kiscaden (IP-Rochester), said the measure "will improve the response time for incidents and will consolidate the regulation of most radioactive materials in the state."

Originally introduced as HF1332/SF1066 by Rep. Jim Abeler (R-Anoka) and Kiscaden, the social work section of the law changes the temporary permit to practice social work to a temporary license; provides for state statute relating to license reinstatement, inactive status, and emeritus status of licenses; and changes the fee schedule for a social work license. The Senate Finance Committee amended it onto the nuclear bill.

Under the law, the Board of Social Work may issue a temporary license to an applicant who, among other things, is not licensed in the jurisdiction, but has applied for a license, has given permission for the completion of a background check, and has a degree from a social work program accredited by the federal Council on Social Work Education. A license may also be granted to someone who is licensed in another state and has applied for a Minnesota license.

The law also extends the deadline for a report on a study of social work examination failures from Sept. 1, 2003 to Sept. 1, 2004. The report must compare failure rates of those born in foreign countries and for whom English is not their first language versus applicants from other populations taking the examination, the underlying cause of such disparity, and recommendations of possible remedies.

The nuclear materials provision is effective May 28, 2003, and the social worker licensure provisions take effect Aug. 1, 2003.

HF1140*/SF1215/CH111

Regulation reviews

The commissioner of health will closely examine laws and regulations governing the fast-growing home healthcare industry, according to a new law.

The law requires the commissioner to set up a working group to summarize federal regulations that burden the state and its home care providers. The group, comprised of home care providers and other interested parties, will share its findings with the Legislature, other

states, and organizations that advocate for states.

House sponsor Rep. Char Samuelson (R-New Brighton) said federal requirements putting rigid timeframes on submitting client information and governing when supervisory visits can take place hamper providers' ability to do high quality work.

Once the findings are made, the law directs the commissioner to work with federal regulators and Minnesota's congressional delegation to make changes in federal law giving more flexibility to states.

The working group is also charged with studying whether home care licensing procedures are appropriate and whether separate federal licenses are necessary. A report on the issue is due to the Legislature by January 2005.

The working group provisions are effective May 17, 2003.

The Senate amended sections of a separate bill (originally HF491) into the legislation. Those sections, which are effective July 1, 2003, ease some nursing home regulatory standards including:

- exempting nursing homes from checking on incontinent residents at least every two hours if a different interval is specified in a physician's plan of care,
- allowing nursing homes formerly required to participate in state-mandated quality improvement programs to develop their own improvement plan instead, and
- requiring the human services commissioner to share information about exceptions made for one nursing home with other nursing homes.

Sen. Sheila Kiscaden (IP-Rochester) sponsored the legislation in the Senate.

HF1251*/SF1266/CH55

Contract ratification

After nearly two years of being in limbo, state employee contracts were ratified minus a contentious clause.

Effective April 10, 2003, the new law that ratifies the contracts covers the period from July 1, 2001 to June 30, 2003.

Some bargaining units were working under interim contracts that allowed for same sex domestic partner benefits, but those benefits are removed in the law.

During debate on the House floor, Rep. Karen Clark (DFL-Mpls) unsuccessfully proposed an amendment that would reinstate the domestic partner benefits for the 77 families

using the coverage.

Rep. Dennis Ozment (R-Rosemount) said the change would discriminate against heterosexual couples living together, but are not married.

The law allows individuals the ability to use sick or bereavement time for the death, illness, or disability of a regular member of the employee's immediate household during the contract period.

Bargaining units agreed to domestic partner benefits in 2001 contracts, but the Legislature previously warned that the contracts would not be ratified if the benefits were included. State employees then reverted back to prior contracts. Organizations such as the Minnesota Nurses Association had been working without a contract or raises since 2001.

House Speaker Steve Sviggum (R-Kenyon) and Senate Majority Leader John Hottinger (DFL-St. Peter) were the sponsors.

HF330/SF293*/CH11

Auditing nursing homes

A new law will give county nursing homes the same ability that county and municipal hospitals have with regard to conducting audits.

Effective Aug. 1, 2003, the new law allows

county nursing homes to hire a certified public accountant to perform audits on their books. Under previous law, the state auditor was required to audit the county nursing homes.

County and municipal hospitals were previously granted that authority. In addition, all counties will be allowed to use a private accounting firm to perform their audits under the omnibus state government finance law.

The new law will give counties and county nursing home boards flexibility in performing audits and managing auditing expenses. In addition, the state auditor indicated in its budget documents that the office will try to perform fewer audits to help contain costs. The office budget was cut 15 percent, consistent with all constitutional offices.

Rep. Bud Nornes (R-Fergus Falls) and Sen. Cal Larson (R-Fergus Falls) were the sponsors. HF585/SF479*/CH53

Reducing costs

Hennepin County Medical Center's health management organization stands to save a substantial amount of money, under a law.

Effective Aug. 1, 2003, the new law adds the hospital's health maintenance organization (HMO) to special provisions applicable to



PHOTO BY TOM OLMSCHIED

State employee contracts that had been in limbo for nearly two years are now law. Some bargaining units were working under interim 2003 contracts that allowed for same sex dependent benefits, but in the ratified agreement those benefits are removed. The law does allow same-sex domestic partners the ability to use sick or bereavement time for the death of a regular member of the employee's immediate household.

several other county entities for purchasing goods, materials, supplies, equipment, and contracted services.

In 2002, Hennepin County was exempted from the Uniform Municipal Contracting Law and other purchasing statutes and authorized to make large purchases on behalf of Hennepin County Medical Center and other clinics by contracting with a private or public cooperative purchasing organization, if the purchasing organization's purchases, rentals, or leases have been made through a competitive process. The 2003 Legislature maintained this provision with regard to service contracts and added the county's health maintenance organization (HMO) to the provision. However, the county board may use any means to purchase incidental goods and services.

In addition, the new law allows the Hennepin County Board to meet in closed session on behalf of the HMO to discuss and act on specific products or services that are in direct competition with other providers of goods or services in the public or private sector. The closed session could occur only if disclosure of such information would clearly harm the HMO's competitive position.

Exempting the organization from the contracting and purchasing rules will save Hennepin County Medical Center \$8 million a year, said Rep. Ron Abrams (R-Minnetonka), the House sponsor.

Rep. Thomas Huntley (DFL-Duluth) said the law helps a "fine" facility that is currently losing a lot of money every year.

Removed from the original proposal was a provision that would have allowed the hospital to change its governance structure. The measure was protested by some members of the House Local Government and Metropolitan Affairs Committee, Abrams said, and subsequently deleted.

Sen. Ann Rest (DFL-New Hope) was the Senate sponsor.

HF845/SF770*/CH98

Professional board powers

A new law will allow a number of health-related profession boards to impose civil penalties and require that costs associated with investigations in disciplinary proceedings be reimbursed.

Effective Aug. 1, 2003, the new law will allow boards to impose up to \$10,000 in civil penalties for violations of board regulations that require disciplinary action. Each board

has specific instances that are cause for discipline.

The law also outlines other penalties allowed legally.

The boards affected by the law, include the following:

- chiropractic examiners,
- dentistry,
- nursing home administrators,
- dietetics and nutrition,
- physical therapy,
- podiatry,
- pharmacy,
- veterinary medicine, and
- optometry.

The new law helps bring these boards more into line with the disciplinary proceedings already in place for other health-related professions.

Rep. Laura Brod (R-New Prague) and Sen. Wes Skoglund (DFL-Mpls) were the sponsors.

HF1044*/SF127/CH66

In honor of Gov. Freeman

(See Agriculture, page 10)

'Hogs, frogs, and jobs'

(See Budget, page 12)

2003 adjustments

(See Budget, page 14)

School funding

(See Education, page 22)

Funding college, grants

(See Higher Education, page 42)

Benefits adjusted, work plans begun

(See Human Services, page 45)

Managed care, programming projects

(See Human Services, page 47)

Transfers approved

(See Human Services, page 48)

Health insurance purchasing alliances

(See Insurance, page 49)

Notifying homeowners of cancellation

(See Insurance, page 49)

Aid formulas, new taxing districts

(See Taxes, page 61)

Common provisions

(See Taxes, page 63)

Promoting abstinence

(See Bills in Limbo, page 77)

Data collection stalled

(See Bills in Limbo, page 86)

Limiting family planning grants

(See Bills in Limbo, page 87)

Health, dental coverage

(See Bills in Limbo, page 87)

Cigarette tax proposal falters

(See Bills in Limbo, page 92)

HIGHER EDUCATION



Funding college, grants

The omnibus higher education law provides less funding for 2004-05 than the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU) system were allocated in the previous biennium, but more for the state grant program.

Totaling nearly \$2.56 billion, the law provides nearly \$1.11 billion for MnSCU and slightly more than \$1.1 billion for the university. For MnSCU, the dollars are \$189 million less than received in the past biennium, and \$196 million less for the university. However, the MnSCU number is \$15 million more than recommended by Gov. Tim Pawlenty for fiscal years 2004-05 and the university allocation is about \$13 million higher.

Rep. Doug Stang (R-Cold Spring) and Sen. Sandra Pappas (DFL-St. Paul) sponsored the legislation.

The following is a look at some of the specific provisions in the new law, which is effective July 1, 2003.

HF772/SF675*/CH133

University, MnSCU funding, policies

Of the dollars for the MnSCU system, \$560.9 million is allocated in the first year and \$547.7 million in the second year. (Art. 1, Sec. 3)

The university will receive \$549.4 million in fiscal year 2004 and \$552.2 million the following year. (Art. 1, Sec. 4)

The law also calls for some administrative changes for the MnSCU system, including that the chancellor, vice-chancellor, or institution president may now have a deferred compensation plan in their contract. It also provides a broader array of deferred compensation investment options for MnSCU employees, consistent with federal law and options now being offered. (Art. 4, Secs. 1-2)

The MnSCU Board of Trustees may use specified state or local contracting or purchasing authority in state law, such as reverse auction. (Art. 4, Sec. 4)

The law clarifies the board's authority to grant easements over land under its



PHOTO BY ANDREW VONBANK

Of the \$175 million the Higher Education Services Office will receive in each fiscal year of the 2004-05 biennium, nearly \$140.6 million of it is dedicated to the state grant program. The omnibus higher education law also makes a number of changes regarding state grants, including a reduction in length of eligibility, application deadlines, and the maximum amount students can receive in child-care grants.

jurisdiction. Additionally, the board may now accept federal money for the improvement of property under its control. (Art. 4, Secs. 7, 8)

Fond du Lac Community and Tribal College in Cloquet may offer a four-year degree in elementary education. The school also unsuccessfully sought the ability to offer a four-year degree in sustainable development. Previous law limited community colleges to two-year degrees. (Art. 2, Sec. 18)

Two students will be added to the Regent Candidate Advisory Council, which recommends candidates to the Legislature for the university's governing body. (Art. 3, Sec. 25)

Mayo Medical Foundation

The foundation will receive \$2.78 million, under the law. This equates to a 12.3 percent (\$492,000) reduction when compared to fiscal years 2002-03.

This funding level provides \$1.06 million for the Mayo Family Practice and Graduate Residency Program, \$1.03 million for the Mayo Medical School, and \$692,000 for the St. Cloud Hospital-Mayo Family Practice Residency Program. The state provides supplemental funding to Minnesota students enrolled in these programs, which help prepare doctors to practice primary care in rural areas. (Art. 1, Sec. 5)

State grant changes

Money for the state grant program will increase in 2004-05, under the law.

Of the \$175 million the Higher Education

Services Office will receive in each fiscal year (an 11 percent biennial increase), nearly \$140.6 million of it is dedicated to the state grant program. By shifting dollars from work-study and child-care grants (which the office can now no longer do), \$133 million was available for fiscal year 2003, but it was not enough. The office had to cut off applications in January 2003 in order to fund what was previously allocated.

The law also makes a number of changes regarding state grants.

- The new law removes the asset disregard for program eligibility. Since 1998-99, up to \$25,000 in savings and other assets could be subtracted from the federal calculation of net worth before determining a family contribution. (Art. 2, Sec. 8)
- The calculation of a state grant award is now based on the average tuition and fees charged by the institution rather than the actual tuition and fees. (Art. 2, Sec. 9)
- To help prevent a program deficit, the office must prorate grant awards by equally reducing the amounts through an additional surcharge to the applicant's assigned family responsibility and an additional percentage added to the student responsibility. The dollar amounts in each category must be equal. (Art. 2, Sec. 10)
- Eligibility for the state grant program and child-care grant program is reduced from 10 to eight equivalent semesters. It was increased to 10 semesters two years ago. Students in two-year programs at four-year institutions

will be limited to the tuition and fee maximums established in law for two-year institutions. (Art. 2, Secs. 11, 14)

- A student must also now apply within 14 days of the start of a term to receive dollars for that term. Previously students had until the end of the academic year to apply for grants. (Art. 2, Sec. 13)
- The child-care grant maximum is reduced from \$2,600 to \$2,200 per academic year. It was increased from \$2,000 to \$2,600 two years prior. (Art. 2, Sec. 15)

The cap on revenue bond authority for the Student Educational Loan Fund is increased from \$550 million to \$850 million. Money from the sale of the revenue bonds is used to make loans to students. (Art. 3, Sec. 3)

The office must transfer \$30 million from the student loan fund to the budget reserve account in the state's general fund by the end of fiscal year 2003. The money must be returned by June 30, 2007. (Art. 1, Sec. 6) A subsequent law voids this provision and transfers \$30 million from the Student Educational Loan Fund with no repayment provision.

Other policy issues

The director of the Higher Education Services Office will be appointed by the governor, effective Dec. 30, 2003 or when a vacancy occurs, whichever is sooner. In addition, a gubernatorial appointee is added to the Higher Education Advisory Council. (Art. 2, Secs. 3, 6)

Each postsecondary institution must provide information about meningitis to all new students living in on-campus housing, including the availability and effectiveness of any vaccine. (Art. 2, Sec. 2)

The expiration of the Minnesota Agriculture Education Leadership Council is extended five years, until June 30, 2008. The council, created in 1997 to review and encourage effective agriculture education programs in schools and to operate the Minnesota Center for Agricultural Education, is housed in the University of Minnesota's College of Agricultural, Food and Environmental Sciences. (Art. 2, Sec. 1)

The law requests that the Minnesota Association of Colleges and Teacher Education collect data from its member institutions to measure the involvement of its teacher education programs and faculty with the state's K-12 schools. The data must include at least the extent to which faculty are licensed to teach at the K-12 level, teaching experience of that faculty within the previous five years, and descriptions of college and faculty collaborations with K-12 teachers and students. The

report is due to the Legislature by Feb. 15, 2004. (Art. 1, Sec. 8)

\$231 million law signed
(See Bonding, page 10)

Funding state departments
(See Government, page 32)

Tuition reimbursement extended
(See Military, page 57)

American Indian scholarship office
(See Bills in Limbo, page 80)

Allocating state grant dollars
(See Bills in Limbo, page 87)

Opt-in plan for student fees
(See Bills in Limbo, page 87)

Studying abroad
(See Bills in Limbo, page 88)

State grant eligibility
(See Bills in Limbo, page 88)

No grants for summer classes
(See Bills in Limbo, page 88)

No voluntarism requirement
(See Bills in Limbo, page 88)

★ HOUSING

Security deposits

Landlords will not have to pay as much interest to tenants when returning their security deposits, under a new law.

According to long-standing law, landlords must accumulate interest on the rental deposits and give that interest to the tenant, along with whatever portion of the deposit is returnable, when the tenant moves.

The interest rate was set at 3 percent until May 1, 2004, and at 4 percent thereafter. The new law, however, reduces the interest rate to 1 percent, effective Aug. 1, 2003. The change reflects the market in which interest earnings are on average between zero and 1 percent.

The payable interest amount has been altered numerous times to reflect market changes since the law was enacted in 1973. The current rate of 3 percent was set in 1996, and has remained at 3 percent during three subsequent reviews.

The sponsors were Rep. Arlon Lindner (R-Corcoran) and Sen. James Metzen (DFL-South St. Paul).

HF438/SF645*/CH52

Condemnation hearings

Timelines regulating hearings for landlords whose rental property faces condemnation will be relaxed slightly, under a new law.

The law came at the behest of the city of Minneapolis, which recently finished a pilot project. The project aimed to improve compliance with the tenant remedy act by utilizing civil action prior to criminal procedures against a landlord.

Only six properties were condemned due to lack of maintenance during the one-year project, down from 144 properties the year prior, according to city attorney Erik Nilsson, testifying at a February House committee meeting. The city strives to rectify potential condemnation situations because tenants are forced to move from condemned rental units.

Prior law required that a hearing for the landlord be scheduled within five to 10 days of a housing violation notice. Effective Aug. 1, 2003, the new law will allow between seven and 14 days. The additional timeline will allow the city flexibility to better accommodate the procedures.

The extended hearing timeline will apply to all relevant situations throughout the state.

The sponsors are Rep. Len Biernat (DFL-Mpls) and Sen. Wes Skoglund (DFL-Mpls).

HF264/SF230*/CH114

Redefining a displaced person

Effective Aug. 1, 2003, federal guidelines defining a displaced person will be used in eminent domain proceedings, under a new law.

Eminent domain defines the power to take private property for public use, typically by a public entity, but also sometimes by private entities to exercise functions of a public nature. It is typically used at the local level in road construction and redevelopment projects.

The removed provisions defined displaced people as those who move because of an acquisition undertaken by the authority acquiring the property or anyone involved in a rehabilitation as a result of the acquisition. The new requirements will more clearly define that a displaced person moves as a result of written notice that their property is being acquired. It will also prohibit someone unlawfully occupying a residence to obtain relocation existence from qualifying as a displaced person.

According to House sponsor, Rep. Lynne Osterman (R-New Hope), the new law arose from a situation where several residents living along a road under construction approached the city to see if it might be interested in acquiring their properties, though they were not affected directly by the construction project. In a voluntary acquisition,



PHOTO BY ANDREW VONBANK

Timelines regulating hearings for landlords whose rental property faces condemnation will be relaxed slightly. Under the new law, a hearing for the landlord must be scheduled within seven to 14 days of a housing violation notice. Previously, the timeline was five to 10 days.

homeowners would typically not be eligible for relocation costs, but some homeowners sued the city for those benefits.

The legal actions and settlement costs added nearly \$300,000 to the transaction for the city. The new law is intended to remedy such situations, she said.

In addition, the new law will bring Minnesota's displaced person regulations into line with the federal requirements. Historically, the state and federal requirements have been similar.

Sen. David Gaither (R-Plymouth) was the Senate sponsor.

HF754*/SF688/CH117

MHFA housekeeping

A new law makes a number of policy changes to the programs and operations of the Minnesota Housing Finance Agency.

"By implementing these changes the housing finance agency will be better able to utilize state funds and provide more opportunities to potential homebuyers," said Rep. Lynne Osterman (R-New Hope), the House sponsor.

The agency was created in 1971. According to its Web site, it has assisted more than 400,000 households to either purchase a home for the first time or fix up existing homes. It also helps build and improve affordable apartments, single-family homes, shelters, and transitional and supportive housing. It also partners with community organizations to revitalize older neighborhoods.

Among changes in the new law, effective Aug. 1, 2003 unless otherwise noted, are:

- the agency may make loans to refinance the existing indebtedness of owners of rental property that is secured by federally assisted housing in order to obtain the owner's agreement to participate in a federally assisted rental housing program,
- authorizes demolition and new construction under the Minnesota urban and rural home-steading program if new construction is less expensive than rehabilitation,
- increases the agency's debt ceiling from \$2.4 billion to \$3 billion, and
- permits the agency, effective July 1, 2003, to transfer money in a debt service reserve fund to other agency funds periodically instead of only at the end of the year.

Sen. Tom Saxhaug (DFL-Grand Rapids) was the Senate sponsor.

HF1059*/SF1034/CH61

Housing corporations created

Affordable housing efforts in St. Cloud and other Minnesota cities will be enhanced, under a new law.

Effective May 17, 2003, the new law will allow housing and redevelopment authorities to form corporations for developing, preserving, and rehabilitating housing projects. Such entities could also become members of existing corporations.

Previously, housing and redevelopment authorities were prohibited by law from forming corporations or limited liability partnerships. Without being a member of a corporation, housing authorities found it difficult to gain federal assistance and sell low-income housing tax credits to raise funds for low-income housing projects.

Proponents of the new law said the sale of low-income housing tax credits will promote private sector investment and therefore reduce the need of affordable housing initiatives on state taxpayer dollars. The new law will also help housing authorities gain acceptance in the financial community, supporters said.

The sponsors of the new law were Rep. Dan Severson (R-Sauk Rapids) and Sen. Ann Rest (DFL-New Hope).

HF1143/SF891*/CH50

Manufactured home titles

A problem associated with obtaining loans to purchase a manufactured home has been rectified, under a new law.

Rep. Tom Pugh (DFL-South St. Paul), the House sponsor, said on the House floor that the law came about "as a result of a problem in the manufactured home industry, whereby U.S. Bank, a major lender in that industry, found a problem with state statute relating to titles of manufactured homes. Because of that title problem they indicated that they would not lend on manufactured home purchases."

The issue was that by definition a manufactured home could be considered real or personal property. Lenders want it made clear to buyers that if someone gets a loan for a manufactured home it is considered to be real property and that they cannot then easily move it somewhere else.

Under the law, effective May 24, 2003, the title for a manufactured home is to be surrendered to the Department of Public Safety for cancellation if the home is affixed to real property and financed by a mortgage on the real property. When the title is submitted, the

manufactured home is considered as an improvement to the real property and is then treated like any other type of home. A new certificate of title can be obtained if the home must be moved again.

Sen. James Metzen (DFL-South St. Paul) sponsored the law in that body.

HF894*/SF878/CH90

'Hogs, frogs, and jobs'

(See Budget, page 12)

Background check information

(See Crime, page 20)

Benefits adjusted, work plans begun

(See Human Services, page 45)

Notifying homeowners of cancellation

(See Insurance, page 49)

Property-related adjustments

(See Law, page 53)

Aid formulas, new taxing districts

(See Taxes, page 61)

Ensuring coverage exists

(See Bills in Limbo, page 89)

Sprinkler plan doused

(See Bills in Limbo, page 92)

Market value issues

(See Bills in Limbo, page 93)

HUMAN SERVICES



Benefits adjusted, work programs begun

The health and human services finance law that appropriates about \$8.7 billion in 2004-05 for the state's health care, public assistance, long-term care, and child-care programs, as well as the departments of Health and Human Services, includes a number of adjustments to benefit levels. Nearly \$7.5 billion of the law's appropriation comes from the state's general fund.

The law represents a reduction of about \$960 million from anticipated 2004-05 funding levels, including \$805 million in projected general fund spending. Though funding in the bill is higher than in 2002-03, with the state facing a \$4.2 billion projected deficit, a number of programs were cut to accommodate increased health care costs within existing revenue streams.

The law provides for a new welfare structure that will focus first on finding employment for applicants. In addition, it

consolidates a number of health care and welfare-related grant programs. It will continue programs for nursing home and elderly care, as well as programs for mental health and the mentally disabled, but spending will be focused more toward those who can still be served in a non-institutional setting or are at risk to be placed in an institution.

The law also transfers remaining tobacco endowment funds – slightly more than \$1 billion — in order to balance the budget. It also makes the following appropriations:

- more than \$3 billion in the biennium for all basic health care grants;
- nearly \$3 billion for continuing care grants, including long-term care, mental health, and chemical dependency grants;
- nearly \$240 million for economic support grants from the general fund, augmented by another \$406 million in federal program funds; and
- about \$194 million for child-care assistance, formerly administered by the Department of Children, Families and Learning. (Art. 13C, Secs. 2, 3)

Appropriations in the law are effective July 1, 2003. Other provisions take effect as highlighted below. The following are selected provisions included in the new law, sponsored by Rep. Fran Bradley (R-Rochester) and Sen. Linda Berglin (DFL-Mpls).

2003 Special Session: HF6*/SFnone/CH14

Welfare changes

Several adjustments will be made in the state's welfare benefits programs in an effort to focus more resources toward finding employment for beneficiaries and facilitating employment through child-care and transportation assistance.

When people are first evaluated for eligibility for welfare benefits, they will enter a four-month program, called a diversionary work program, where they will meet with job counselors to determine if they are employable. The counselors are also directed to help families obtain any services to support employment, such as child care and transportation, and they would be eligible for certain cash benefits while training or looking for a job. (Art. 1, Secs. 12, 102)

All this will be prior to receiving benefits through the Minnesota Family Investment Program (MFIP), the state's welfare system. In addition, food support and health care benefits are available at any time, for eligible participants.

All individuals will be required to have work plans, including those previously exempt from

such requirements, though the law does allow for a year of transition time. That work plan would extend beyond the initial four-month period, throughout the duration of the 60-month time limit for state welfare benefits. Employment plans must be reviewed at least every three months to determine whether activities or hourly requirements should be adjusted. (Art. 1, Sec. 78)

The measure grew out of a successful pilot program in Dakota County, where 75 percent of participants no longer needed state welfare benefits after five months, compared to the 30 percent who made a successful transition from the traditional program, according to the Department of Human Services.

Under the law, employable is defined as being able to fill existing positions in the labor market, without regard to whether those positions are readily available. (Art. 1, Sec. 13)

The new law also requires individuals deemed to possess employable skills to search for a job for at least 30 hours per week for six weeks, and they must accept any reasonable offer of employment. (Art. 1, Sec. 78)

Post-secondary education training is available, under the work plans, but individuals must work at least 20 hours per week in unsubsidized employment to be eligible. In addition, individuals may have their work requirements reduced if they seek to attend an intensive training course that lasts no more than 12 weeks when full-time attendance is required. (Art. 1, Sec. 80)

Once completing a post-secondary program, the individual has six weeks to look for a job. Previously they had three months. (Art. 1, Sec. 81)

The new law also establishes a consolidated grant program to provide benefits for those who qualify for certain federal social security benefits, such as short-term shelter or utility payments, transportation to obtain or keep jobs, and other supported work. Families already receiving welfare benefits or work program services will receive priority under the measure. (Art. 1, Sec. 94)

Counties are required to develop diversionary work programs sometime between July 1, 2003 and July 1, 2004.

The new law also reduces the point at which people will no longer be eligible for welfare benefits from 120 percent of federal poverty guidelines for annual income to 115 percent, a reduction from \$22,080 to \$21,160 for a family of four in 2003. (Art. 1, Sec. 39)

In addition, the new law will allow the Department of Human Services to obtain a waiver from the federal government to allow

the state to specify which foods may be purchased with federal Food Stamp Program benefits. (Art. 1, Sec. 104)

Families already receiving MFIP cash benefits will not receive increased cash benefits as a result of the birth of an additional child, under the law, with a few exceptions. In addition, cases will be closed for families after the seventh occurrence of noncompliance with program requirements and they will lose benefits. (Art. 1, Secs. 37, 62)

Long-term care

In an attempt to maintain services for individuals, surcharges for each licensed bed in a nursing home facility will increase from \$990 to \$2,815, beginning July 15, 2003, and a new surcharge of \$1,040 per bed in an intermediate care facility for the mentally retarded will be established, also beginning July 15, 2003. The law also gives the commissioner the ability to lower the surcharge if necessary. (Art. 2, Sec. 13)

Alternative care programs were reduced by 1 percent in the law, which could result in lower provider rates. The fee schedule for alternative care services will also be modified, under the law. Individuals with income less than 100 percent of the federal poverty guidelines, or an annual income of \$18,400 for a family of four in 2003, with assets of less than \$10,000, will pay no fee. All other individuals will pay fees of 5 percent to 30 percent of the cost of services, depending on their income and assets. The programs serve lower income elderly people who remain in their own homes, though they are at-risk for needing nursing home placement.

A number of grant programs for senior services, particularly the ones dealing with information and other support, will be maintained. However, funding for Seniors Agenda for Independent Living program grants and the senior nutrition, foster grandparents, retired senior volunteer, and senior companion programs will be reduced. The home sharing grant program and the health care consumer assistance grant programs are eliminated. (Art. 13C, Sec. 2)

The law also includes a provision directing the commissioner of human services to study whether certain changes to the system, including incentives to purchase long-term care insurance, would improve services and choices available to individuals. (Art. 2, Sec. 55)

Health care

In addition, the new law makes numerous changes to eligibility and other criteria for state

health care programs. The state has three primary programs: General Assistance Medical Care (GAMC) provides state-funded health care primarily to low-income Minnesotans ineligible for other state and federal health care programs; MinnesotaCare is the state's subsidized health care program for low- and moderate-income families; and Medical Assistance (MA) is the state's Medicaid program and is funded by state and federal dollars.

Effective Oct. 1, 2003, General Assistance Medical Care enrollees, with incomes that do not exceed 75 percent of the federal poverty guidelines, or \$6,735 for a single person, will continue to receive the full program benefit set, while enrollees with incomes greater than 75 percent but not exceeding 175 percent of the guidelines, or \$15,715 for a single person, will receive inpatient hospital and related physician benefits. The program spend-down provisions and retroactive coverage are eliminated, under the new law. These changes are expected to result in a \$104 million savings to the general fund over the biennium. (Art. 12, Sec. 72)

MinnesotaCare enrollees who are single adults or members of households without children will receive the full MinnesotaCare benefit set if their incomes do not exceed 75 percent of federal poverty guidelines, effective Oct. 1, 2003. Single adults and households without children with incomes greater than 75 percent but not exceeding 175 percent of poverty guidelines will receive a limited package of benefits and will be subject to a \$5,000 annual cap on services. These changes are expected to result in a \$108 million savings to the health care access fund over the biennium. (Art. 12, Secs. 68, 69)

The law establishes co-payments for certain MA and GAMC services, such as eyeglasses, prescriptions, and non-preventive care, and it also modifies adult dental coverage under those programs and MinnesotaCare. (Art. 12, Secs. 34, 37, 69, and 72)

Undocumented immigrants will not receive any ongoing general medical assistance program benefits under the law, but they will be eligible for emergency Medical Assistance. Pregnant women, who are undocumented, will continue to be eligible for MA coverage of prenatal services. (Art. 12, Sec. 69) They will also no longer be eligible for MinnesotaCare benefits. (Art. 12, Sec. 74) That program provides state-subsidized health care to low- and moderate-income people.

In addition, Medical Assistance benefits for pregnant women will be reduced from

275 percent of federal poverty guidelines to 200 percent and for children from 170 percent of the guidelines to 150 percent, effective Feb. 1, 2004. (Art. 12, Secs. 19, 20)

Parents will no longer be eligible for MinnesotaCare when the family income exceeds \$50,000. Effective Feb. 1, 2004, parents' eligibility will end when income exceeds \$50,000 or 275 percent of federal poverty guidelines, whichever is lower. (Art. 12, Sec. 73)

Child-care assistance

Sliding fee child-care assistance will also change under the law.

It will make families earning no more than 175 percent of federal poverty guidelines, or \$32,200 for a family of four, eligible for child-care assistance at program entrance. Once a family reaches 250 percent of guidelines, or \$46,000 for a family of four, it must exit the program. Previously, people were eligible up to 75 percent of state median income, or \$52,915 for a family of four. (Art. 9, Sec. 14)

A new parent fee schedule is established under the law, based on a percentage of the family's adjusted gross annual income for those between 75 percent and 250 percent of federal poverty guidelines. (Art. 9, Sec. 36)

The new law eliminates the at-home infant child-care program, which provided aid to families who would otherwise be eligible for child-care assistance, but the child's parent provided the child's care. (Art. 9, Sec. 38)

Payments to child-care providers will remain at 2003 levels for the next two years, under the law, and legal non-licensed providers will be reimbursed at a rate equal to 80 percent of the rate paid to family child-care providers. (Art. 9, Secs. 34, 23)

Prescription drugs

A new drug discount program will be established beginning July 1, 2005.

The program will allow any individual making up to 250 percent of federal poverty guidelines to be eligible for the discount program, which is based largely on a manufacturer/pharmacy rebate system. No age requirement is part of the plan.

In addition, the Board on Aging will work with the Department of Human Services to develop a referral program to help people apply for free or discounted prescription drugs through pharmaceutical companies offering such programs. (Art. 12, Sec. 11)

Continuing care, mental health initiatives

A number of programs for individuals with mental and physical disabilities will either be

reduced, adjusted, or reorganized under the law, including state-operated services. Treatment services for adult mental health will be restructured under the bill. And certain mental health screenings for children, particularly those exposed to violent or threatening environments, will receive additional funding. (Art. 13C, Sec. 2)

Home and community-based services will be focused on individuals who officials determine to be at the most risk for institutional placement, according to the law. As part of that philosophy, flexibility may be built into programs to facilitate treatment in an individual's home setting. The services affected by this policy include:

- waivers for mental retardation and related conditions, community alternatives for disabled individuals, and those with traumatic brain injuries;
- day training and rehabilitation services;
- consumer support grants; and
- mental health and chemical health treatment, including residential facilities.

Eligibility for some programs has been adjusted, and others require families with incomes above the poverty level to pay fees for certain health care and related services.

Managed care, programming projects

Beginning Aug. 1, 2003, a new law authorizes a number of pilot projects to assist individuals with developmental disabilities and continuing care needs.

The law authorizes the Department of Human Services to develop managed care options for people with mental retardation and related conditions, including such services as day training, habilitation, alternative active treatment, and intermediate care facilities for the mentally retarded. Certain grant variances may also be allowed.

Under the option, facilities may receive a capped Medical Assistance benefit for each person served by the programs. Capped benefits involve a method of payment for health services in which an individual or institution is paid a set amount for each person served per month, regardless of the number of services provided during that time period.

House sponsor Rep. Paul Kohls (R-Victoria) said the measure was brought to him by operators of a continuing care facility for developmentally disabled adults in his district. The goal of the plan was to eliminate restrictions on use of the funds for the project so that service providers could adjust services

and determine which methods are more beneficial and efficient.

Individuals may opt-in to the projects; participation is not mandatory.

The law limits participation in the projects for the first two years to nonprofit long-term care systems providing specified services to people to no more than 120 people with developmental disabilities in Carver, Hennepin, and Scott counties.

Sen. Julianne Ortman (R-Chanhassen) sponsored the Senate version.

HF1026*/SF962/CH47

Transfers approved

A new law increases the amount of money transferred between the state and counties to pay for nursing homes in order to bring in an additional \$1.5 million in federal matching funds.

The law was effective April 8, 2003, with portions effective retroactive to Jan. 1, 2003, in order to allow for the transfer to be counted toward the first quarter. The transfers occur quarterly. County-owned and operated nursing homes pay a certain amount of money per licensed bed to the state Medicaid agency.

In addition, the law provides nursing homes with an extra rate adjustment per licensed bed, based on the amount of Medicare payments the county receives.

The law appropriated an additional \$1.5 million from the general fund for 2003 in order to capture the federal funds.

The law was sponsored by Rep. Fran Bradley (R-Rochester) and Sen. Linda Berglin (DFL-Mpls).

HF1158*/SF993/CH9

Simplifying legal requirements

A new law substantially reorganizes state laws relating to human services licensing and background studies in an effort to make them easier to use.

Effective April 18, 2003, the new law rearranges provisions in the state's Human Services Licensing Act. The new law takes existing laws and places them in a more logical manner so that users of the law may find relevant provisions more easily. The new law does not make any substantive changes to current laws related to human services licensing and background studies.

In addition, the new law divides sections into shorter sections and subdivisions in order to give each separate item its own headnote, providing better breaking points and introductory information for users of the statutes.

Rep. Jim Abeler (R-Anoka) and Sen. Sheila Kiscaden (IP-Rochester) were the sponsors.

HF774/SF790*/CH15

2003 adjustments

(See Budget, page 14)

Phone bill assistance

(See Consumers, page 17)

Paying for treatment

(See Bills in Limbo, page 76)

Charter school creation

(See Bills in Limbo, page 78)

HUMANITIES



School funding

(See Education, page 22)

History curriculum concerns

(See Bills in Limbo, page 78)

Studying abroad

(See Bills in Limbo, page 88)

Electronic library access

(See Bills in Limbo, page 94)

Surcharge for student learning

(See Bills in Limbo, page 94)

IMMIGRATION



Hmong memorial

(See Veterans, page 67)

Status check ID stalls

(See Bills in Limbo, page 91)

INDUSTRY



Extended testing time

A handful of licensing procedure changes for people working on certain electrical systems is now law.

Effective May 20, 2003, the law makes minor technical changes to a 2002 law that created a power-limited technician license.

A power-limited technician is defined as a person licensed and possessing the experience and knowledge to install, repair, or supervise the installation or repair of electrical wiring for technology systems. The idea behind the license is that companies would not need to send licensed electricians to work on low-powered electrical systems, such as burglar alarms, landscape lighting, stereos, and telecommunications systems.

The most significant change in the new law is an increased time for testing to acquire the license because the number of applicants was significantly greater than anticipated, according to House Majority Leader Erik Paulsen (R-Eden Prairie), the House sponsor. "In fact, the demand has greatly outpaced the ability to schedule the exams," he said.

Previous law allowed for the licensing of individuals that achieved a minimal score of 70 percent on the alarm and communication examination by April 30, 2003. The new law allows for licensing of individuals who apply to take the exam by June 30, 2003 and receive the 70 percent score by Sept. 30, 2003.

Paulsen said there is no fiscal note associated with the law, but, "If we do not act there will literally be a \$196,000 loss to the state for those folks who have sent in their fee and about 4,000 applicants will not be able to meet the test requirements (needed to get a license)." He said the money would need to be returned and applicants would not be able to perform duties without the license.

Sen. Sheila Kiscaden (IP-Rochester) also sponsored the law.

HF645*/SF937/CH58

Maintaining closed mines

Mining plants closing due to bankruptcy and other factors will be required to complete specific maintenance duties to keep the plant salable, under a new law.

Effective May 26, 2003, the law was amended on the House floor to remove a clause protested by the mining industry that would have required state approval of any mine's plan to liquidate assets that would have diminished the ability to effectively operate the mine and its facilities at a later date.

Rep. Tom Rukavina (DFL-Virginia), who sponsored the law with Sen. David Tomassoni (DFL-Chisholm), offered the amendment to eliminate opposition to the legislation.

The new law is designed to strengthen legislation passed in 1993 specifying that plant owners must perform maintenance for two