

NEW LAWS 2004

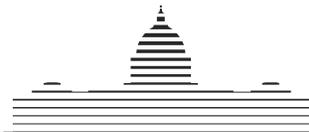
A Summary of the
2004 Legislative Session

NEW LAWS 2004

**A Summary of the
2004 Legislative Session**



Prepared by



MINNESOTA HOUSE OF REPRESENTATIVES
PUBLIC INFORMATION SERVICES

175 STATE OFFICE BUILDING
ST. PAUL, MINNESOTA 55155-1298
(651) 296-2146

Minnesota House of Representatives Public Information Services Office

Director	Barry LaGrave
Editor/Assistant Director	Michelle Kibiger and LeeAnn Schutz
Assistant Editor	Mike Cook
Art & Production Coordinator	Paul Battaglia
Writers	Miranda Bryant Patty Janovec Tom Lonergan Mary Kay Watson Nicole Wood
Chief Photographer	Tom Olmscheid
Photographers	Lisa M. Sanders Andrew VonBank
Office Manager	Nicole Wood
Staff Assistants	Christy Novak Arron Hoffman

New Laws 2004 was published by the Minnesota House of Representatives Public Information Services Office as a service of the Minnesota Legislature. Staff members collected, wrote, verified, and coordinated the information to produce the publication.

The 2004 edition is a culmination of effort involving many other individuals and departments: the House Research Department, the House Fiscal Analysis Department, the Office of the Chief Clerk, the House Index Department, and the Office of the Revisor of Statutes.

**Cover design by Paul Battaglia
Photograph by Tom Olmscheid**

Introduction

The 83rd Session of the Minnesota Legislature reconvened on Feb. 2, 2004, and adjourned at 7:38 a.m. May 16, 2004, after meeting all night. The Senate adjourned sine die just before 7 a.m. May 16, but the House reconvened to finish its business. The end came one day before the constitutional deadline for lawmakers to finish their work.

A total of 52 legislative days were used in 2004. Legislators used 111 of the 120 legislative days in the biennium that lawmakers can meet as specified by the Minnesota Constitution. By comparison, 116 days were used in the 2001-02 biennium. A legislative day is counted when a quorum of either the House or Senate is present to conduct business as a body.

One of the top priorities for both bodies in 2004 was finding a way to resolve the state's projected \$160 million budget deficit. Both sides exchanged offers in the final days – and hours – of session, but no consensus could be reached. Gov. Tim Pawlenty announced that he would not call a special session and eliminated the potential shortfall through executive action.

That plan consisted of transferring \$110 million in federal receipts from the Health Care Access Fund to the general fund, delaying or freezing the sale of bonds for previously authorized capital improvement projects (\$18 million), reducing state agency budgets by 3 percent (\$17 million), using money saved from no bonding bill (\$8 million), and diverting Department of Revenue agency cuts to increased tax compliance (\$7 million).

A bonding bill is also traditionally approved in even year sessions. However, no bill was passed in 2004.

Pawlenty recommended a \$757.3 million package, but the House-approved measure was approximately \$80 million less. The Senate amended its \$949 million bonding bill language onto the House file, but it failed to receive the necessary three-fifths vote for approval.

While the Senate measure included \$2 million for the Northstar commuter rail line between Minneapolis and Big Lake, the House bill did not contain \$37.5 million that the governor wanted for the project. On Aug. 3, Pawlenty announced a \$22.5 million plan to keep the project moving forward. The plan includes \$2.5 million that the Metropolitan Council will earn from interest on a transit fund to leverage an additional \$10 million in matching federal funds. The federal funds were to be lost if not utilized by the state before Sept. 30, 2004. An additional \$10 million is to come from a corridor authority.

While the bonding bill did not pass, a number of other measures did become law.

In 2004, 1,554 bills were introduced in the House and 1,497 in the Senate. The biennium numbers were 3,212 and 3,073 respectively. Of the 163 bills sent to the governor, four bills were vetoed in full, and a portion of one other bill was line-item vetoed. No vetoes were overridden.

The 2004 session list of accomplishments includes new academic standards in science and social studies; a lowering of the drunken driving threshold from 0.10 to 0.08; modifying wetlands restrictions for off-highway vehicles; a statewide ban on the use of phosphorus fertilizers on residential lawns; changes in the operation of the state lottery; and honoring Minnesota soldiers and public safety personnel in the state killed in the line of duty.

New Laws 2004 is divided into five major parts:

First, beginning on page 9, the Highlights section is written in an easy-to-read style for those who want a quick overview of legislation approved in 2004.

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 Dead Bills section describes some of the bills discussed in 2003 and/or 2004, but not passed by both the House and Senate. The ideas behind these bills may resurface in future sessions.

Fourth, the Summary section gives a technical overview of each approved bill as it appeared 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.

Copies of a bill are available by calling 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 Web site (<http://www.leg.mn>).

For further information, contact the House Public Information Services Office at (651) 296-2146, 1-800-657-3550 or (651) 296-9896 (TTY). The Senate Information Office can be reached at (651) 296-0504 or 1-888-234-1112.

Contents

Introduction.....	3
Highlights.....	9

Topics

Agriculture.....	9	Housing.....	32
Banking.....	10	Humanities.....	32
Business.....	10	Human Services.....	33
Consumers.....	11	Industry.....	36
Crime.....	13	Insurance.....	36
Education.....	16	Law.....	37
Elections.....	18	Local Government.....	38
Employment.....	19	Metro Affairs.....	42
Energy.....	20	Military.....	43
Environment.....	21	Recreation.....	44
Family.....	24	Retirement.....	44
Gambling.....	24	Safety.....	45
Game & Fish.....	25	Tourism.....	47
Government.....	26	Transportation.....	48
Greater Minnesota.....	28	Veterans.....	51
Health.....	28	Selected fees adopted in 2004.....	52

Vetoed Bills.....	55
Dead Bills.....	57
Summary.....	85

Committees of Origin

Resolution.....	87	Health & Human Services Finance.....	97
Floor.....	87	Health & Human Services Policy.....	98
Agriculture Policy.....	87	Jobs & Economic Development Finance.....	100
Civil Law.....	88	Judiciary Policy and Finance.....	101
Commerce, Jobs & Economic Development Policy.....	90	Local Government.....	101
Educator Finance.....	92	Regulated Industries.....	103
Education Policy.....	93	State Government Finance.....	104
Environment & Natural Resources Policy.....	93	Transportation Finance.....	104
Governmental Operations & Veterans Affairs Policy.....	95	Transportation Policy.....	105
		Ways and Means.....	106

Indexes.....	108
House and Senate Members.....	127

New Laws 2004 by:

Topic.....	7	House File.....	110
Title.....	85	Senate File.....	112
Chapter.....	108	Effective Date.....	114

Highlights Subject Index.....	117
--------------------------------------	------------

Highlights by Topic

AGRICULTURE			
Updating kosher codes	9	Permitting mineral byproducts.....	23
Filing farm liens.....	9	DNR provisions potpourri	23
Focusing on farming.....	9	FAMILY	
BANKING		Parenting education.....	24
Business practices	10	GAMBLING	
Accepting deposits.....	10	State lottery changes.....	24
BUSINESS		Charitable provisions	25
Towing, selling vehicles.....	10	GAME & FISH	
Code revisions	11	Doves, ducks, and deer	25
Real estate licensing.....	11	GOVERNMENT	
Functional change	11	Department changes.....	26
Reform changes.....	11	Pension funds.....	26
CONSUMERS		Promoting propane safety.....	26
Phone company billing, regulation	11	Making DNR rules.....	26
Utility subsidies, wind generators.....	11	Technology dollars.....	27
Telecom reforms	12	Funding updates	27
Warranty coverage.....	13	Fund oversight	27
Foreclosure consultant penalties	13	Claims bill.....	27
CRIME		Protecting privacy.....	28
Graffiti ramifications.....	13	Dislocated worker program.....	28
Employee safety.....	13	GREATER MINNESOTA	28
Orders for protection	14	Iron Range Resources leader.....	28
Drunken driving limit.....	14	HEALTH	28
Vehicle forfeitures	14	Terminology change	28
Service animal protection	14	Adverse event reporting.....	29
Paying for help, no porn	15	Moratorium exception methods	29
Prison guard safety.....	15	Transfer rules.....	29
Fewer prison levels	15	Drug rebates, kickbacks.....	29
Compact update.....	15	Insurance safety net	30
EDUCATION		Facility expansion.....	30
Academic standards, other provisions	16	Hospital construction	30
Academic standards.....	16	Survey changes.....	30
Academic Excellence.....	16	Provider regulations.....	31
Safety	17	Dispensing drugs	31
Other provisions	17	Radioactive materials fees	31
Serving Minnesota.....	17	Licensure provisions.....	32
Transition committee membership.....	17	Provider contracting	32
Trust land money.....	17	Regulatory board provisions.....	32
ELECTIONS		HOUSING	32
District boundary adjustment	18	Proof of a paid mortgage	32
Campaign sign size, numbers.....	18	HUMANITIES	32
Campaign concerns.....	18	State observance.....	32
Voting times	18	Acquiring abandoned property.....	33
HAVA conformance.....	18	HUMAN SERVICES	33
EMPLOYMENT		Licensing, other provisions.....	33
Affirmative action changes.....	19	Human services.....	34
State employment, local compensation.....	19	Child care,	34
Regulating debt collectors.....	19	Minnesota Family Investment Program	34
Reference information disclosure	19	Long-term care.....	34
Disabled worker study.....	20	Health care	34
DEED changes	20	Health care cost containment.....	34
ENERGY		Miscellaneous	35
Ridding PCBs from equipment.....	20	Meeting electronically.....	35
Regulating utility performance.....	20	Nursing home enhancement.....	35
ENVIRONMENT		Pilot project extended	36
Regulating petroleum tanks	21	INDUSTRY	36
Encouraging ethanol	21	Non-oxygenated fuel exemptions	36
Nugget race.....	21	INSURANCE	36
From exotic to invasive.....	21	Cancellation notice.....	36
Phosphorus fertilizers banned	22	Care provider coverage.....	36
Soil science	22	Reserve calculations.....	36
Diluting pollution.....	22	Insuring home child-care property.....	37
Land swaps and sales.....	23	Solvency calculation	37
Selling state timber.....	23		
		LAW	37
		Conflicts of laws among states.....	37
		Purchase money mortgages	37
		Roadwork contract restrictions.....	37
		Conciliation court collections.....	37
		Tending trust funds	38
		Bond maximums	38
		LOCAL GOVERNMENT	38
		Seeking water source.....	38
		Tort protection	38
		Electronic payments, receipts.....	38
		Banking day definition	38
		Conflict of interest.....	39
		Annual town audits	39
		Developer fees	39
		Attorney fees.....	39
		Payroll processing	39
		Publishing public notices	39
		Filling two seats	40
		Airport closures.....	40
		Storm sewer charges.....	40
		Town audits	41
		Interim zoning ordinances.....	41
		Conducting county business	41
		Reverse auction, court surcharge.....	41
		Direct deposit	42
		Keeping up appearances.....	42
		Personnel board of appeals.....	42
		Closing public meetings.....	42
		METRO AFFAIRS	42
		Paying electronically	42
		Affordable housing.....	43
		MILITARY	43
		Benefits revisions.....	43
		Selective Service registration.....	43
		RECREATION	44
		Snowmobiling both ways	44
		RETIREMENT	44
		Pension changes.....	44
		Pension funds	44
		Fund investment.....	45
		SAFETY	45
		Pinpointing 911 callers.....	45
		Dangerous but regulated.....	45
		Personal protection orders	45
		Permitted to drive	45
		Honoring fallen Minnesotans	46
		One call says it all	46
		Railroad track clearance.....	46
		Statewide Radio Board	47
		Preventing fraud.....	47
		TOURISM	47
		Promoting Minnesota.....	47
		TRANSPORTATION	48
		Local airport costs	48
		Bridge review	48
		Garbage truck weight	48
		Trucking trailers	49
		Preservation designation	49
		Behind the wheel	49
		Transportation housekeeping	50
		Longer bus.....	50
		Safer, longer-lasting land surveys	50
		Light rail operations	50

VETERANS 51
 Information sharing 51
 Veterans tuition and nursing homes 51
 Leasing land 51

VETOED BILLS

CONSUMERS..... 55
 Local liquor bill 55
DEVELOPMENT 55
 RFP exception vetoed 55
GOVERNMENT..... 56
 Buying for less 56
SAFETY 56
 Property protection 56

DEAD BILLS

AGRICULTURE..... 57
 Shearing extension services 57
 Protecting drain tiles 57
BONDING..... 57
 Capital projects 57
 Corrections 57
 Education 57
 Higher Education 57
 Natural Resources 57
 Political subdivisions 58
 Transportation 58
 Other areas 58
BUSINESS..... 58
 Protecting viability 58
 Information disclosure 58
 Tobacco sales penalties 59
CHILDREN..... 59
 Liability protection 59
CONSUMERS..... 59
 Authorizing credit cards 59
 No attorney fees 59
CRIME..... 60
 Paying the ultimate price 60
 Falsely reporting misconduct 60
 Murder involving child abuse 60
 Sex offender registration, notification 60
DEVELOPMENT 60
 International development zone 60
EDUCATION 61
 Teaching excellence 61
 Pay based on student performance 61
 Rewards for success 62
 No school, no license 62
 Teacher training 62
 Personnel assignments 62

Passing student information 63
 Holding students back 63
 Encouraging abstinence 63
 Funding community education 63
 Determining transition revenue 63
 Working together 64
 Referendum questions, levy restoration 64
 Paying to ride 64
 Healthy schools 64
 Magnet school funding 65
 Trust land aggregate 65
 School funding geographic differential 65
 Educating preschoolers 65
ELECTIONS 65
 Voting for felons 65
 Uniform election dates 66
EMPLOYMENT 66
 No omnibus bill 66
 When to negotiate 66
 Workers' compensation changes 67
ENERGY..... 67
 Bonding for biomass 67
 Biomass facility tax exemption 67
 Reviewing renewable energy 67
ENVIRONMENT..... 68
 Avoiding "e-waste" 68
FAMILY 68
 Banning gay marriage 68
 Child support changes 68
 Taxing in-home daycare facilities 68
GAMBLING 69
 Simulcasting and a card room 69
 Tribal casino plan 69
 Card club table increase 70
GAME & FISH 70
 Managing Lake Mille Lacs 70
 Heritage fund halted 70
 Shooting ranges out to pasture 70
GOVERNMENT..... 71
 Funding state government 71
 Fewer legislators 71
 Sanction for sharing knowledge 71
GREATER MINNESOTA 71
 Increasing speed limits 71
HEALTH 72
 Health care funding, cost containment 72
 Drug tax elimination 72
 Pharmacy access 72
 Cost changes 72
 Medical records access 73
HIGHER EDUCATION 73
 Omnibus bill 73
 Uniform standards 73

Revamping reciprocity agreements 73
 Doctoral degrees 74
 Riot penalties 74
HUMAN SERVICES..... 74
 Immigrant assistance 74
HUMANITIES 75
 Library grants 75
INDUSTRY 75
 Production tax exemption 75
INSURANCE 75
 Transit insurance study 75
LAW 75
 Initiative and referendum 75
 Jail booking fees 76
LOCAL GOVERNMENT 76
 Comprehensive plan dispute 76
 Public finance bill 76
 Defining property taxes payable 77
 Spending local revenue 77
 Employee compensation levels 77
 PRT funding 77
 Taking by eminent domain 78
METRO AFFAIRS 78
 MAC chair salary 78
 Alternative transportation 78
RECREATION..... 78
 Stadium financing 78
 Football on campus 79
 Bemidji hockey arena 79
RETIREMENT..... 79
 Pension funding 79
SAFETY 79
 Dispatchers as essential employees 79
 No light-changing mechanisms 80
 Lab cleanup costs 80
 Specialty response team 80
TAXES..... 80
 No omnibus bill 80
 Credit for long-term care insurance 81
 Standards for tax preparers 81
 Cigarette tax increase 81
 Tax haven countries 82
 Donated meals 82
 Biotechnology zone credits 82
TECHNOLOGY 83
 Genomics research funding 83
 Funding online learners 83
 Online access for all 83
TRANSPORTATION 84
 School bus inspections 84
 Bus line funding 84
 Gas tax alternatives 84

Selected 2004 laws

Editor's note: *Highlights, the first section in New Laws 2004, is written as a general overview of major legislation approved during the 2004 regular session.*

The new laws are categorized alphabetically under topics, such as Agriculture, Banking, and Bonding. 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 117, is useful for finding information on specific subjects.

★ AGRICULTURE

Updating kosher codes

A new law will update the way kosher dietary laws are referenced in Minnesota statutes.

Effective Aug. 1, 2004, sections of Minnesota food law related to foods labeled as kosher will state that the item must be prepared "as prescribed by a rabbinic authority, with the name and institutional affiliation and denominational affiliation, if any, of the rabbinic authority identified." Current law indicates it must be prepared "in accordance with orthodox Hebrew religious requirements."

Proponents of the new law said the orthodox Hebrew reference designated one movement out of the orthodox, conservative, and reform movements within the Jewish religion to make kosher process decisions for all.

Opponents said that changing the law would take away from easily identified and respected standards set by the Orthodox Union kosher certification.

Further support for the legislation came from some kosher consumers who worried the designation might not hold up under court scrutiny. Similar laws have been challenged as violating the establishment clause in states such



PHOTO BY ANDREW VONBANK

A new law establishes the standard for sanctioning kosher foods as being Jewish religious requirements rather than orthodox Hebrew requirements.

as New York, New Jersey, and Maryland.

Rep. Frank Hornstein (DFL-Mpls) and Sen. Richard Cohen (DFL-St. Paul) sponsored the legislation.

HF2864*/SF2756/CH232

Filing farm liens

A new law updates and modifies the process under which legal claims on farm products as security for payment of a debt are filed with the Office of the Secretary of State.

The goal is to boost the efficiency of the central notification system operated by the office into a statewide, computerized agricultural lien filing system.

Currently, agricultural liens are filed at the Secretary of State's Office in St. Paul or at the various county recorders' offices around the state.

The new law will phase out the role of county recorders in the system but still give recorders the option to operate as satellite offices.

When the central notification system was first proposed more than a decade ago, it was met with a good deal of controversy, according to the House sponsor Rep. Howard Swenson (R-Nicollet). However, he said, users have come to appreciate its value and a number of them came to the table to work on the changes, including farm organizations, producers, lenders, county recorders, and buyers from the feed and grain associations.

Proponents have said the system is a convenient way for buyers of farm products to know if they need to write a check to both the producer and the lender. The new law will conform to changes made at the federal level in 2002, including provisions that make electronic filing possible.

Another provision will change the wording in state law to specifically list 42 farm products to be included in the notification system.

The new law directs \$62,000 to the office to pay for the program. A \$10 surcharge will be applied to every filing between July 1, 2004, and June 30, 2005, to help with the costs of the updated system.

The effective dates of the new law vary, with most policy provisions effective Aug. 1, 2004, with qualifications including the need for U.S. Department of Agriculture approval of the new system.

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

HF2442/SF2437*/CH191

Focusing on farming

A new law aims to make farm loan programs more accessible, protect the state's livestock industry, and boost dairy farmers' abilities to upgrade facilities.

The new law, most of which is effective Aug. 1, 2004, will expand farmers' access to a

number of Rural Finance Authority loan programs, lift some requirements in ethanol plant ownership disclosure reports, make it more difficult to bring a nuisance lawsuit against a farm owner, and increase trespassing penalties on farms that raise domestic animals for commercial productions. Trespassers on land posted as a "bio-secure area" could be subject to a gross misdemeanor penalty.

The law sets a state livestock production policy "to promote livestock production on family farms under a broad range of management systems that are environmentally sound and meet all legal requirements of all jurisdictions, including federal, state, county, town, city, and watershed district requirements." The policy further says state agencies that deal with family farms shall, when appropriate, promote environmental protection and water quality improvement through certain production management activities.

Another provision will exempt sellers of certain home-grown-home-canned pickles, fruits, and vegetables from state licensure requirements, provided they receive less than \$5,000 per year in sales from the products and meet certain labeling and signage requirements.

Under the new law, electronic documents and signatures will be an approved part of grain transactions, effective July 1, 2004.

Current law banning foreign ownership of farms is amended to allow holders of nonimmigrant treaty investment visas to own dairy farms of up to 1,500 acres. Such visa holders will be included in the definition of a "permanent resident alien of the United States."

To qualify, a person would have to live on the farm at least 10 months in a 12-month period, and eligibility will be limited to three years if the visa holder does not actively pursue nationalized citizenship. Proponents of this measure are hoping to attract farmers from Belgium and the Netherlands to boost the state's declining dairy industry.

After some ethanol plant owners balked at the link between state producer payments and ownership disclosure forms put in place by the 2003 Legislature, the new law lifts the requirements and authorizes any producer who failed to receive payments because they did not comply with the reporting requirements to be paid in full.

Other general policy changes include updating the law governing county agricultural societies and guidelines for county fair state aid, modifying certain license and practice requirements for veterinary medicine professors at the University of Minnesota, and requiring mosquito control public notification meetings

to be held at a convenient time for city or town residents before a pesticide application takes place.

Rep. Howard Swenson (R-Nicollet) and Sen. Jim Vickerman (DFL-Tracy) sponsored the legislation.

HF2461/SF2428*/CH254

★ BANKING

Business practices

A new law will include credit unions under state law liability exemptions for safe deposit companies.

Credit unions are authorized to offer safe deposit boxes to its members. The new law adds credit unions to a list of financial institutions that can choose to have their safe deposit box activities regulated by the state.

State statute is also amended to allow the National Credit Union Administration to insure time deposits.

Furthermore, the new law allows a law enforcement agency to recover its expenses if it successfully collects on a dishonored check. The law enforcement agency can recover up to a \$30 service charge per each dishonored check it collects.

Sponsors of the new law, which takes effect Aug. 1, 2004, are Rep. Doug Stang (R-Cold Spring) and Sen. Dan Sparks (DFL-Austin).

HF2551*/SF2418/CH174

Accepting deposits

A new law will conform state banking statutes to federal regulations for certain financial services.

Industrial loan and thrift companies make loans, and some accept deposits in various ways, but their powers, structure, and forms of regulatory oversight differ. For example, in Minnesota, the Department of Commerce oversees loan and thrift institutions.

Effective Aug. 1, 2004, the law alters a requirement for an industrial loan and thrift company to obtain deposit-taking powers from the department. It states that owners of loan and thrift companies must qualify to own a federal savings association under federal law in order to be authorized to accept deposits. Minnesota was one of only three states yet to conform.

Rep. Doug Stang (R-Cold Spring) and Sen. Dan Sparks (DFL-Austin) sponsored the law.

HF2216/SF2265*/CH253

★ BUSINESS

Towing, selling vehicles

Effective Aug. 1, 2004, auto repair shops will be allowed to tow privately owned vehicles that have been abandoned on their property.

Under the new law, a vehicle repair or service business can impound a vehicle five business days after notifying the vehicle owner by certified mail that the vehicle will be removed. The owner, or agent of the owner, of a service or repair facility is exempted from civil liability to the unauthorized vehicle owner resulting from removal of the vehicle by a towing service.

The law is needed, proponents say, because some owners never bother to retrieve their vehicle after receiving an estimate, but the repair shop cannot have the vehicle towed.

Under current law, the sheriff's office in the given county can sell the abandoned vehicle at an auction on the business grounds, but the repair shop must pay for the public notice, and in some cases no one bids on the vehicle.

Current law also allows for the towing and disposal of vehicles that have been abandoned on public roadways, in parking lots, and on private nonresidential property that has been properly posted. However, it does not allow for auto repair shops to have vehicles towed.

The new law provides that vehicles towed from repair shop grounds can be sold at auction by the sheriff's office, as are cars abandoned in public roadways and parking lots.

Rep. Thomas Pugh (DFL-South St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park) are the sponsors.

HF1972/SF1639*/CH224



PHOTO BY TOM OLMSCHEID

A new law permits the towing of privately owned vehicles that have been abandoned at auto repair shops. These vehicles can also be sold at auction, as are cars abandoned on public roadways and parking lots.

Code revisions

A new law makes changes to the Uniform Commercial Code, effective Aug. 1, 2004.

The code is a set of laws regulating commercial transactions, in particular those involving the sale of goods and secured transactions. It encourages uniformity of commercial laws in every state and is enacted on a state-by-state basis.

The permanent editorial board for the Uniform Commercial Code, which consists of 12 members nationwide, was established to consider changes to the code and respond to changes in commercial practice.

Major changes are contained in two articles. The change in Article 1 broadens the definition of "good faith."

The changes in Article 7 allows for electronic documentation of title for goods that are in the custody of a commercial warehousing or transportation business. The adjustments reflect changes in the industry.

Rep. Thomas Pugh (DFL-South St. Paul) and Sen. Don Betzold (DFL-Fridley) sponsored the law.

HF1983*/SF1805/CH162

Real estate licensing

A new law makes a number of changes to real estate licensing statutes, including those dealing with residential mortgage originators, and incorporates rules now in use into statute. The changes are effective Aug. 1, 2004.

For example, the law establishes penalties for a lender that unreasonably delays processing a loan application beyond the expiration date of an interest rate or discount point agreement. Examples of delays include not returning phone calls, the addition of new requirements for processing or approving the loan, and not approving the loan in a reasonable period of time.

It also modifies a provision that prohibits the waiver of the rescission period relating to the purchaser's right to cancel.

Under the law, a quicker way to cancel a residential purchase agreement is established. In addition, either party could use the procedure, instead of just the seller, as in previous law.

Additionally, the law rearranges the portion of state statute regulating real estate agents to incorporate Commerce Department rules into the statutes.

Rep. Laura Brod (R-New Prague) and Sen. Linda Scheid (DFL-Brooklyn Park) sponsored the law.

HF2439/SF2379*/CH203

Functional change

Under a new law, business services at the Office of the Secretary of State will change in several ways. The measure is effective retroactive to Jan. 1, 2004, unless otherwise noted.

Sponsored by Rep. Paul Kohls (R-Victoria) and Sen. David Knutson (R-Burnsville), the law creates a modest savings for the office, while also making the business filing process more efficient through online options.

The law requires that a postcard be sent to corporations as a reminder to file the annual registration, and that failing to do so would result in dissolution. It also provides that later filing of a registration returns the corporation to good standing as of the date of dissolution, validates contracts, and restores assets and rights to the corporation. A \$25 fee is provided for late filers.

More than 400 filings are performed per week online for Uniform Commercial Code filings. The law reduces the fee from \$20 to \$15 for those filing online. The same fee structure applies for responding to requests for information from the filing office.

Other provisions in the law include:

- the elimination of a requirement that a county auditor send the office a copy of each auctioneer's license address change, and one-half of the \$20 license fee that was previously deposited in the state's general fund,
- a transfer of the duties of overseeing notaries public from the commerce commissioner to the office, and
- the Department of Finance is instructed to add the costs of assuming and operating the notary function to the base budget of the Secretary of State's office.

HF1798/SF1836*/CH251

Reform changes

A new law enacts and modifies the Uniform Limited Partnership Act of 2001.

One portion of the act modernizes corporate and nonprofit laws, said Rep. Eric Lipman (R-Lake Elmo), who sponsored the law with Sen. John Hottinger (DFL-St. Peter).

The law provides transitional provisions; makes conforming changes; and regulates the organization, structure, and governance of business corporations, nonprofit corporations, and limited liability companies.

Changes include provisions and governing of certificate of limited partnership, general partners, contributions and distributions in regards to partners, rights of transferees and creditors.

A one-year increase of fees for filing documents related to limited partnerships is called for in the law. Raising the fee will help offset the \$75,000 cost to changes that the Office of the Secretary of State will have to make to accommodate the reforms.

Special rules governing foreign limited partnerships are also changed under the new law, which has various effective dates.

HF1824/SF1803*/CH199

★ CONSUMERS

★ Phone company billing, regulation

A new law aims to promote accurate telephone company billing statements and also will extend some alternative regulatory requirements phone companies operate under in the state.

Telephone companies may elect to operate in Minnesota under an agreement known as an alternative form of regulation that provides for setting minimum consumer protection standards such as price controls, service standards, and infrastructure investment, in exchange for certain other operating flexibility.

A provision of the new law, effective May 20, 2004, will change the way such plans may be extended or renewed.

Under the consumer protection reach of the new law, local carriers will be required to obtain express prior authorization from customers before including charges from third-party service providers on bills.

Examples of third-party billing include charges for Internet service, pagers, voicemail, or even club memberships.

Effective Aug. 1, 2004, if the company cannot produce evidence to the contrary, consumers will be eligible for a refund of bogus charges back six months from the date of the claim.

Rep. Michael Beard (R-Shakopee) and Sen. Dallas Sams (DFL-Staples) sponsored the legislation.

HF979/SF1115*/CH214

Utility subsidies, wind generators

A new law aims to direct low-income electric rate discounts toward the neediest households and lighten reporting requirements for smaller utilities.

The new law specifies that utility affordability programs "must be designed to target participating customers with the lowest incomes and highest energy costs in order to lower the



PHOTO BY TOM OLMSCHIED

A new law will allow school districts to own, operate, and manage wind energy conversion systems. School boards operating such systems will be required to integrate wind energy conversion system lessons into the district curriculum.

percentage of income they devote to energy bills, increase their payments, and lower costs associated with collection activities on their accounts.”

“Low income” describes a customer who is receiving assistance from the federal low-income home energy assistance program.

Under this provision, effective July 1, 2004, the program must include a 50 percent electric rate discount on the first 300 kilowatt hours consumed in a billing period for low-income customers who are age 62 or older or disabled.

Another provision, effective Aug. 1, 2004, modifies the timeline under which the Department of Commerce requires certain municipal gas and electric utilities and rural electric cooperatives to file Conservation Improvement Plan reports documenting energy savings or improved efficiency.

A third section, effective May 20, 2004, will allow school districts to own, operate, and manage wind energy conversion systems. The new law will cap the school district share of the installed capacity of the wind energy conversion system at 3.3 megawatts of nameplate capacity, in other words what the equipment is capable of producing. School boards operating such systems will be required to integrate wind energy conversion system lessons into the district curriculum.

Rep. Torrey Westrom (R-Elbow Lake) and Sen. Ellen Anderson (DFL-St. Paul) sponsored the legislation.

HF1830/SF1753*/CH216

Telecom reforms

A new law bundles consumer protection initiatives and industry regulatory reforms into what the House sponsor, Rep. Torrey Westrom (R-Elbow Lake), has described as a sign of things to come in the area of telecommunications regulation.

Under the new law, local telephone and telecommunications carriers who provide directory assistance for a fee will be required to immediately credit a customer who is given the wrong information.

The new law modifies the interest rate on utility deposits to fluctuate with the yield on United States Treasury securities, rather than remain set in statute at a flat percent. The

revised rate will apply to deposits held as of Jan. 1, 2005, and thereafter.

Another provision will require wireless telecommunications service providers to notify consumers under contract 30 days in advance of any substantive changes to the contract that could increase charges. This provision has a sunset date of Aug. 1, 2007, in order to give regulators and the industry an opportunity to examine whether the requirements are effective or cumbersome. This provision is effective July 1, 2004, and applies to any contracts entered into on or after May 1, 2004. However, this article is currently subject to a temporary restraining order from the U.S. District Court and cannot take effect until a final ruling is issued.

The new law also sets guidelines for small telephone companies to expand local calling areas, and it declares that the Public Utilities Commission must apply the same criteria and standards to all eligible telecommunications carriers seeking continued federal universal service funding to support maintenance or upgrades to facilities used to help keep local phone service affordable for all residents.

The commission is charged, under the new law, with developing by Jan. 15, 2005, a means for reimbursement of small consumer complaints with a monetary component and a strategy for increasing the number of plans offering flat-rate statewide calling, making the plans available to all Minnesota customers and reducing the costs of the plans.

The new law includes a number of technical changes designed to modernize the section of statutes governing cable communications systems.

Sen. Steve Kelley (DFL-Hopkins) co-sponsored the legislation.

HF2151*/SF2774/CH261

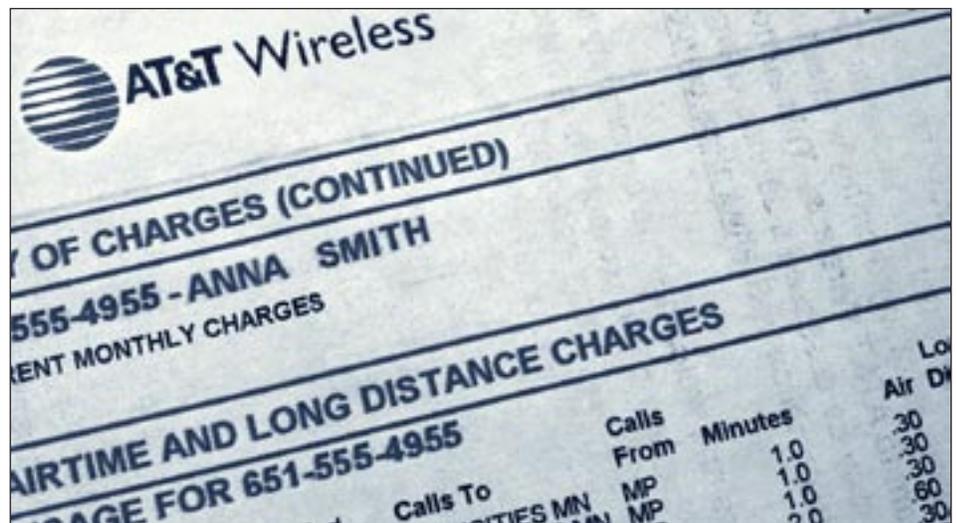


PHOTO BY ANDREW VONBANK

Wireless telecommunications providers will be required, under a new law, to notify consumers under contract 30 days in advance of substantive changes to the contract that could increase charges.

Warranty coverage

Buyers of new homes will find stricter rules governing defects covered by warranties, under a new law.

Sponsored by Rep. Larry Howes (R-Walker) and Sen. Don Betzold (DFL-Fridley), the law is in response to a December 2001 Minnesota court ruling stating that homeowners do not have to file a warranty claim for defects within the warranty period. This created a loophole making it difficult for homebuilders to get liability insurance.

For example, Steve Noble, president of Noble Custom Homes in St. Cloud, told a House committee that he has never had a claim filed against him, yet was dropped by his insurance company due to the situation created by the court ruling. After much searching, he found an insurance company that would insure him, but his rates increased \$30,000 per year.

Under state law, in every sale of a completed dwelling, and in every contract for sale of a dwelling to be completed, the vendor is to warrant three things to the buyer, including a 10-year warranty that "the dwelling shall be free from major construction defects due to noncompliance with building standards."

The law, effective Aug. 1, 2004, says that an action occurring in the ninth or 10th year of the warranty date must be brought within two years of the discovery of the breach, and that under no circumstances may action be brought more than 12 years after the effective warranty date.

HF730*/SF289/CH196

Foreclosure consultant penalties

Scam artists convicted of preying on people threatened with home foreclosure could face stiff fines and a prison sentence under a new law.

The law regulates foreclosure consultants and foreclosure purchasers, as well as provides remedies for homeowners.

In a practice known as "equity stripping," disreputable foreclosure consultants and foreclosure purchasers prey on people whose homes are in mortgage foreclosure by promising to find financing to help them stay in their homes. In practice, they keep people waiting until there are no other options, thereby increasing the likelihood the homeowner will sign over their homes and the home's equity. Ultimately, the scammer owns the home, evicts the previous homeowner, and sells the house at a profit, keeping the equity.

Any foreclosure consultant or foreclosure

purchaser who engages in a fraudulent or deceitful practice may be fined up to \$10,000 and imprisoned for up to one year. The law specifies prohibited practices for foreclosure consultants and foreclosure purchasers, such as making statements or engaging in conduct that is false, deceptive or misleading. Examples include misstating the value of the residence in foreclosure and the amount of proceeds the foreclosed homeowner will receive after a foreclosure sale.

Additionally, the law provides information to the homeowner to better understand the transaction. It also gives a homeowner the right to rescind a contract with a foreclosure consultant three days after the contract is signed or five days after with a foreclosure purchaser.

Most provisions are effective Aug. 1, 2004, and expire Dec. 31, 2009.

The law also permits money in the Affordable Rental Investment Fund to be used "to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties." Supportive housing, according to the law, "means affordable rental housing with linkages to services necessary for individuals, youth, and families with children to maintain housing stability." This provision is effective July 1, 2004.

Rep. Andrew Westerberg (R-Blaine) and Sen. Ellen Anderson (DFL-St. Paul) sponsored the law.

HF2095*/SF2412/CH263

★ CRIME

Graffiti ramifications

A new law aims to reduce the amount of graffiti on Minnesota walls, fences, and train cars.

Effective Aug. 1, 2004, the law will allow individuals whose properties are vandalized by graffiti to collect up to three times the actual property damages from the offender in civil court. Courts may order offenders to clean up the graffiti as an alternative to paying damages. If the offender is a minor, the law holds parents liable for up to \$1,000 in damages. The court is further permitted to award attorney fees and costs to a prevailing plaintiff.

Supporters say the law will bring more offenders to justice because of the lower standards of evidence required in civil courtrooms. Graffiti vandalism is punishable in criminal courts, but police must obtain an eyewitness or a confession.

The Minnesota Defense Lawyers' Association opposed the provision that makes parents



PHOTO BY TOM OLMSCHIED

A new law will allow individuals whose properties are vandalized by graffiti to collect up to three times the actual property damages from the offender in civil court

liable for their children's graffiti. The group said attorney's fees and the \$1,000 fine punish parents for activities beyond their knowledge or control. And, the association said, criminal courts should maintain jurisdiction in ordering clean-up duties.

Sponsors of the new law are Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Berglin (DFL-Mpls).

HF339/SF40*/CH149

Employee safety

A new law treats crimes against probation officers as seriously as crimes against jail and prison employees.

The new law will subject anyone who assaults or inflicts demonstrable bodily harm against a corrections employee or probation officer to a felony charge, and a possible maximum penalty of two years in prison and a \$4,000 fine.

Effective Aug. 1, 2004, the new law also declares as a crime the throwing of bodily fluids or feces at a law enforcement officer or probation officer.

A person convicted of throwing bodily fluids or feces at a law enforcement officer faces a maximum penalty of three years in prison and a \$6,000 fine. The same crime against a probation officer or jail or prison employee carries a maximum penalty of two years in prison and a \$4,000 fine.

Rep. Sheldon Johnson (DFL-St. Paul), the House sponsor, said the legislation recognizes the increasing public safety concerns that law enforcement agents encounter in the course of their work. Johnson works in the corrections field.

The Senate sponsor is Sen. Mee Moua (DFL-St. Paul).

HF2352/SF2387*/CH184

Orders for protection

A new law allows orders for protection for domestic violence victims when their abusers are about to be released from jail or prison.

Previously, protection orders could only be extended for three reasons: violation of a past order, fear of physical harm, or actual acts of harassment or stalking. Orders are valid for a set period of time, which is often one year, and on occasion two years.

However, courts cannot extend orders indefinitely. And they were limited in extending or granting orders when the abuser was released from jail or prison because the victim couldn't establish that there had been contact necessitating protection.

The new law is effective April 27, 2004.

Supporters of the law are the Minnesota Coalition for Battered Women, the Domestic Abuse Project in Minneapolis, the St. Paul Domestic Abuse Intervention Project, and the Watch Project in Minneapolis.

Sponsors of the new law are Rep. Steve Smith (R-Mound) and Sen. Don Betzold (DFL-Fridley).

HF1944*/SF1797/CH164

Drunken driving limit

Minnesotans choosing to drink and drive will face a lower blood-alcohol content threshold to be considered too drunk to be behind the wheel, beginning next summer.

The law changes the level from 0.10 to 0.08 beginning Aug. 1, 2005. The date is a compromise between bills passed by the House and Senate. Senators wanted to enact the legislation on Aug. 1, 2004, and the House proposed Sept. 1, 2007.

The lower level will put Minnesota in compliance with federal regulations. In addition, the state will not risk losing an estimated \$100 million in federal transportation funds by not making the change. Minnesota was the 49th state to enact the lower blood-alcohol limit, just ahead of Delaware.

A Department of Public Safety report estimates that 14 lives will be saved annually with a lower limit in the state. It is estimated that drunken driving incidents in Minnesota cost the public \$1.8 billion annually, \$1.1 billion of which is paid by someone other than the drunk driver.

An additional provision provides that if a person is convicted of drunken driving with a blood-alcohol content level of 0.08 or 0.09, is a first-time impaired driving offender, and has no other impaired driving offenses in the next 10 years, their record will be expunged. Under current law, all DWI convictions must be kept on a driving record for at least 15 years.

Further, the chief law enforcement officer of an agency is to report to the public safety commissioner certain information relating to alcohol concentration tests conducted by the agency between Aug. 1, 2005 and July 31, 2006, including the initial reason for interaction between an officer and the person

tested and the person's alcohol concentration. By Jan. 15, 2007, the commissioner shall provide a summary to the Legislature.

Rep. Steve Strachan (R-Farmington) and Sen. Leo Foley (DFL-Coon Rapids) are the sponsors.

HF97/SF58*/CH283

Vehicle forfeitures

A new law makes several changes to the state's driving while intoxicated (DWI) vehicle forfeiture law.

Brought forward by a DWI task force, the county attorneys association, and a number of others, the law makes it easier for the state to take away vehicles from repeat drunken drivers by no longer requiring that the driver be the registered owner of the vehicle subject to forfeiture. It is effective Aug. 1, 2004.

Supporters said the legislation would keep drunken drivers from dodging the law by driving a vehicle registered to a friend or family member or the previous owner. Under the law, the registered owner would lose the vehicle unless it could be proven that the owner did not know the violator to whom they lent the vehicle was going to break the law.

Opponents said it casts too wide of a net and risks taking valuable property from people not involved in a crime.

Additionally, if a driver fails to appear for any of the scheduled court appearances related to DWI and doesn't turn themselves in within 48 hours after having missed the court appearance, they are subject to vehicle forfeiture, under the law.

Minnesota's vehicle forfeiture law applies to people who have committed a drunken driving offense with two or more aggravating factors, such as having two prior drunk driving arrests or convictions, or one prior DWI incident if the current violation involves a blood-alcohol content level of 0.20 or greater, or having a child under age 16 in the vehicle.

Rep. Doug Fuller (R-Bemidji) and Sen. Leo Foley (DFL-Coon Rapids) sponsored the law. HF392/SF388*/CH235



PHOTO BY TOM OLMSCHEID

A new law lowers the blood-alcohol content threshold for drunken driving from 0.10 to 0.08, beginning Aug. 1, 2005.

Service animal protection

Individuals whose dogs harm service animals, commonly used by people with disabilities, can, under a new law, be charged with a misdemeanor and ordered to pay restitution.

Effective Aug. 1, 2004, the law will protect service animals trained to work or perform tasks for an individual with a disability. Dog



PHOTO BY ANDREW VONBANK

Individuals whose dogs harm service animals, commonly used by people with disabilities, can, under a new law, be charged with a misdemeanor and ordered to pay restitution.

owners can be charged with a crime for intentionally or negligently permitting a dog to run uncontrolled off personal property, or failing to keep the dog properly confined and controlled, if that dog injures a service animal.

Supporters of the new law said training a service animal could cost tens of thousands of dollars, and that owners should be compensated when their animal is injured and can no longer perform its duties.

Groups supporting the new law include the Minnesota Guide Dog Users, the American Council for the Blind of Minnesota, and the Minnesota Council on Disability.

Twenty-seven states, including Minnesota, have laws providing service animal dogs with protection against harm by humans. But until now, no law addressed injuries to a service animal imposed by another canine.

Sponsors of the new law are Rep. Paul Kohls (R-Victoria) and Sen. Chuck Wiger (DFL-North St. Paul).

HF1817/SF1614*/CH159

Paying for help, no porn

Sex offenders imprisoned in Minnesota will be charged a co-payment for their treatment and they will no longer have access to pornography, under a new law.

Effective Aug. 1, 2004, the sex offender treatment fee will be based on a schedule approved by the Department of Corrections commissioner. Revenues are to be provided to the treatment provider to pay for the cost of treatment. The fee will be based on an offenders ability to pay.

The law also prohibits those civilly committed as sexual psychopathic personalities or sexually dangerous persons from receiving or possessing pornographic material while receiving treatment in a state-operated facility. Pornography is prohibited in state prisons.

Rep. Judy Soderstrom (R-Mora) and Sen. Wes Skoglund (DFL-Mpls) are the sponsors. HF921/SF906*/CH134

Prison guard safety

A new law, that its sponsors say is necessary for the safety of the state's correctional employees, makes it easier for corrections officials to draw blood samples from uncooperative inmates who have exposed guards to their bodily fluids.

State law provides that a blood sample can be taken from an inmate to test for bloodborne pathogens, such as Hepatitis B, Hepatitis C, or HIV, if a corrections employee is subjected to a significant exposure. If an inmate refuses, a court may be petitioned to receive permission to do a blood draw. However, that can sometimes take up to six months, which can be psychologically tough on an employee because of the uncertainty of disease contraction.

Effective May 28, 2004, the new law creates an expedited method to obtain a blood draw if certain requirements are met.

For example, facility administrators must first attempt to gain the sample voluntarily; a doctor must determine that a significant exposure has occurred; and, after reviewing a blood sample provided by the corrections employee, the doctor must determine that a sample is needed from an inmate to determine the proper course of treatment.

The law also requires that the corrections commissioner and facility administrators notify inmates of the policy and procedures.

Rep. Steve Smith (R-Mound) and Sen. Leo Foley (DFL-Coon Rapids) sponsored the law. HF2339/SF2640*/CH252

Fewer prison levels

A new law restructures the correctional facility classification system by which prisoners are classified in order to determine prisoner assignments.

The Department of Corrections previously utilized a six-level system for classifying its adult male prisoners among eight prisons. Effective Aug. 1, 2004, the system is reduced to five levels.

Under current practice, new prisoners are sent to the St. Cloud prison for a classification level. As their security level decreases for time served and good behavior, they may be moved between maximum-, high-, medium-, and low-level security facilities. The law merges Level 5 and Level 4 prisoners into one Level 4 so that the state would have more options for housing prisoners at Stillwater, St. Cloud, and Rush City.

The change will not allow any prisoner to move to a lesser medium-security facility any sooner than otherwise would be allowed.

The new law will also provide cost savings, because fewer inmate transfers will be required as prisoners move their way down from higher custody levels.

Rep. Steve Smith (R-Mound) and Sen. Wes Skoglund (DFL-Mpls) sponsored the law. HF2455*/SF2499/CH156

Compact update

A new law makes changes to the Interstate Compact for Adult Offender Supervision that addresses issues of arrest and incarceration of former prisoners from out of state who violate conditions of their parole or probation in Minnesota.

Sponsored by Rep. Steve Smith (R-Mound) and Sen. Wes Skoglund (DFL-Mpls), the law updates the compact that dates back to the 1930s, and continues the provisions that were to sunset July 1, 2004 to July 1, 2006.

The compact is the mechanism used by all 50 states, Puerto Rico and the Virgin Islands for the transfer and supervision of offenders between states. A nationwide effort to update the compact was launched two years ago.

Effective April 15, 2004, the new law allows the state to issue warrants for the arrest of offenders found in Minnesota without first receiving approval from the offenders' states of origin. The offender could be held for up to 12 days while a hearing is arranged to determine if the person would be sentenced again to prison.

HF2651*/SF2347/CH155

EDUCATION



Academic standards, other provisions

A new law contains a number of K-12 education policy stipulations, including new academic standards in science and social studies.

Other provisions in the new law relate to the use of epinephrine injectors, mental health screening, earnings for school board members, colors used by crossing guards and on school patrol flags, school bus safety, and the diving depth for pools used by high school diving teams.

Rep. Alice Seagren (R-Bloomington) and Sen. Steve Kelley (DFL-Hopkins) sponsored the measure.

The following are highlights of the law, effective July 1, 2004, unless otherwise noted.

HF1793*/SF1774/CH294

Academic standards

After a nearly yearlong debate and discussion among parents, school district administrators, teachers, and others, new education standards in science and social studies were approved.

The social studies standards cover U.S. and world history, geography, economics, government, and citizenship. The science standards cover the physical, life, earth, and space sciences, as well as science history and nature.

Health and physical education are added as state-required academic standards, with the details to be developed by local school districts. This is effective with the 2005-06 school year. Health and physical education are stricken from the list of elective credits.

Statewide tests based on the science standards, required by federal law, will be administered beginning in the 2007-08 school year. Science tests must be given once in grades 3, 4, or 5, and 6 through 9, and a life sciences test must be given once when a student is in grades 10-12.

No federal or state test is required for social studies.

Tests in language arts and mathematics, based on standards adopted by the 2003 Legislature, will be required for grades 3 through 8 and at the high school level in 2005-06.

The Minnesota comprehensive assessments are the student performance tests the state requires for schools to comply with the federal No Child Left Behind Act.

A study on implementing a computer-based adaptive test to replace the comprehensive assessments is called for in the law. Results are due to the respective House and Senate

education committees by June 15, 2005.

This section is effective May 27, 2004.

(Art. 2, Secs. 2-3, 33; Art. 6, Secs. 1-4)

Academic Excellence

The release of annual school performance report cards data is restricted. Under the law, such information is considered nonpublic until not later than 10 days after an appeal process concludes. State law provides for a school or district to appeal to the Education Department its designation as a high- or low-performing school. The department is required to post student performance data, known as adequate yearly progress determinations, and school performance report cards on its Web site annually no later than Sept. 1. This section is effective May 27, 2004. (Art. 2, Sec. 5)

Students may use prescription non-syringe injectors of epinephrine with parental permission, proper labeling of the injectors, and a health professional's assessment that the student can safely possess and use the injector. Epinephrine is a form of adrenaline that relieves temporary shortness of breath, chest tightness, and wheezing due to bronchial asthma. It reverses the symptoms of an anaphylactic reaction, which can be caused by food, insect stings, medication, or latex. (Art. 2, Secs. 6-7)

School districts are to make a reasonable attempt to convene a meeting with parents or guardians when a student has been prohibited from attending classes for disciplinary reasons

for more than 10 cumulative days in a year and, with parental or guardian permission, suggest arrangements for a mental health screening for the student. The meeting is to determine if the student should be screened, assessed, diagnosed, or treated for a mental health disorder. The district would not be required to pay for the screening. (Art. 2, Sec. 8)

Under the federal No Child Left Behind Act, all public school teachers teaching core academic subjects are required to demonstrate their content knowledge by the 2005-2006 school year. The High Objective Uniform State Standard of Evaluation option allows licensed teachers who currently do not satisfy the definition of highly qualified teacher to earn points by demonstrating their content knowledge and thereby become highly qualified teachers. The law indicates which categories of Minnesota teachers already satisfy the highly qualified teacher definition and establishes an option to allow other teachers to comply with this federal requirement. This section is effective May 27, 2004. (Art. 2, Sec. 10)

School board members who are also employed by the district may earn a maximum \$8,000 per fiscal year, up from \$5,000. The provision is aimed at helping rural areas where, for example, a retired teacher could be a school board member and still be employed by the district as a substitute teacher, substitute bus driver, part-time library aide, or part-time coach. In rural areas, fewer persons are available to fill these roles. (Art. 2, Sec. 12)



PHOTO BY TOM OLMSCHIED

New academic standards in science and social studies are established, under a new law. The law also adds locally developed health and physical education standards to the list of required academic standards.

A charter school is required to submit a school calendar to the Department of Education in its first three years of operation as a condition of receiving state aid payments. (Art. 2, Sec. 14)

Safety

State law is amended so that school safety patrol members are authorized to wear fluorescent yellow, fluorescent yellow-green, or blaze orange vests, sashes or ponchos. School safety patrol flags can be either blaze orange with a yellow octagon saying "STOP" in black letters or fluorescent yellow or yellow-green with an octagon of sharply contrasting color saying "STOP" in black letters. The color change has already been going on for a few years to match roadside school zone signs, and national safety studies have said the bright yellow-green is easier for drivers to see. (Art. 1, Secs. 1-2)

Students in grades 7-10, who are transported by school bus and have not received school bus safety training, must receive training or bus safety instructional materials by the end of the sixth week of school. Students taking driver's training must learn the laws about operating a vehicle in the vicinity of a school bus. A district and a nonpublic school with students transported by school bus at public expense must conduct a bus evacuation drill at least once per year. (Art. 2, Sec. 13)

The law also contains a number of provisions related to school buses. Among them, the new law: excludes leased school vehicles from certain tax and license fees, redefines the state definition of school buses to match new national standards, authorizes buses to have more than one stop arm, prohibits the use of multi-piece rims and tube-type tires on buses built after Oct. 31, 2004, and permits a bus equipped with a crossing control arm to have an automatic recycling interrupt switch for temporary disabling of the arm. (Art. 2, Secs. 16-30)

State law says that any pool built prior to 1987 and used by a high school diving program in 2000-01 may be used for supervised competitive diving. However, previous law required schools to use a pool that complies with Health Department standards for competitive diving pools if one exists within the district. Effective May 27, 2004, schools and school districts are strongly encouraged to use diving pools that meet the standards. (Art. 2, Sec. 15)

Other provisions

Effective May 27, 2004, each district must maintain and report general fund expenditures, excluding capital expenditures and pupil transportation, by site. Expenditures for regular instruction, secondary vocational instruction, and school administration must be reported to the Department of Education on a per building basis. Costs for special education instruction, instructional support services, and pupil support services provided within a specific building must be attributed to that building. Salary expenditures must reflect actual staff salaries at the building, not based on a districtwide average. All other general fund expenditures may be reported on a districtwide basis. The department must show school building expenditures by school site on the department's Web site. (Art. 1, Sec. 3)

Legally separated parents may indicate which district a child lives in, under the law, when the parents share joint physical custody but live in different districts. This authority was already permitted for divorced parents. This affects general education aid paid to a district. Parents remain responsible for transporting the child to the border of the resident school district when the child resides in the nonresident district. (Art. 1, Sec. 8)

The definition of interagency intervention is amended so that disabled children from birth to age 21 are eligible to receive services and programs under state and federal special education law. Previous law was from age 3 to age 21. (Art. 3, Sec. 1)

Serving Minnesota

A new law adjusts the size and makeup of the governing board for the Minnesota Commission on National and Community Service, also known as ServeMinnesota.

The group administers the federal AmeriCorps program, as well as other community service and grant programs in the areas of education, human services, public safety, and the environment.

Rep. Alice Seagren (R-Bloomington), the House sponsor, said the commission has changed from a state entity to a nonprofit, and the new law is necessary to conform the commission membership to federal guidelines.

Effective May 31, 2004, the new law adjusts the commission membership from 18 to 25 voting members, and lays out a plan for membership to include individuals experienced in youth education, development, and training, as well as those who have a background in

management and operations of a nonprofit organization, including individuals with expertise in public relations, finance, and development.

A separate provision makes some technical corrections to library appropriations for fiscal years 2004 and 2005, which Seagren said would adjust the payment schedule so that libraries don't lose money.

Sen. Steve Kelley (DFL-Hopkins) also sponsored the legislation.

HF2191/SF2141*/CH286

Transition committee membership

A mental health representative must be placed on transition committees that help secondary and postsecondary aged youth with disabilities adjust to adult life, under a new law.

Effective April 27, 2004, the law amends state statute requiring a school district or special education cooperative to form community transition teams for special needs students in grade nine or an equivalent age, and their families.

Community transition interagency committees identify services and programs for secondary and postsecondary special education students, and develop an implementation plan to meet the transition needs of individuals with disabilities.

The committees also include representatives of special education, other education and training agencies, adults with disabilities who have received transition services, parents, business or industry, as well as county social service and health agencies.

Districts or special education cooperatives must follow transition committee procedures determined by the state Education Department and annually report to the department on transition services provided to individuals with disabilities.

Sponsors of the new law are Rep. Alice Seagren (R-Bloomington) and Sen. Jane Ranum (DFL-Mpls).

HF2502/SF2609*/CH166

Trust land money

Congress will again be asked to consider federal compensation for school trust lands that became part of the federal Boundary Waters Canoe Area Wilderness more than 25 years ago.

A resolution, signed by Gov. Tim Pawlenty, will be sent to the state's congressional delegation in Washington, D.C., and the supervisor of the Superior National Forest, which includes

the wilderness area.

The resolution urges the state's congressional delegation to initiate a federal land trade with the state, a payment for the school trust acreage — declared part of the federal wilderness area in 1978 — or a combination of the two.

The Legislature also asks Congress to increase a \$12 user reservation fee in the wilderness area by \$3, which could mean potential revenue of about \$90,000 annually for the state's Permanent School Fund.

The fund provides about \$20 million a year for public school districts from lease and fee revenues generated on 3.5 million acres of state-held school trust and mineral rights lands. The Department of Natural Resources manages the school trust lands that Minnesota has held since statehood.

The uncompensated 87,000 acres of school trust land in the federally protected area remains a sore point with state legislators.

An environmental group that supported an increase in the wilderness area's reservation fee said a \$10 million federal payment for the trust lands was discussed between federal and state officials in 1997, but no agreement was reached.

Rep. Barb Sykora (R-Excelsior) and Sen. Steve Kelley (DFL-Hopkins) sponsored the resolution.

HF2242/SF2222*/R1

ELECTIONS



District boundary adjustment

Residents in two Edina apartment buildings will no longer find their neighbors across the hall voting in a different House district, under a new law.

Census lines drawn in 2002 went through the middle of two large apartment buildings. Effective April 30, 2004, the law adjusts the boundary between House districts 41A and 41B to follow a census block line.

Problems arose during the 2002 election when some building residents, most of whom are elderly, felt disenfranchised when they went to the wrong place to vote after talking with neighbors about where their polling place was located.

Rep. Ron Erhardt (R-Edina) and Sen. Geoff Michel (R-Edina) are the sponsors.

HF2482/SF2300*/CH170

Campaign sign size, numbers

A new law will allow noncommercial signs of any size and in any number to be posted from Aug. 1 of a state general election year until 10 days after Election Day.

During the 2002 campaign, Rep. Peter Adolphson (R-Minnetonka) was informed that several Eden Prairie residents had complained that he had more than one sign on a resident's property. He and Sen. David Hann (R-Eden Prairie) sponsored the new law.

Existing law states that municipalities can enact an ordinance regulating the size of noncommercial signs, but statutes say nothing about the number of signs. At the time Adolphson said the cities of Eden Prairie and Minnetonka interpreted the law to also mean one sign per candidate.

Effective Aug. 1, 2004, the new law designates that in any municipality, regardless of whether the municipality has an ordinance that regulates the size or number of commercial signs, noncommercial signs of any size and in any number can be posted during the designated time period.

HF307*/SF497/CH142

Campaign concerns

Complaints filed regarding violations of the state's Fair Campaign Practices Act and of campaign finance reporting requirements in local elections will be handled by a different entity, under a new law.

Sponsored by Rep. Doug Meslow (R-White Bear Lake) and Sen. Linda Higgins (DFL-Mpls), the law repeals a mandate that county attorneys investigate every complaint filed. Effective July 1, 2004, the Office of Administrative Hearings will handle those duties.

Upon review of a complaint, an administrative law judge must make one of three determinations: the complaint is frivolous, there is no probable cause to believe that the alleged violation occurred and dismiss the complaint, or there is probable cause to believe the violation has occurred and the judge must schedule a hearing.

Judges will be forced to act quickly. The law states: "Within one business day after the complaint was filed with the office, when practicable, but never longer than three business days, the administrative law judge must make a preliminary determination."

If necessary, a hearing will be conducted by a panel of three judges that may dismiss the complaint, issue a reprimand, find that a statement made in a paid advertisement or campaign

material violated current law, impose a civil penalty of up to \$5,000, or refer the complaint to the appropriate county attorney. A decision must be made within 14 days of a hearing.

Ramsey County Attorney Susan Gaertner told a House committee that there is less time for county attorneys to respond to more urgent concerns because they must investigate every complaint. Additionally, she said constituents have voiced concerns over how long it takes the county to deal with a complaint.

HF2058/SF1907*/CH277

Voting times

If an election is held to consider moving a county seat, a new law states that the polls must be open from 7 a.m. to 8 p.m.

The law took effect April 15, 2004 in time for a June 29 Pine County election where residents voted down a plan to move the county seat from Pine City to Hinckley.

Previous law required polls to be open from 8 a.m. to 5 p.m. Supporters said that a number of voters would have been disenfranchised because of their inability to vote during that time frame.

Rep. Judy Soderstrom (R-Mora) and Sen. Becky Lourey (DFL-Kerrick) were the sponsors.

HF3005*/SF2840/CH158

HAVA conformance

A new law makes changes to Minnesota's election laws in response to the federal Help America Vote Act (HAVA).

Signed into law by President Bush in 2002, the act provides funds to states to replace punch card voting systems, establishes a commission to assist in the administration of federal elections and programs, and establishes elections standards for states and local units of government with responsibility for the administration of federal elections.

A 2003 state law created an account to receive federal funds given to the state for election purposes. The account also contains \$6.5 million allocated by the 2003 Legislature to match some federal dollars. The money can be used for a number of purposes, including, the development and administration of a complaint process, improving polling place accessibility, modifying the statewide voter registration system, and training local election officials.

Much of the new law focuses on policy issues and putting into state law what is required under HAVA, so that two standards do not

exist, and thereby eliminating a potential situation where a voter could meet requirements to vote in state and local races, but not federal contests.

Included in the law is detailed information about voter registration. It encompasses many different systems, including the permanent registration and the verification of registration.

For example, to comply with HAVA a small number of persons would be required to provide identification in order to vote. This would only be the case if a first-time voter in a federal election mails in a voter registration card and a county auditor cannot verify the information. The auditor is to notify the person, and offer four ways to complete the registration. If this is not done prior to Election Day, the normal proof of residency used for Election Day registration must be provided to an election administration official at the polling place. Election Day registration is not changed.

Rep. Lynda Boudreau (R-Faribault) and Sen. Linda Higgins (DFL-Mpls) were the sponsors.

HF1006*/SF986/CH293

★ EMPLOYMENT

Affirmative action changes

A new law makes changes to the state's affirmative action provisions to become more in line with federal law.

Effective Aug. 1, 2004, the new law calls for the employee relations commissioner to establish goals for each of the federal Equal Employment Opportunity categories applicable to state employment.

Factors the commissioner must consider in setting affirmative action goals are the percentage of members of each protected class in the recruiting area population who have necessary skills, and the availability for promotion or transfer of current employees who are members of protected classes.

Additionally, the law provides for factors that the commissioner may consider when setting affirmative action goals: the extent of unemployment of members of protected classes in the recruiting area population, the existence of training programs in needed skill areas offered by employing agencies and other institutions, and the expected number of available positions to be filled.

Rep. Paul Thissen (DFL-Mpls), who sponsored the law with Sen. Chuck Wiger (DFL-North St. Paul), said it is an attempt to

streamline paperwork and reporting for the Department of Employee Relations.

The law also defines the term "goal unit" for the purposes of affirmative action as "the group of jobs in an agency or agency subdivision to one of the federal Equal Employment Opportunity occupation categories applicable to state employment."

HF2609*/SF2376/CH287

State employment, local compensation

A statewide 1995 Department of Employee Relations pilot project reauthorized by the Legislature several times is now permanent, under a new law.

Sponsored by Rep. Dennis Ozment (R-Rosemount) and Sen. Jane Ranum (DFL-Mpls), the new law eliminates the traditional system under which only a limited number of applicants who score highest on exams are considered for state jobs and establishes a hiring process whereby applicants are placed in a central database that will allow state agencies to conduct a computer-based screening of applicants.

The law also contains some veterans preference provisions.

A five-point system is replaced, and the law provides that applicants meeting the qualifications and claim a disabled veteran's preference shall be listed in the applicant pool ahead of all other applicants. Those claiming non-disabled veteran's preference are to be listed in the applicant pool after those claiming disabled veterans preference and ahead of non-veterans.

State statute that requires local governments to give veterans preference is rewritten in the law. Now written into the local government law is the substance of what had previously been in state law whereby non-disabled veterans received a five-point credit and disabled veterans received a 10-point credit. In each case, the veteran must pass the competitive open examination without the addition of credit points.

A veteran who is currently receiving, or is eligible to receive a monthly veteran's pension based exclusively on length of service cannot use the veteran's preference credit.

The law also requires the Legislative Coordinating Commission to study the impacts of the compensation limit on local units of government and report back to the Legislature by Jan. 15, 2005. The study must look at local government compensation limits and comparative salary data in other states, the impacts of the local government compensation limit on salary structures, recruitment, and retention; and

alternatives to compensation limit, including elimination of the limit.

The law is effective Aug. 1, 2004.

HF2874/SF2703*/CH207

Regulating debt collectors

A new law changes the regulation of individual debt collectors from licensing to registration.

Rep. Doug Stang (R-Cold Spring), the House sponsor, said the law would streamline the process, while maintaining current consumer protections. He said the licensing process is supposed to take several weeks but has been backlogged two months or longer. Changing from licensing to registration would allow debt collectors to go to work immediately.

According to the Department of Commerce, a collection agency is "a business that collects, for others, bills or other indebtedness from debtors who have not paid an account to a creditor." Collection agencies hire individuals to work as debt collectors.

Agencies and those they hire must now be licensed by the department. Under the new law, the department will still provide oversight; only the type of regulation changes. Collection agencies will continue to be licensed, but individual collectors will be registered. Those who violate state law will face the same sanctions they do now.

Under the law, effective Jan. 1, 2005, collection agencies will still be responsible for the actions of debt collectors who work for them.

The Senate sponsor is Sen. Dan Sparks (DFL-Austin).

HF2187*/SF2650/CH208

Reference information disclosure

A new law will provide disclosure protection to employers that share certain reference information with prospective employers about current and former employees.

Effective Aug. 1, 2004, the law will allow companies, without the employee's consent, to pass along basic employment information such as wages and job description, as well as written disclosures of any instances of theft, harassment, violence, or other illegal conduct documented in the employee's record.

The law will establish a higher burden of proof for employees who legally challenge a current or former employer's information disclosure. Employees bringing suit must

show clear and convincing evidence that the information was both knowingly wrong and harmful to them.

Business representatives expressed support for the new law, sponsored by Rep. Jim Knobloch (R-St. Cloud) and Sen. David Knutson (R-Burnsville), while labor union representatives opposed it.

The law will also require school districts to share documented information about employee sexual misconduct or violence toward a student.

Such information is already public if an employee was fired based on the misconduct. Under the new law, the information must be shared even if the school district employee resigned.

Similar legislation passed both houses of the Legislature in 2001, but did not make it past a conference committee.

HF480*/SF837/CH137

Disabled worker study

A one-year project to study extended employment of people with severe disabilities will be conducted in Thief River Falls, under a new law.

Running from July 1, 2004 to June 30, 2005, the study will provide for an on-site industrial employment model for individuals with severe disabilities.

It will be monitored by the Department of Employment and Economic Development and implemented by the Occupational Development Center, a nonprofit company. The project will provide the state with information to clarify the distinction between center-based and community employment subprograms.

The center's Custom Products division will provide employment. The company must pay minimum wage or better to all employees with severe disabilities and provide benefits equal to those provided to non-disabled employees. All work teams will be integrated and the project must maintain a minimum 60 percent ratio of disabled persons.

The Employment and Economic Development Department must complete a program evaluation by Oct. 1, 2005.

The law will also provide \$2.4 million in federal matching vocational rehabilitation funds to the Centers for Independent Living, whose funding was cut 30 percent by the 2003 Legislature. The centers provide job training to moderately disabled people. The funding would be effective for fiscal year 2005.

Effective May 14, 2004, the law is sponsored

by Rep. Tony Sertich (DFL-Chisholm) and Sen. LeRoy Stumpf (DFL-Thief River Falls).

HF2035/SF1946*/CH188

DEED changes

An initiative from the Department of Employment and Economic Development, dealing with housekeeping and technical changes to unemployment compensation, is now law.

One section of the law defines what qualifies as a "good reason" for quitting a job for the purpose of receiving unemployment compensation.

The only good reason for quitting specifically defined under the new law is sexual harassment. Any other reason is now evaluated based on the facts of a case and on whether a "reasonable person" would quit in that situation. This section takes effect Aug. 1, 2004.

Other provisions in the law include:

- permitting the department to send notices, determinations, and decisions to applicants and employers by electronic mail if a recipient requests (effective July 1, 2005);
- adding services performed by a member of a limited liability company member to the definition of employment, regardless of how much of the company the member owns (effective Jan. 1, 2005); and
- a requirement that new employers and those going out of business register and notify the department electronically (effective July 1, 2005).

Rep. Tony Sertich (DFL-Chisholm) and Sen. Ellen Anderson (DFL-St. Paul) sponsored the legislation.

HF2235*/SF2243/CH183

★ ENERGY

Ridding PCBs from equipment

A new law aims to proactively provide electric utilities with an incentive to voluntarily phase out equipment containing polychlorinated biphenyls (PCBs).

PCBs are a class of man-made compounds that, up until serious health and environmental concerns arose in the 1970s, were commonly used as insulators in electrical equipment.

They are still sometimes found today in the oil that is placed in transformers and other electric utility equipment that has not reached the end of its service life, an average of 30 years according to industry estimates.

Under current law, the industry pays

hazardous waste generator fees to the Pollution Control Agency for disposal of equipment that has reached the end of the line.

But some in the industry have said duplicative state and federal standards created a disincentive to get rid of the equipment in advance due to the cost of compliance with those double requirements.

Effective Aug. 1, 2004, the new law will waive state hazardous waste fees on PCB waste associated with oil-filled electronic equipment voluntarily disposed of or retro-filled prior to the end of its service life.

Waste generators and the agency will have to execute voluntary PCB phase-out agreements containing specific goals and a schedule for implementation.

The new law will not waive emergency fees or the fees on equipment being taken out of service at the end of its normal life span.

Rep. Dean Simpson (R-New York Mills) and Sen. John Marty (DFL-Roseville) sponsored the legislation.

HF2500/SF2422*/CH176

Regulating utility performance

A new law, effective Aug. 1, 2004, will repeal the sunset on performance-based natural gas utility regulation and modify the way in which the Public Utilities Commission approves utility applications to move from a more traditional form of regulation.

Rep. Torrey Westrom (R-Elbow Lake), the House sponsor, said the concept was formalized into state law in 1997 and though no gas utility has used it yet, utilities would like the ability to try it in the future in the hope of increasing their earnings and saving consumers money. Sen. Ellen Anderson (DFL-St. Paul) is the Senate sponsor.

Some utility analysts have criticized the traditional regulatory approach, known as "cost-of-service" regulation, for focusing on setting a rate of return for the utilities without providing incentives for quality service, improved efficiency, and infrastructure reinvestment.

Under previous law, "Performance-based regulation plans are intended to provide the utility with increased earnings for efficient performance and decreased earnings for inefficient performance."

Under the new law, the intentions remain the same but one provision will change the expectation for the performance-based plan "to provide quality service at rates that can reasonably and reliably be expected to be lower than rates would be under current regulation

and to reduce the cost of regulation” to instead call for the rates to be “materially” lower.

One of the criteria the commission could use in approving an application from a utility to be regulated under a performance-based plan requires the plan to be compatible with increased competition in the natural gas industry. The new law will strike that criterion from the list of requirements the applicants must meet.

The commission will be required to report back to the Legislature on the success of the program by Jan. 1, 2012.

HF1743/SF2182*/CH138

★ ENVIRONMENT

Regulating petroleum tanks

A new law will modify the Pollution Control Agency’s field citation practices to make aboveground storage tanks subject to the same regulations as underground storage tanks with respect to environmental considerations such as spill, overflow, and corrosion protections and leak detection methods.

Effective Aug. 1, 2004, the new law also will shorten the compliance grace period facility operators have to meet the regulations and raise the penalties for certain violations.

The agency has the regulatory authority to issue red tags to facility operators for failure to comply with state and federal requirements. The tag is attached to the top of the tank’s fill pipe, and it signifies that petroleum product deliveries are prohibited until the violation is corrected.

Under the new law, which was forwarded at the prompting of the Minnesota Petroleum Marketers Association, facility owners will have 60 days to correct a violation before a citation is issued, unless there is a discharge associated with the violation or it is a repeat violation from a previous inspection. Currently, the grace period is 90 days.

Another provision will raise from \$250 to \$500 the penalty for violating rules relating to upgrading existing underground storage tank systems, up to a maximum of \$2,000 per tank system, and raise from \$100 to \$250 the penalty for violating underground storage tank system general operating requirements.

Rep. Joe Hoppe (R-Chaska) and Sen. Thomas Bakk (DFL-Cook) sponsored the law.

HF2365/SF2299*/CH169

Encouraging ethanol

Effective May 20, 2004, a new law will exempt from a mandatory environmental impact statement an ethanol plant that produces less than 125 million gallons annually and is located outside of the seven-county Twin Cities metropolitan area.

The Environmental Quality Board writes rules for the environmental review of development projects in Minnesota. Under its most basic definition, the process starts with an environmental assessment worksheet to determine whether the size, scope, and location of the project would change the environment enough to trigger a large-scale environmental impact statement. A full environmental impact statement is mandatory for certain projects.

Some lawmakers have criticized the environmental permit process in Minnesota, saying it is costlier and more time-consuming than in competing states.

Proponents were concerned an ethanol plant proposed for the southern part of the state would instead be built in Iowa.

Rep. Bob Gunther (R-Fairmont) and Sen. Julie Rosen (R-Fairmont) sponsored the legislation.

HF2633*/SF2621/CH217

Nugget race

A new law aims to ensure that the process of producing high-quality iron nuggets from iron ore moves from demonstration to production in Minnesota before another state steals the economic thunder of being the first to produce a better quality nugget.

Effective May 20, 2004, the new law will exempt from certain environmental review the first iron nugget production facility in the state and require the Pollution Control Agency and other state agencies with permit granting authority to provide public notice for necessary permits within four months of receiving a complete application.

The goal is to get the Mesabi Nugget production plant up and running on the site of the former LTV plant in Hoyt Lakes. A full-scale production facility was proposed at the site of the successful demonstration plant in Silver Bay, but the reality of a two- to three-year environmental review process for a facility along the Lake Superior shore prompted a change in plans.

The legislation was impelled by concerns that Indiana would entice the facility operators to leave Minnesota with the promise of quicker, cheaper environmental permits.

There is a bit of an environmental tradeoff to the new law, proponents said. Two furnaces under an existing operating permit for a 10 million-ton taconite plant at the Hoyt Lakes site could have been fired up again. Instead the existing furnaces will be permanently shut down. Preliminary estimates show that the nugget process replacing them would be as clean or cleaner than what was emitted under the old taconite process.

The new law also directs the agency to “strive in the permitting process to assure the lowest mercury emissions reasonably possible.”

Rep. David Dill (DFL-Crane Lake) and Sen. Thomas Bakk (DFL-Cook) sponsored the legislation.

HF2986*/SF3022/CH220

From exotic to invasive

A new law revises statutory terminology relating to aquatic invasive species and puts more teeth behind criminal penalties for those who disregard laws designed to keep Minnesota waters free from infestations.

Effective June 1, 2004, the new law defines invasive species as nonnative species that can naturalize and either “causes or may cause economic and environmental harm or harm to human health; or threatens or may threaten natural resources or the use of natural resources in the state.”

The new law addresses the issue of transferring nets and other implements between infested and non-infested waters, as designated by the Department of Natural Resources. In most cases, resetting between the two is prohibited.

One provision of the new law sets tagging requirements for nets used in non-infested waters by commercial anglers who fish both infested and non-infested waters. However, there is an exception for waters infested solely with Eurasian water milfoil. Nets used for commercial fishing and turtle, frog or crayfish harvesting in milfoil-infested waters may be transferred but have to be dried for a minimum of 10 days or frozen for a minimum of two days to kill any invasive organisms before use in non-infested waters. Commercial anglers also are required to notify the department before making such a transfer.

Another provision changes the penalty from a misdemeanor to a gross misdemeanor for anyone who refuses to obey an order to remove invasive species from watercraft.

Among other civil penalty provisions, the new law sets in statute a \$50 penalty for failing

to drain water from watercraft and equipment before leaving designated zebra mussel, spiny water flea, or other invasive plankton-infested waters.

Rep. Denny McNamara (R-Hastings) and Sen. Wes Skoglund (DFL-Mpls) sponsored the legislation.

HF2363*/SF2211/CH243

Phosphorus fertilizers banned

A statewide ban on the use of phosphorus fertilizers on established residential lawns will be enacted, under a new law.

The purpose of the law, sponsored by Rep. Denny McNamara (R-Hastings) and Sen. Dan Sparks (DFL-Austin), is to protect Minnesota's lakes and rivers from an overabundance of phosphorus that can cause algae bloom.

The 2002 Legislature approved a similar ban for the seven-county Twin Cities metropolitan area that took effect Jan. 1, 2004. Some counties outside of the metropolitan area also have adopted their own phosphorus restrictions, and proponents said variations in regulations concerning lawn fertilizers were becoming difficult for homeowners to decipher.

The new law will take effect Jan. 1, 2005, and will apply to fertilizer to be used for turf purchased at retail after Aug. 1, 2004.

The new law provides for exceptions when:

- a tissue, soil, or other test by a laboratory or method approved by the Department of Agriculture and performed within the last

three years indicates that the level of available phosphorus in the soil is insufficient to support healthy turf growth;

- the property owner is first establishing turf via seed or sod procedures, and only during the first growing season; or
- the fertilizer containing phosphorus is used on a golf course under the direction of a person licensed, certified, or approved by an organization with an ongoing training program approved by the department.

Under the new law, phosphorus fertilizers applied under these exceptions must not exceed rates recommended by the University of Minnesota and approved by the department.

HF2005*/SF1999/CH179

Soil science

A new law gives the Pollution Control Agency some direction on the interpretation of soil features as the agency adopts new rules for water table analysis.

The committee process through which the legislation passed gave lawmakers new familiarity with the term "redoximorphic."

Redoximorphic features are formed in saturated soil by iron and manganese oxidation and other chemical processes. The features, often identified by gray mottled soil, indicate the level of the water table or presence of water at one time.

Under current agency rules for individual sewage treatment system design, the presence

of such features could eliminate for homeowners the possibility of installing a trench system and require a more expensive mound system.

But there has been some confusion in the field about redoximorphic features that may have been from centuries ago, proponents argued.

Effective Aug. 1, 2004, the new law will require the agency rulemaking process to address the following:

- a definition of redoximorphic features and other criteria that can be used by system designers and inspectors,
- direction on the interpretation of observed soil features that may be redoximorphic and their relation to zones of seasonal saturation, and
- procedures on how to resolve professional disagreements on seasonally saturated soils.

Under the law, new rules must be in place by March 31, 2006.

Rep. Kathy Tingelstad (R-Andover) and Sen. Michael Jungbauer (R-East Bethel) sponsored the legislation.

HF2000*/SF1900/CH249

Diluting pollution

A new law will give residential septic system owners some options beyond the typical mound or trench filtration configurations when soil conditions call for a different approach.

Effective May 30, 2004, the law creates a 10-year pilot program for state certification and approval of new septic system technologies that could be a better fit for some.

One new type of residential system, known as a biodigester and water reclamation system, collects and separates blackwater — sewage from toilets and garbage disposals — from other wastewater, known as greywater, and then allows the water to be mechanically or biologically recycled or returned to surface and groundwater supplies.

The new law establishes a pilot process with the Department of Health and Pollution Control Agency to get approval for these new technologies; the goal is to make those technologies more easily accepted and used by consumers to protect the environment.

Proponents hold out great hope for the technology to be used successfully along lakeshores.

Under the new law, the alternative systems must meet state and federal wastewater treatment standards. Manufacturers are obligated to achieve certification by the Pollution



PHOTO BY TOM OLMSCHIED

A statewide ban on the use of phosphorus fertilizers on established residential lawns is enacted, under a new law. The purpose is to protect Minnesota's lakes and rivers from an overabundance of phosphorus that can cause algae bloom.

Control Agency, a process for which the agency could charge them up to \$4,000.

Manufacturers also are required to provide appropriate training to install, maintain, operate, and monitor the systems. The agency, together with the Health Department and local regulatory authority, will require independently verified annual monitoring and maintenance reports from system owners.

Rep. Mark Olson (R-Big Lake) and Sen. Dallas Sams (DFL-Staples) sponsored the legislation.

HF2040*/SF2090/CH248

Land swaps and sales

A new omnibus lands law provides for a number of publicly owned land transactions and modifies some of the guidelines governing those deals.

Legislative approval of land deals is granted, effective July 1, 2004, in the following designated areas.

Additions to state-managed areas:

- Beltrami Island State Forest, Lee Wildlife Management Area, Red Lake Wildlife Management Area, and Saw-Whet Wildlife Management Area, all in Beltrami County;
 - Crow Wing State Park in Cass, Crow Wing, and Morrison counties;
 - George H. Crosby Manitou State Park in Lake County;
 - Itasca State Park in Becker, Clearwater, and Hubbard counties;
 - Maplewood State Park in Otter Tail County; and
 - Monson Lake State Park in Swift County
- Deletions from state forests:
- Foot Hills State Forest in Cass County;
 - George Washington State Forest in Itasca County;
 - Paul Bunyan State Forest in Hubbard County; and
 - Mississippi Recreational River Land Use District in Wright County.

Furthermore, public and private sales, conveyances, or exchanges of various types of land — consolidated conservation, tax-forfeited, school trust fund, or state surplus — are authorized in the following counties: Aitkin, Beltrami, Chisago, Cook, Crow Wing, Hennepin, Itasca, Lake of the Woods, Mille Lacs, Olmsted, Rock, Roseau, and St. Louis.

Other provisions, effective Aug. 1, 2004, delineate land authority between the Department of Natural Resources (DNR) and Department of Administration; encourage sale by landowners of low-value land needed for conservation

purposes; direct the DNR to meet fiduciary requirements to the Permanent School Fund; and eliminate a restriction that bars state employees from participating in public land sales, provided they are not otherwise involved in the sale process or a department employee.

Another provision will require county approval before the department creates a scientific and natural area.

Upon approval by the Lake County Board, the city of Beaver Bay is allowed to alter a parcel of land from a gravel pit to a low-income housing property without the land reverting back to tax-forfeit status.

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

HF2334*/SF2204/CH262

Selling state timber

A new law modifies state timber sales in order to fulfill recommendations from the governor's task force on the competitiveness of Minnesota's timber industry.

Effective July 1, 2004, the new law creates a forest management investment fund in the state treasury into which timber sale receipts from certain lands administered by the Department of Natural Resources Division of Forestry will be deposited and rededicated to forestry efforts.

Proponents said the fund would provide a minimal level of stability for funding basic forest management and allow the department to carry balances between legislative funding cycles, which is helpful due to the seasonal nature of the activities.

Effective Aug. 1, 2004, the new law adds the College of Natural Resources and the Natural Resources Research Institute, both at the University of Minnesota, to the membership list of an existing Forest Interagency Information Cooperative.

Other provisions effective Aug. 1, 2004, will remove a 6,000-cord limit that is currently in place for timber sales on state lands at regular auction sales; allow the department to enter into agreements with weight scale owners or operators to guarantee that state timber is properly measured; and modify the authority of county administrators to allow them to accept a bank letter of credit in place of a down payment from purchasers for certain sales.

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

HF2383*/SF2583/CH241

Permitting mineral byproducts

A new law will expand Pollution Control Agency authority to grant permits to minerals processing facilities for the disposal of mineral tailings under environmental guidelines similar to taconite tailing deposition permits.

Taconite companies are required by state law to obtain permits from the agency to dispose of tailings, which are the byproducts of taconite production. The tailings can be environmentally problematic because the lack of vegetation to anchor the soil on which the tailings are deposited can increase soil erosion, speed contaminated runoff into ground and surface water, and decrease air quality with excessive dust during dry seasons.

Current law allows for tailings to be disposed of in mine pits provided the company "demonstrates through an environmental impact statement and risk assessment that the deposition will not pose an unreasonable risk of pollution or degradation of groundwater."

The new law, effective Aug. 1, 2004, will allow for the deposition of any mineral tailings, provided the same environmental standards are met.

Rep. Tom Rukavina (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm) sponsored the legislation.

HF1836*/SF1693/CH157

DNR provisions potpourri

A new law that started its legislative life-cycle as a Department of Natural Resources housekeeping bill ended up carrying one of the more high profile environmental issues of the legislative session: an easing of restrictions on wetlands travel for off-highway vehicles.

The new law removes restrictions put in place by the 2003 Legislature against riding on types 3, 4, 5, and 8 wetlands, with certain caveats. Under the new law, a person may not operate the vehicles in a manner to: "indicate a willful, wanton, or reckless disregard for the safety of persons or property" or "carelessly upset the natural and ecological balance of a wetland or public waters wetland."

The restrictions against all-terrain vehicle use in state parks, scientific and natural areas, and wildlife management areas remain, with the addition of calcareous fens to the forbidden areas, but the new law grants the department authority to issue up to a 10-year permit to exempt private landowners or leaseholders from the restrictions when the only reasonable access to their property is across state land.

The new law specifies a number of chang-

es to department accounting procedures, including:

- A facilities management account is created in the state treasury for the department to better track the costs of providing its various organizational units with buildings, maintenance, and other infrastructure expenses;
- Fees collected for tours in Forestville State Park will be deposited in the state parks working capital account;
- Revenue generated by state park service contracts will be deposited in the Natural Resources Fund and credited to the state park account; and
- Revenue generated by a Minneapolis Parks and Recreation Board lease for athletic fields and a golf course at the upper bluff of Fort Snelling State Park will be deposited in the Natural Resources Fund and credited to the state park account. Under the new law, the upper bluff money will be required to be tracked separately and appropriated as necessary to pay expenses relating to the lease, including historic building and landscape maintenance.

The new law also will provide free public parking for a rest area at Tettegouche State Park along the North Shore's Highway 61 and at a part of the Red River State Recreation Area in East Grand Forks.

Among the other department activities covered in the new law are electronic licensing, snowmobile safety training and youth supervision, and motorboat noise regulation.

Electronic licensing is a relatively new system, and the new law will clarify license filing fee collections between the department and approved agents and clean up language currently on the books that refers to it as a pilot program.

The new law grants the department authority to refund license fees to the families of hunters and anglers who die, or to those who get called to active military service before they can enjoy the open season.

Another licensing provision will allow charter boat operators to issue one-day fishing licenses.

The law attempts to address some confusion over restrictions and supervision requirements for young snowmobilers. Previous law stated that without a snowmobile safety certificate, a person under the age of 14 may operate on public land, public easements, or water or grant-in-aid trails only if accompanied by an adult on the same or an accompanying vehicle.

Under the new law, the language specifying

public lands or trails is removed and an adult supervision clause is added that would place the adult "in a position to manage, direct, and oversee," according to prior testimony from department officials, but the adult would not necessarily have to ride along.

The new law clarifies that a person under the age of 14 with a safety certificate is still prohibited from crossing a highway or operating the machine on a street or highway.

Another provision clarifies that 16- and 17-year-olds are now eligible to take the adult snowmobile safety course offered by the department. Also along the lines of training, safety course certificates issued in other states will be accepted as long as the department deems the course to be substantially similar to Minnesota requirements.

The new law clarifies that the department may test motorboats and marine engines at idle. Previous law only prescribed pass-by tests at certain distances. Another provision prohibits the use of altered mufflers or muffler bypass equipment.

Provisions in a game and fish law enacted this year that prohibits the taking of albino deer and set guidelines for live bait retailer licenses are repealed.

Most of the new law is effective July 1, 2004, with the exceptions of the marine engine noise measurement and the repealer provisions, which both took effect May 30, 2004.

Rep. Dennis Ozment (R-Rosemount) and Sen. John Marty (DFL-Roseville) sponsored the legislation.

HF2212*/SF2216/CH255

FAMILY



Parenting education

Parents going through a divorce will be required to participate in a minimum number of parent education programs in the areas of child custody, support, or parenting time proceedings, under a new law that is in response to a Minnesota Supreme Court recommendation.

Effective July 1, 2004, divorcing couples who are disputing child custody will be required to attend at least eight hours of parenting classes within 30 days after the first filing of any plea in their divorce. Under previous practice, divorcing parents contesting child custody matters were required to attend between four and eight hours of classes.

The goal is to get parents involved in parenting education as soon as possible during divorce proceedings. The classes are designed

to help couples learn skills, such as communication, cooperation, and conflict resolution, that had they known earlier might have saved their marriage. It is hoped that this will spare children as much anguish and emotional trauma as possible and not drag them into the dispute. Judges will still be permitted to excuse individuals from taking the classes.

The law also provides for the creation of the Minnesota Healthy Marriage and Responsible Fatherhood Initiative. According to the law, it is designed to "develop a community-based collaborative project that will test and evaluate a comprehensive strategy for promoting marriage and responsible fatherhood among unmarried urban parents who are expecting or have recently had a child."

Among the objectives of the initiative are to encourage stable family formation, increase paternity establishment and enhance related child support performance indicators, promote responsible fathering, and enhance the well-being of children.

The law appropriates \$100,000 from the general fund to the Department of Human Services for the initiative. The money will be repaid from a \$5 increase in the marriage license fee.

Rep. Elaine Harder (R-Jackson) and Sen. Steve Dille (R-Dassel) sponsored the law.

HF2642*/SF1846/CH273

GAMBLING



State lottery changes

A new law makes several changes to the operation of the Minnesota State Lottery.

Sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Ann Rest (DFL-New Hope), the law gives the governor responsibility for appointing the state lottery director; requires the lottery director to submit a budget in compliance with the rules, format, and instructions established by the commissioner of finance; and creates a Lottery Organization Task Force to study and make recommendations on the future organization and profitability of the lottery.

The law is in response to a February 2004 legislative auditor's evaluation of the lottery. The report found concerns in a number of areas, including promotional spending, the amount of leased space, and staffing levels.

The seven-member task force will be comprised of the commissioners of finance and

natural resources, a House member, a Senate member, the lottery director, and two gubernatorial appointees by Feb. 1, 2005.

The law, effective May 20, 2004, also lowers the operating expenses for fiscal years 2004 and 2005 to \$27.4 million from \$43.5 million. The expenses must not come from a direct function of lottery sales, which include the cost of lottery prizes, monies paid to lottery retailers as sales commissions or other compensation, costs to produce and deliver scratch game tickets, and amounts paid to an outside vendor to operate and maintain an online gambling system.

HF2199/SF2181*/CH233

Charitable provisions

A new law makes several changes to charitable gambling, including raising the total winnings of a bingo prize from \$2,500 to \$2,800, unless a cover-all game is played, in which case the limit increases from \$3,500 to \$3,800.

Rep. Carl Jacobson (R-Vadnais Heights) and Sen. Jim Vickerman (DFL-Tracy) sponsored the law.

It also makes changes to the Minnesota Gambling Control Board. Added to oversight responsibilities include adopting rules for tipboard games with multiple seals and cumulative or carryover tipboard prizes.

Other provisions include:

- Veterans' posts can spend up to \$1,500 per person to send as many as two veterans to Washington, D.C. for the May 29 dedication of the National World War II Memorial. The measure places a cap on the total amount from each organization at \$6,000. Originally the provision was HF1835 sponsored by Rep. Marty Seifert (R-Marshall).
- A person under age 18 may play bingo on one occasion at an event sponsored by a licensed organization as part of an annual community



PHOTO BY TOM OLMSCHEID

A mourning dove hunting season is established for the first time since 1947, under a new law.

event, if a parent or guardian accompanies the person.

- The number of days in a calendar year on which an organization may conduct lawful gambling on premises other than those for which the organization has a premises permit is increased to four and one event up to 12 consecutive days in connection with a county fair, state fair, church festival or civic celebration. Previous law was one day or one event.
 - Gambling organizations may not report cash shortages in any fiscal year that exceed three-tenths of 1 percent of the gross receipts from lawful gambling. Previous law allowed for four-tenths of 1 percent.
- Most of the law is effective May 1, 2004, except for the cash shortages section, which takes effect July 1, 2004.

HF2521*/SF2435/CH172

doves, will begin at 9 a.m. rather than noon, as is current practice.

Youth-directed provisions include allowing turkey hunters under the age of 16 to be accompanied by unlicensed, unarmed adults and sanctioning Minnesota residents under the age of 18 to take up to 25 turtles for nonprofit turtle racing, as long as the turtles are greater than four inches in length. The Department of Natural Resources discontinued issuing new turtle seller's licenses in 2002, and the new law allows a turtle seller's license to be transferred to the child of the licensee.

Other provisions will protect albino deer, allow people with extreme visual impairments to use a muzzleloader with a scope during the deer season, and allow for turkey hunting by archery in the last two weeks of the spring season.

The department also is authorized to establish a quality deer management pilot zone in Kittson, Lake of the Woods, Marshall, Pennington, and Roseau counties in which the antler size of deer is further considered.

The new law amends a restriction put in place last year to prohibit the spread of chronic wasting disease by disallowing the importation of intact hunter-harvested carcasses. Hunters from outside Minnesota now will be allowed to transport the carcasses on a straight shot through the state. The provision also further clarifies that the importation restrictions are on carcasses from known chronic wasting disease endemic areas identified by the Board of Animal Health.

The department is prescribed to report on the effect of the new season on the state's



PHOTO BY ANDREW VONBANK

A new law makes several changes to the operation of the Minnesota State Lottery, including the creation of a Lottery Organization Task Force to study and make recommendations on the future organization and profitability of the lottery.

★ GAME & FISH

Doves, ducks, and deer

A new law reinstates a mourning dove hunting season in Minnesota and gets tougher on scofflaws who disregard game and fish regulations.

Effective Aug. 1, 2004, the law allows for a three-year license revocation for those who fail to pay court-ordered fines for game and fish violations.

Under the new law, on the opening day of duck season the shooting hours for migratory game birds, except woodcock and mourning

mourning dove population; the impacts of the change in shooting hours, including the harvest success, on local waterfowl populations; and ways to improve wildlife habitat within the right-of-ways of public roads.

And the law calls for the department to coordinate lead tackle awareness and public education efforts and promote the availability of fishing tackle that does not contain lead, such as lead free jigs and sinkers.

Rep. Joe Hoppe (R-Chaska) and Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored the legislation.

HF2368*/SF2203/CH215

★ GOVERNMENT

Department changes

A new law makes comprehensive housekeeping and technical changes to the Department of Employment and Economic Development.

Rep. Lynne Osterman (R-New Hope), the House sponsor, said the change eliminates duplications such as the name of the agency, moves archaic functions outside of new agency scope, updates the statutes that related to previous departmental reorganizations, updates statutes to current federal law, and repeals outdated law and rules.

The Legislature abolished the Department of Economic Security effective July 1, 2003, and transferred its duties to the new Department of Employment and Economic Development, which was previously called the Department of Trade and Economic Development.

A department merger update said the consolidation of offices provides a single, cohesive agency to provide workforce and economic development services. In addition, it allows them to consolidate the offices in the same physical space, thereby eliminating millions in future lease payments.

The law is effective May 19, 2004.

Sen. Julie Rosen (R-Fairmont) is the Senate sponsor.

HF2386*/SF2350/CH206

Pension funds

A new law addresses actuarial valuations and other services related to major public pension plans.

Sponsored by Rep. Steve Smith (R-Mound) and Sen. Don Betzold (DFL-Fridley), it orders the chief administrative officers of a number of public pension plans to jointly contract with

an actuarial consulting firm to conduct annual actuarial valuations.

It requires the contract to require completion of specified actuarial valuations, experience data collection, and cost analyses for certain proposed legislation. An annual report to the Legislature summarizing the annual actuarial valuations is required.

Terms of a contract with an actuary retained are limited to five years in the new law. Contractual terms can't limit the Legislature's ability to rely on results of the actuary's work, the language specifies.

The new law took effect May 20, 2004.

HF890/SF806*/CH223

Promoting propane safety

A new law, effective Aug. 1, 2004, will allow the Propane Education and Research Council to plan for the future by removing an Aug. 1, 2009, sunset date from statute.

The Legislature approved the formation of the council in 2001. According to state law, the purpose of the group, including propane producers and propane retail marketers, is to establish, support, or conduct research, training, and education programs concerning the safe and efficient use of propane.

Rep. Larry Howes (R-Walker) and Sen. Steve

Murphy (DFL-Red Wing) sponsored the legislation.

Proponents of the legislation argued for the program's validity. The program has produced a certified employee training program, Minnesota propane consumer guide, and safety tips for fish house heating and propane use at construction sites, Howes said.

HF2653/SF2455*/CH222

Making DNR rules

A new law will modify the Department of Natural Resources rulemaking process for a number of duties.

State law recognizes an agency rule as "every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by that agency or to govern its organization or procedure."

The Legislature grants authority to agencies to adopt rules, and agencies must follow certain procedures before formally proposing the rules and forwarding them for possible public notice or administrative law judge review.

The new law addresses department rulemaking exemptions in the following select areas:



PHOTO BY ANDREW VONBANK

A new law removes a sunset date for the Propane Education and Research Council. The council establishes, supports, or conducts research, training, and education programs concerning the safe and efficient use of propane.

name designations for lakes and other geographic features; designations of recreational areas, scientific and natural areas, and wildlife management areas; and declarations of certain areas as infested with forest pests.

Effective May 20, 2004, the new law will clarify that the department's current practice of making determinations in areas such as those mentioned above under the commissioner's written order is acceptable. The new law provides that the written orders must be published in the State Register.

Other provisions allow for the department to set certain fees by rule rather than running them past the Legislature to be placed in law. The new law does not, however, change hunting or fishing fees or other major categories set by the Legislature.

The legislation, sponsored by Rep. Tom Hackbarth (R-Cedar) and Sen. Dennis Fredrickson (R-New Ulm), was brought forward at the behest of the department.

HF2433/SF2472*/CH221

Technology dollars

A new law cancels the balance of an expired fund and transfers \$117,000 from the state's general fund to the commissioner of administration to complete technical projects for the Minnesota Board of Nursing and the Land Management Information Center.

Rep. Bill Haas (R-Champlin), who sponsored the law with Sen. Jane Ranum (DFL-Mpls), said the law, "releases that money to them so that they can complete their computerization and start moving forward with the new systems and the new programs that they are instituting." The nursing board brought the issue to him.

The law, effective May 1, 2004, specifically says the money, is for "completing small agency infrastructure and electronic government service projects funded through the technology enterprise fund and underway but not completed" when the technology fund was repealed in 2003.

The appropriation is available until June 30, 2005.

HF2340/SF2241*/CH238

Funding updates

Effective July 1, 2004, allocations made in 2003 have been changed in the areas of K-12 education, early childhood and family education, and health and human services.

The changes are necessary to ensure that, as time passes, a program doesn't suddenly run out of money. For example, if more people are taking part in a program than expected the appropriation may be increased. Conversely, if fewer people are participating the appropriation put into law in 2003 is decreased.

Supporters say the law is important because people expecting aid from a program may not receive it when the money runs out and the department cannot disburse benefits.

One item in the law raises the bonding authority for the Public Facilities Authority to help finance local wastewater treatment facilities and other infrastructure, and allows for various interest rate swaps to lower interest costs when the bonds are issued. This provision was also in the House bonding bill that failed to become law.

Rep. Jim Knoblach (R-St. Cloud), who sponsored the law with Sen. Richard Cohen (DFL-St. Paul), said the changes were all in House omnibus bills.

HF2867*/SF2732/CH272

Fund oversight

Better management and organization of state funds and accounts is expected to be the result of a new law.

Sponsored by Rep. Jim Knoblach (R-St. Cloud) and Sen. Richard Cohen (DFL-St. Paul), the law requires the finance commissioner to eliminate certain accounts on the basis of several factors, including:

- receipts and transfers into the account average less than \$1,000 per year in the last four years;
- year end balances in the past four years average less than \$1,000; and
- the account has been in existence for at least four years.

Any balance remaining in an account must be transferred to the state's general fund unless some other disposition is specified in law. The Legislature must be informed of any account eliminations.

Beginning with fiscal year 2005, one-quarter of the state's special revenue accounts are to be reviewed by the commissioner, and subsequently each year following one-quarter must be evaluated until all funds have been examined.

The review must categorize the accounts by type and include a legislative and financial history of each account, and the rationale for its existence. Additionally, the review must explain why the account should not be considered part

of the general revenue fund. The commissioner is to work with House and Senate fiscal staff to determine the categorization of the accounts and other review standards.

Knoblach said that many of the state's 1,600 special revenue funds "are not reviewed as often as they should."

Additionally, the budget submitted by the governor to the Legislature is to be divided by tables, but the new law requires how it is to be divided. According to the law, "The tables must separately show any adjustments to the base required by current law or policies of the commissioner of finance. For forecasted programs, the tables must also show the amount of the forecast adjustments, based on the most recent forecast prepared by the commissioner. . . . For all programs, the tables must show the amount of appropriation changes recommended by the governor, after adjustments to the base and forecast adjustments, and the total recommendation of the governor for that year."

The law is effective Aug. 1, 2004.

HF2446*/SF2558/CH284

Claims bill

A new law authorizes payment of \$107,287 to settle 10 claims against the state, while the governor again prohibited payment for another.

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.

Sponsored by Rep. Bruce Anderson (R-Buffalo Township) and Sen. Wes Skoglund (DFL-Mpls), the law appropriates \$67,815 to the corrections commissioner for the payment for eight claims from persons injured while performing community service or sentencing-to-service work for correctional purposes or while a person is incarcerated.

Nearly \$39,472 will be paid by the Department of Natural Resources for two claims including revenue loss from a moratorium on raising sunken logs from lake bottoms, and reimbursement of fines paid during the settlement of a land dispute.

For the second straight year, Gov. Tim Pawlenty line-item vetoed a \$27,000 appropriation to resolve a land dispute with the Bode family in Nicollet. The family's claim in 2003 was \$26,000.

The family and the Natural Resources Department have been at odds for more than 20 years. The department has twice removed a

drain tiling system in a dispute over a wetlands designation on the family farm.

The family installed the tile to drain the wetland after a local panel ruled the land did not qualify as a wetland. The department contested that the owners didn't have the right to tile, and the disagreement went through the court system. Ultimately, the Minnesota Supreme Court ruled in favor of the department that the area of the farm in dispute is a wetland. The law would have given the family money for costs incurred from the appealing of court decisions.

Had the family accepted the payment, an administrative law judge would have then determined if the land in question is a wetland. That judgment would be final.

Pawlenty's 2004 veto states, "The legal claims regarding the designation of the Bode's land as a public wetland are final court orders. Allowing one claimant a special privilege to circumvent the results of final court decisions sets a dangerous precedent."

The law is effective July 1, 2004.
HF2255*/SF2038/CH271

Protecting privacy

A new omnibus data practices law makes a number of changes to the classification and protection of information concerning public employees, welfare, recipients, mental health patients, domestic abuse victims, and endangered species.

Currently, portions of personnel records for state employees, including name, job title, and salary, are considered public. The new law classifies the city and county of residence of public employees as private data.

Along similar lines, the new law aims to provide public employees of correctional and secure treatment facilities with greater protection from those who may seek personnel data with harmful intentions.

The following data disclosure for those employees is limited: the place where previous education or training occurred; place of prior employment; payroll timesheets or other comparable data that may disclose future work assignments; the location of an employee during non-work hours, including a home address or telephone number; and the location of an employee's immediate family members is not to be disclosed to facility patients, corrections inmates, or other individuals who facility administrators "reasonably believe will use the information to harass, intimidate, or assault any of these employees."

Other select provisions, effective Aug. 1, 2004, for the most part, allow for the release of certain private individual data to welfare system personnel and Department of Revenue tax refund and tax credit program administrators, allow for the release of information by mental health providers to law enforcement officers in emergency situations, and ensure that Department of Natural Resources information on the location of endangered plants and animals is protected.

Two other components of the new law, effective May 30, 2004, clarify that written police reports must be released to the victim and the victim's attorney, and allow for public entities to conduct closed meetings to receive security briefings if disclosure of the information discussed would pose a danger to public safety, related financial issues are discussed at an open meeting, and the meetings are recorded.

Rep. Dick Borrell (R-Waverly) and Sen. Wes Skoglund (DFL-Mpls) sponsored the legislation.

HF2087*/SF1889/CH290

Dislocated worker program

A new law makes several changes to the dislocated worker program that helps those who become unemployed through plant closings, substantial layoffs, and changing market demands.

The law is effective Aug. 1, 2004, unless otherwise noted.

Sponsored by Rep. Bob Gunther (R-Fairmont) and Sen. Ellen Anderson (DFL-St. Paul), the law makes modifications to services and the allocation of grant funds, tightens eligibility requirements, and calls for a report to the Legislature.

The law limits legislative recommendations required from the Job Skills Partnership Board to programs under the board's oversight. Recommendations to be submitted to the Legislature by Jan. 15 of each odd-numbered year are regarding workforce development programs, modifications or eliminations of existing workforce programs under the board's oversight, and any potential new programs. Funding levels and sources must be included in the recommendations.

Funds granted by the board, under the law, must "reflect recent trends in the number of permanently separated individuals applying for unemployment benefits in a given workforce service area." Each quarter the board is to evaluate and adjust its obligations accordingly.

The law also includes more specific descriptions for long-term and short-term training, with greater emphasis on providing focused short-term training.

Under the law, the employment and economic development commissioner in consultation with the board, must enter into contracts with local workforce investment boards and other eligible organizations. The law also calls for the establishment of performance standards and it requires a report to the Legislature by March 1 of each year on whether grant recipients are meeting standards for dealing with substantial layoffs and plant closings.

Another provision, effective Jan. 24, 2003, allows for an injury or illness resulting from a vaccine required for an employee's job, as a result of a federal declaration under the Public Health Service Act, to be compensable under workers compensation law.

HF2799*/SF2646/CH257

★ GREATER MINNESOTA

★ Iron Range Resources leader

A new law, effective April 3, 2004, clarifies in state law that the governor is to appoint a commissioner to the Iron Range Resources and Rehabilitation Agency.

The agency was formed in 1941 to oversee and encourage economic development on the Iron Range.

Commissioner Sandy Layman told a House committee that statutory clean-up work in 1997 erroneously eliminated the provision that establishes her post. A 2002 legislative audit suggested the agency should advise the Legislature to streamline the statutory language surrounding the agency and its board. The new law will be a first step in that effort.

Rep. Maxine Penas (R-Badger) and Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored the legislation.

HF2105*/SF2632/CH150

★ HEALTH

★ Terminology change

A new law provides a state statute clarification for the way some assisted living facilities are termed.

Rep. Brad Finstad (R-New Ulm), who sponsored the law with Sen. Mee Moua (DFL-St. Paul), said the law is a technical fix.

He said the state addresses assisted living facilities as “housing with services,” which is causing some problems with terminology commonly used for long-term care insurance.

Effective Aug. 1, 2004, a registered housing with services establishment “that holds, or contracts with an individual or entity that holds, a home care license and all other licenses, permits, registrations, or other governmental approvals legally required for delivery of the services the establishment offers or provides to its residents, constitutes an ‘assisted living facility’ or ‘assisted living residence.’”

HF1936/SF1671*/CH185

Adverse event reporting

The duties of the Department of Health and health facilities in the reporting of adverse health care events are clarified under a new law.

Effective Aug. 1, 2004, the law makes some technical changes to an act passed in 2003 that requires the reporting of 27 events that should never happen in hospitals, such as surgery on the wrong body part or person, patient death or disability related to medical devices or drugs, or patient protection errors such as discharging an infant to the wrong person.

Under the law, medical errors that now involve children will be reported; the boards of practice for physicians, nurses, physicians assistants, pharmacists, and podiatrists will be mandated reporters of adverse events; members and employees of the boards of medical practice, chiropractic examiners, pharmacy, and podiatric medicine are exempted from liability for making certain reports or for maintaining certain records; and the protection of the confidentiality of investigative documents held by the Department of Health is addressed.

Rep. Lynda Boudreau (R-Faribault) and Sen. Steve Kelley (DFL-Hopkins) sponsored the law.

HF2537/SF2365*/CH186

Moratorium exception methods

A new law will lay the framework for the process through which hospitals seeking exceptions to the state hospital moratorium submit the request to lawmakers and agency officials.

Under current law, hospitals are prohibited from increasing or redistributing bed capacity. The 1984 Legislature placed this moratorium

on the construction of new hospitals in the state, and most exceptions must currently obtain legislative approval.

Effective Aug. 1, 2004, the new law will establish a process by which the health commissioner must issue findings and recommendations to the Legislature when hospitals seek an exception.

Under the new law, hospitals will be required to pay for the cost of the review and answer a number of questions designed to establish whether the exception is in the public’s best interest.

Proponents said the legislation is intended to take moratorium exception approval out of the political process and give the department the third-party ability to review applications.

Opponents questioned whether the new process could ultimately stymie competition in the health care arena.

Rep. Dan Severson (R-Sauk Rapids) and Sen. Michelle Fischbach (R-Paynesville) sponsored the legislation.

HF2085*/SF1835/CH231

Transfer rules

A new law would change provisions related to charitable contributions in the event the federal government approves the state’s request to extend the look-back period for transfer of assets at less than fair market value from 38 to 72 months.

Rep. Fran Bradley (R-Rochester), who sponsored the legislation with Sen. Linda Higgins (DFL-Mpls), said the idea for the change came from people at the United Way who found that donors were becoming more reluctant to contribute. “They were fearful of the look-back period that may grow as much as five or six years for transfers that could be counted as medical assistance,” Bradley said.

The intent of the 2003 Legislature was to close loopholes that allowed people to transfer assets, which resulted in taxpayers footing the bill for their nursing home care. Asset transfer can be a common practice where individuals reduce their assets so they may qualify for publicly funded health care to help cover costs, particularly in long-term care situations.

Transfers made for charitable causes that meet certain criteria would be exempt, and the law clarifies how to prove a contribution was indeed charitable.

Under the law, two criteria shall establish that a gift is a charitable contribution made for a purpose other than maintaining medical assistance eligibility unless at the time of

the gift the donor or the donor’s spouse was receiving long-term care services, was advised by a medical professional of the need for long-term care services, or was a medical assistance applicant or recipient.

The criteria are that the donor made one or more gifts to the same organization more than 180 days prior to the date of the gift in question, and the gift was made to an organization for which the donor had provided volunteer services, acknowledged in writing, prior to the date of the gift.

The law is effective upon publication of a notice in the State Register of receipt of federal approval for the 72-month lookback period.

HF2581/SF2112*/CH266

Drug rebates, kickbacks

In recent years, pharmaceutical companies blocked consumer access to discounts or other reductions in price, such as rebates, claiming that the state’s version of the Medicare anti-kickback law prohibited these practices.

Effective July 1, 2004, a new law says there is nothing in state law that would prevent access to discounts, price reductions or free supplies of a prescription drug, medical supply or medical equipment, provided the discount or price reduction is given in connection with the purchase of the drug or equipment prescribed; it complies with state and federal requirements applicable to state and federal public health care plan enrollees; the discount does not exceed the amount paid directly by the individual; and the supply or samples are provided by a physician or pharmacist, as provided by the federal Prescription Drug Marketing Act.

The law also deals with kickbacks for prescription drugs.

Under the new language, “No benefit, reward, remuneration, or incentive for continued product use may be provided to an individual or an individual’s family by a pharmaceutical manufacturer, medical supply or device manufacturer, or pharmacy benefit manager.” Exceptions include ancillary products necessary for the treatment of the medical condition, for which the drug or equipment was supplied, and “a trinket or memento of insignificant value.”

Rep. Fran Bradley (R-Rochester), who sponsored the law with Sen. Sheila Kiscaden (IP-Rochester), said some companies had allegedly provided cell phones to people for using their products.

HF2207*/SF2150/CH280

Insurance safety net

A new law makes some changes to the guidelines governing an insurance safety net program in Minnesota.

The Minnesota Comprehensive Health Association was established by the 1976 Legislature to cover Minnesotans who fall into a high-risk pool of health insurance for a variety of reasons. Eligibility requires that a person must have been turned down for insurance because of a pre-existing condition. This could include self-employed people, people who have exhausted COBRA benefits, and people who work for an employer who does not offer insurance benefits.

According to the association, premiums charged to policyholders are generally higher than rates for comparable policies in the marketplace. The program is not related to the MinnesotaCare plan for uninsured residents who meet certain income requirements.

The new law increases the governing board from nine members to 11 members and amends some of the requirements to serve on the board. This provision is effective Aug. 1, 2004.

Another provision, also effective Aug. 1, 2004, authorizes the association to establish an enrollee incentive based on participation in a chronic disease and case management program.

Under the new law, as of Jan. 1, 2006, the association is no longer required to offer an extended basic Medicare supplement plan along with its four other types of individual plans.

The Commerce Department is ordered to analyze and report back to the Legislature by Jan. 15, 2005, the eligibility standards used for enrollment for coverage under the association in terms of the use of presumptive conditions for automatic eligibility.

The new law touches on a few general health coverage matters, as well.

Effective Jan. 1, 2004, the new law provides conformity to federal legislation authorizing the use of health savings accounts and allows the sale of high deductible health plans in Minnesota.

Effective July 1, 2004, children born to women who are enrolled in the prepaid Medical Assistance program will be retroactively enrolled to the month of birth in the same managed care plan as the mother, unless the child is excluded by other qualifying criteria.

A separate provision allows for health care purchasing alliances to include seasonal employees. The alliance may require an employer-member contribution of at least

50 percent of the cost of employee coverage during the months the seasonal employee is unemployed.

Effective Aug. 1, 2004, the new law requires pharmacies to provide patients, for each prescription dispensed where part or all of the cost is covered by an employer-sponsored plan or health plan company, the patient's co-payment amount and the usual or customary price of the prescription or the amount the pharmacy will be paid by the insurance plan.

The new law makes effective July 1, 2004, a separate new law (HF1896/SF1716*/CH187) providing for hospital construction moratorium exceptions in Itasca and Hennepin counties.

Rep. Tim Wilkin (R-Eagan) and Sen. Sheila Kiscaden (IP-Rochester) sponsored the legislation.

HF2762*/SF2613/CH268

Facility expansion

The Comforcare Good Samaritan Center nursing facility in Austin will be permitted to construct a new 60-bed facility, under a new law.

Rep. Jeff Anderson (R-Austin), who sponsored the law with Sen. Dan Sparks (DFL-Austin), said the center is landlocked and unable to renovate, under current law. Hormel Foods Corporation donated 11 acres to the facility to build a "campus style continuum of care for seniors in Austin," because the county currently doesn't have a facility like the one proposed.

The new law authorizes the city to license and certify the new facility under the following circumstances:

- 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership;
- the human services commissioner is authorized to negotiate budget-neutral planned nursing facility closures, and money is available from planned closures of facilities under common ownership to make implementation of the bill budget-neutral to the state;
- bed capacity at the Albert Lea facility shall be reduced to 167 beds following the transfer; and
- 20 beds at the new facility shall be used for a special care unit for persons with Alzheimer's disease or related dementias.

The law is effective Aug. 1, 2004.

HF2027*/SF2020/CH218

Hospital construction

A new law adds to the list of hospital construction moratorium exceptions.

Rep. Loren Solberg (DFL-Grand Rapids), who sponsored the law with Sen. Tom Saxhaug (DFL-Grand Rapids), said the Itasca County Hospital requested an exception to the moratorium to add 14 beds that would be used for rehabilitation services.

A construction moratorium was imposed by the state several years ago to help control health care costs, but 16 other exemptions had previously been enacted in law.

According to state statute: "The following construction or modification may not be commenced: (1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and (2) the establishment of a new hospital."

The law takes effect Aug. 1, 2004.

HF1896/SF1716*/CH187

Survey changes

A new law makes changes to the federally required nursing facility survey process, including joint training and the requirement of an annual quality improvement report.

Every nursing home in Minnesota must have a state license from the Department of Health to operate. Department staff, known as surveyors, regularly inspect homes for compliance.

Effective Aug. 1, 2004, the law modifies the survey processes for nursing homes and attempts to improve communications between inspectors and nursing home operators.

Changes include additional requirements for provider and surveyor training. Under the law, training would be done jointly so that providers and surveyors learn together on new regulations.

The health commissioner is required to establish a quality improvement program for the facility survey and complaint process. According to the law, "The commissioner must regularly consult with consumers, consumer advocates, and representatives of the nursing home industry and representatives of nursing home employees in implementing the program." An annual quality improvement report must be submitted to the Legislature beginning Dec. 15, 2004.

Among items the report must include are:



PHOTO BY TOM OLMSCHIED

A new law makes changes to the federally required nursing facility survey process, including training requirements and the requirement of an annual quality improvement report, to improve communications between inspectors and nursing home operators.

the number and outcomes of independent dispute resolutions, the number and outcomes of appeals, and the techniques of surveyors in the investigations. It also must identify and explain inconsistencies and patterns across state regions, including analyses and recommendations for identified quality improvement areas, and provide an action plan to address those areas.

Additionally, the commissioner is required to provide facilities with draft statements of deficiencies at the time of the survey exit process. Furthermore, when citations are posted on the agency Web site, the facility's response must also be posted.

Rep. Char Samuelson (R-New Brighton) and Sen. Dallas Sams (DFL-Staples) are the sponsors.

HF2246*/SF2103/CH247

Provider regulations

A new law aims to improve how diagnostic imaging facilities and outpatient surgery centers are regulated.

Among the highlights of the law, effective Aug. 1, 2004, are:

- additional licensure requirements for diagnostic imaging facilities and outpatient surgery centers;
- facilities are required to comply with adverse reporting requirements;

- disclosure to patients regarding the financial interest of health care providers in these facilities; and
- the health commissioner is given the right to inspect the books, audits, and records of a hospital or outpatient surgical center if there is reason to believe a report is incomplete or false. Current law gives inspection authority "as reasonably necessary."

Supporters say benefits of the law include giving policymakers better data on trends and facility ownership, allowing the state to determine if low-income Minnesotans have access to needed services, and creating equal accountability across the health care system.

The law represents a compromise among Minnesota's health care providers. After some initial concerns with the original proposal, the Minnesota Nurses Association, Minnesota Medical Association, and Minnesota Hospitals Association worked together and support the law.

Rep. Lynda Boudreau (R-Faribault) and Sen. Linda Higgins (DFL-Mpls) sponsored the legislation.

HF2127/SF2080*/CH198

Dispensing drugs

A new law modifies the authority to dispense controlled substances and requires certain health-related licensing boards to work with the University of Minnesota to develop a

proposal for education programs in relation to certain drugs.

Under prior law, practitioners licensed by states bordering Minnesota had authority to fill prescriptions for Schedule II, III and IV controlled substances. The new law allows prescriptions to be written in Minnesota by a practitioner licensed by any state to dispense these classes of drugs.

The education program, under the law, will be "a competency-based education and assessment program for professionals authorized to prescribe, dispense, or administer legend drugs." The boards are to report its findings to the Legislature by Jan. 30, 2005.

Substances considered to be Schedule II include: amphetamine, coca leaves, codeine, methadone, morphine, and various forms of opium. Schedule III drugs can contain mixtures of substances that include: benzphetamine, clortermine, mazindol, phendimetrazine, and more. Schedule IV include: anabolic substances, barbital, butorphanol, carisoprodol, chloral betaine, and chloral hydrate.

Rep. Fran Bradley (R-Rochester) and Sen. Sheila Kiscaden (IP-Rochester) sponsored the law, effective Aug. 1, 2004.

HF2391*/SF2192/CH242

Radioactive materials fees

A new law, effective May 30, 2004, modifies the license application fees, annual license fees, and other fees relating to proper registration of radioactive materials used in the health care industry.

While the United States Nuclear Regulatory Commission keeps tab on nuclear power plants and large sources of radioactive material, the Minnesota Department of Health has the lead on regulating radioactive or nuclear material used in hospital and health care settings.

The department is responsible for setting fees, issuing licenses, and performing inspections of institutions.

Another provision of the law authorizes an agreement between the state and the Nuclear Regulatory Commission that allows the governor to delegate responsibilities to the Health Department to handle these oversight responsibilities.

A separate provision clarifies that the effective date for a new law exempting hospitals in Itasca and Hennepin counties from the state hospital construction moratorium is July 1, 2004.

Rep. Fran Bradley (R-Rochester) and Sen. Sheila Kiscaden (IP-Rochester) sponsored the legislation.

HF2970/SF2869*/CH236

Licensure provisions

A new law makes changes to licensure provisions for speech pathologists, audiologists, occupational therapy professionals, dentists and other public health occupations.

The law is effective Aug. 1, 2004, unless otherwise noted.

Several additional regulations, in the law, include: allowing for use of speech language pathologist assistants, allowing physician's assistants to provide radiography; adding oriental massage to acupuncturists' scope of practice; and requiring that graduates from nursing education programs in Canada show proof of licensure in that country or the United States, while graduates from other countries must submit verification of graduation from a nursing program and be approved by the Board of Behavioral Health and Therapy.

The new law also directs the health commissioner to encourage health-care providers to use thimerosal-free vaccines when available. Two health agencies and vaccine manufacturers have recommended against using thimerosal as a precautionary measure. Thimerosal is a mercury-containing preservative used in some vaccines. Doses used in vaccines may cause minor reactions like redness or swelling at the injection site.

A specified plan for the implementation and development of a statewide public health data management system is to be prepared by the health commissioner in consultation with local public health representatives. The plan, which must provide a cost-effective, reliable way to collect, utilize and disseminate public health, and the costs to do such, must be presented to the Legislature by Jan. 15, 2005.

Another provision, effective May 30, 2004, includes language pertaining to Minnesota National Guard members or other military reservists. It clarifies that renewal of a professional credential by a professional ordered to active military duty is governed by current state statute.

Rep. Jim Abeler (R-Anoka) and Sen. Sheila Kiscaden (IP-Rochester) sponsored the law.
HF2175*/SF2351/CH279

Provider contracting

A new law sets requirements for contracting between health plan companies and health care providers, modifies prior authorization procedures, and expands the provision regulating shadow contracting.

Effective July 1, 2004, health plan companies and others must provide a system for prompt

provider access by telephone, fax, voicemail, or electronically, 24-hours-a-day, seven-days-a-week, if prior authorization is required.

The law also requires health plan companies, before requiring a provider to sign an initial contract, to make available a copy of the proposed contract, and make available to the provider a method or process that allows the provider to determine total expected payment amounts for each health care service. Changes in contract terms must be disclosed to the provider at least 90 days before their effective date, with the exception of amendments required by law or governmental regulatory authority. This is effective for provider contracts issued, renewed, or amended on or after July 1, 2006.

Another provision completes the process of getting rid of so-called network shadow contracts, effective for provider contracts issued, renewed, or amended on or after July 1, 2006. It prohibits a health plan company from requiring a provider to participate in a new or different plan, product, or arrangement within a category of coverage that results in a different reimbursement rate, without provider consent.

Rep. Steve Smith (R-Mound) and Sen. Dallas Sams (DFL-Staples) sponsored the law.
HF606*/SF394/CH246

Regulatory board provisions

A new law modifies provisions related to the Emergency Medical Services Regulatory Board.

The law is technical in nature, and its development included input from the board, the Department of Health and all providers. It has zero fiscal effect.

Among the responsibilities of the 19-member board are: licensing ambulance services, certifying emergency personnel, approving medical services training programs, and funding the Comprehensive Advanced Life Support Program training for rural emergency room teams.

Included in the law is a change in the makeup of the board. It still must include a state resident; however, that person no longer has to be at least 65 years of age. Supporters indicated that they were having a hard time finding enough applicants who meet the requirement.

Other portions of the law include modifications of eligibility to be a training instructor for first responder refresher training programs and the salary limits for qualified ambulance service personnel. The new law also clarifies that an ambulance service licensee is to report to the

board within 60 days of obtaining information about misconduct by a first responder that they reasonably believe constitutes grounds for disciplinary action. No time line was established in prior law.

Rep. Duke Powell (R-Burnsville) and Sen. Gary Kubby (DFL-Granite Falls) sponsored the law.

The law is effective Aug. 1, 2004, except for the deletion of an age reference for an ambulance service personnel longevity award, which is retroactive to Jan. 1, 2003.

HF1702/SF1748*/CH144

HOUSING



Proof of a paid mortgage

A new law will ensure that homeowners who are paying off mortgages receive certificates of satisfaction — despite any multiple refinancing efforts.

The law addresses a problem stemming from today's climate in which finance companies frequently change names and homeowners refinance mortgages multiple times in search of lower interest rates. As frequently happens, transferring documents are not filed with the county records office. This makes it difficult to clear the mortgage.

Effective Aug. 1, 2004, the law will require that the satisfaction certificate list the name of the broker, the mortgage provider and the property owner, as well as the date of the mortgage, the date of the recording of the document, and the volume and page number or document number of the mortgage in the real property records where the mortgage is recorded.

Sponsors of the new law are Rep. Thomas Pugh (DFL-South St. Paul) and Sen. Thomas Neuville (R-Northfield).

HF1805/SF1621*/CH153

HUMANITIES



State observance

A new law declares October 16 as Dr. Norman E. Borlaug World Food Prize Day in honor of his contributions to humanity through work in agriculture.

Borlaug, one of only four living Nobel Peace Prize winners in the United States, is credited with saving millions of lives by averting famine and alleviating hunger and malnutrition through his invention of a high yielding, disease



PHOTO BY ANDREW VONBANK

A new law declares Oct. 16 as Dr. Norman E. Borlaug World Food Prize Day in honor of his contributions to humanity through work in agriculture. A University of Minnesota graduate, Borlaug continues, at age 90, to fight hunger by helping farmers in several countries increase their production.

resistant variety of wheat available in more than 20 nations. He won the prize in 1970.

A University of Minnesota graduate, Borlaug continues to fight hunger at age 90 by helping farmers in several countries increase their production.

Sponsored by Rep. Alice Hausman (DFL-St. Paul) and Sen. Ellen Anderson (DFL-St. Paul), the new law says that public schools may offer instruction and programs in observance of his contributions. It takes effect Aug. 1, 2004.

The celebratory date was chosen because it coincides with the United Nations World Food Day, said Hausman.

HF2878*/SF2537/CH148

Acquiring abandoned property

The Minnesota Museum Property Act will be added to state statutes, effective Aug. 1, 2004.

Sponsored by Rep. Dean Urdahl (R-Grove City) and - (DFL-Mpls), the law establishes procedures for museums to acquire ownership of loaned items that have been abandoned, whether the owner is known or unknown.

Museums accumulate unclaimed and undocumented objects when people do not claim them after loaning them for exhibits, identification, or evaluation.

The law will regulate the acquisition of title to undocumented property, as well as loans

of property made to museums and historical societies.

It will also allow the organizations to apply conservation measures to loaned property for



PHOTO BY TOM OLMSCHIED

Procedures are established, under a new law, for museums to acquire ownership of loaned items that have been abandoned, whether the owner is known or unknown.

health and safety reasons, or to protect other museum property, if there is no written loan agreement to the contrary.

The law requires museums to keep accurate records of all property on loan, including the name and address of the owner, and the beginning and ending dates of the loan period.

Property loaned to a museum with an expiration date will be deemed abandoned under the law, when there has been no written contact between the owner and the museum for seven years after the expiration date.

If no expiration date was established, the law will deem the property abandoned when there has not been written contact between the museum and the owner for seven years after the museum took possession of the property.

The law requires a museum to provide notice to the owner if it wishes to acquire title to abandoned property, including further notice of abandoned property by publication and on the organization's Web site.

If the museum receives a timely written claim for the property from the owner, it must return it. If the notice produces no timely written claim to the property, the museum becomes the owner.

HF1645*/SF1559/CH213

★ HUMAN SERVICES

Licensing, other provisions

A new law makes a variety of technical and substantive changes to Department of Human Services licensing and policy provisions, and provides for modifications in the areas of corrections, child care, long-term care, and health care costs.

The law includes more than two-dozen other bills that were introduced in the House. Among the topics addressed are: adult foster care licensure, disease management, nursing facility rate adjustment, electronic recordkeeping, fetal alcohol syndrome, at-home infant care, military child care, foster adoptive care, cleft palate language, ovarian cancer screening, creation of a birth defects information system, pool depths, and a lead paint study.

Rep. Jim Abeler (R-Anoka) and Sen. Sheila Kiscaden (IP-Rochester) sponsored the law.

The following are some of the specific provisions in the new law, effective Aug. 1, 2004, unless otherwise noted.

HF2277*/SF2179/CH288

Human services

- The law provides new licensing standards for residential-based family adult day services, which were previously licensed under adult foster care licensing standards. Among the standards addressed are policy and program information requirements, admission screening and evaluation, service delivery plans, staffing, training, and residential requirements. Counties will continue to oversee these services, but will now do so according to more applicable standards. (Art. 1, Sec. 27)

Child care,

Minnesota Family Investment Program

- The law allows families in which a parent provides care for the family's infant under age 1 to receive a subsidy in lieu of assistance if the family is eligible for or is receiving assistance under the Basic Sliding Fee program. A family is limited to a lifetime total of 12 months under the program, and a maximum rate of assistance is provided. This is effective July 1, 2004. (Art. 4, Sec. 12)
- Before a county can authorize payment for care provided, the county must authorize a provider. Under the new law, a provider must be reauthorized every two years and a provider must also be reauthorized when another person over age 13 joins the household, a current household member turns 13, or there is reason to believe that a household member has a factor that prevents authorization. (Art. 4, Sec. 16)
- A county must request information about a provider from the Bureau of Criminal Apprehension, the juvenile courts, and social service agencies to determine if a provider may be authorized. There are 13 conditions in law that prevent someone from being a provider. Conditions are established so a provider authorized in one county can provide care for a family in another county without the second county performing a background check. (Art. 4, Sec. 17)
- The diversionary work program is added to the list of programs from which a person who has been found guilty of wrongfully obtaining assistance is disqualified. (Art. 4, Sec. 26)
- Counties are required to reserve a family's position under the child care assistance fund if a family has been receiving child care assistance but has temporarily become ineligible due to increased income from active military service. A military family's position is also reserved on the Basic Sliding Fee waiting list under the child care assistance fund if

the family is approved to receive assistance and reaches the top of the waiting list, but is temporarily ineligible. (Art. 4, Sec. 61)

Long-term care

- Coverage of skilled nursing facility and hospice services for dual eligibles is clarified. The law specifies that Medical Assistance covers skilled nursing facility services for persons eligible for both Medical Assistance and Medicare who have waived the Medicare skilled nursing facility room and board benefit and enrolled in the Medicare hospice program. (Art. 5, Sec. 3)
- For rate years beginning on or after July 1, 2004, nursing facilities located in areas designated to be metropolitan areas by the federal Office of Management and Budget will be considered metro in order to determine rate increases and to establish facility reimbursement rates for the nursing facility reimbursement system that was updated by the 2002 Legislature. This section is effective July 1, 2004, and applies only if the new designation results in a higher level of facility reimbursement. (Art. 5, Sec. 8)
- The human services commissioner is required to issue requests for proposals for collaborative service models between counties and managed care organizations to integrate elderly waiver services and additional nursing services into the prepaid medical assistance program. Statewide coverage under the program of elderly waiver services is prohibited before July 1, 2006. The commissioner is required to phase-in implementation. (Art. 5, Sec. 9)

Health care

- The health commissioner is to establish and maintain an information system containing data on the cause, treatment, prevention, and cure of birth defects. The new law provides for reporting requirements and for transfers of information to other government agencies or research entities in certain instances. A cross-reference is provided in the Data Practices Act to ensure that information collected for the system is private and may only be used for the system. These sections are effective upon receipt of a federal grant to establish the system. (Art. 6, Secs. 1, 11-15)
- Health plan companies are required to provide for ovarian cancer screening for women who are defined as at-risk, such as those with a history of the disease in their family. (Art. 6, Secs. 2-3)
- If a nationally recognized independent organization has conducted an audit of a health plan

company using audit procedures comparable to or more stringent than the commissioner's audit procedures, the commissioner can accept, in whole or in part, the results, instead of performing the audit themselves. A health plan company is defined as a nonprofit health service plan corporation, health maintenance organization, a community integrated service network, or a managed care organization. (Art. 6, Sec. 8)

- A purchasing alliance is permitted to redefine eligible employees to include seasonal employees, thereby allowing them to get health insurance in the months they do not work. (Art. 6, Sec. 9)
- High schools are permitted to use certain non-conforming pools for one-meter board diving, provided the pool was built prior to 1987 and was used by a high school diving program in the 2000-01 season. Parents are required to be informed of the variance and risks it presents. The prohibition of the use of such a pool if another pool that meets state requirements is located within the school district is deleted. (Art. 6, Sec. 10)
- On July 1 each fiscal year, beginning in 2004, a portion of general fund dollars allocated to the health commissioner for fetal alcohol spectrum disorder administration and grants must be transferred to a statewide organization that focuses on prevention of, and intervention with, the disorder. The amounts are \$340,000 in 2004, \$990,049 in 2005, and \$1.19 million annually thereafter. The organization may retain \$60,000 for administrative costs. The organization must report to the commissioner by Jan. 15 of each year on the services and programs funded by the appropriation. This is effective July 1, 2004. (Art. 6, Sec. 27)

Health care cost containment

- In an effort to reduce health care costs and improve quality, state agencies are required to encourage the adoption of best practices guidelines and participate in best practices measurement activities by health care providers and health plan companies. The health commissioner is to facilitate access to best practices guidelines and quality of care measurement information to providers, purchasers, and consumers. A report is due to the Legislature Jan. 15, 2005, on the status of best practices and quality of care initiatives and any recommendations for statutory changes. (Art. 7, Sec. 2)
- A health care provider, upon request, shall provide a consumer with a good faith estimate of the reimbursement the provider expects

to receive from the health plan company in which the consumer is enrolled. An estimate must also be provided, upon request, if the consumer is not enrolled in a health plan. The quote does not constitute a legally binding estimate of service costs. (Art. 7, Sec. 3)

- Disease management initiatives are to be implemented to improve patient care and health outcomes and reduce health care costs by managing care for people with chronic conditions. A report is due the Legislature by Jan. 15, 2005. (Art. 7, Sec. 6)
- An Electronic Health Record Planning and Implementation work group is to be convened to provide a report to the Legislature by Dec. 31, 2004, including recommendations on the role of the state in the development, financing, promotion, and implementation of an electronic health records system. (Art. 7, Sec. 7)

Miscellaneous

- Health plan coverage for cleft lip and cleft palate treatment is extended up to the limiting age of coverage. Under current law, coverage of expenses is limited to dependants up to age 18, but the law allows coverage up to age 19 and to age 25 for certain students. This is effective Jan. 1, 2005. (Art. 3, Secs. 3-4)
- State law is expanded to include possession of contraband items (such as firearms, weapons, explosives, or controlled substances) in secure treatment facilities as a violation. Previous law limited the violation to introduction of contraband. (Art. 3, Sec. 6)
- Case management services may continue to be provided for someone with a serious emotional disturbance who is over the age of 18, effective July 1, 2004. By law, a county shall provide case management services for children with a severe emotional disturbance upon request or consent of the family. (Art. 3, Sec. 10)
- A savings account is to be created for patients receiving treatment in a secure treatment facility. The money, to come from a portion of the patient's share of care costs, will be available to help the patient with obtaining housing and other personal needs when they are transitioned back into the community. (Art. 3, Sec. 11)
- Effective May 30, 2004, certain statutory rights for patients in the Minnesota Sex Offender Program may be limited to maintain a therapeutic environment or facility security, or to protect the safety of patients, staff, and the public. Among the rights are: personal privacy, private communications, retention and use of personal property, management

of personal finances, meeting with visitors, participating in groups, corresponding with others, and making telephone calls. (Art. 3, Sec. 18)

- State law is amended to permit a tribal child welfare case manager who is certified by a federally recognized tribal government in Minnesota and who meets applicable standards to provide child welfare targeted case management services. Case managers are individuals employed and authorized by the certified child welfare targeted case management provider to provide case management services. Previously, a case manager was required to have a bachelor's degree plus one year of experience as a supervised social worker. (Art. 3, Sec. 27)
- A social services agency must consider placement without delay — instead of as soon as possible — after identifying a child's need for placement in foster care. Social service agencies are required to make a comprehensive search to find both paternal and maternal relatives before placing a child for adoption. Furthermore, a decision by a relative not to be a placement resource at the start of a child protection case shall not affect the relative's later consideration for placement of the child. (Art. 3, Sec. 30)
- The health commissioner is to develop and evaluate the best strategies to reduce the number of children endangered by lead paint. The study is to address how to promote and encourage primary prevention, how to ensure that all at-risk children are treated, whether to lower the state mandatory intervention level, how to provide incentives and funding to property owners for lead hazard prevention and reduction, and ways to provide resources for local jurisdictions to conduct outreach. Study results and recommendations are to be submitted to the Legislature by Jan. 15, 2005. (Art. 3, Sec. 31)

Meeting electronically

A new law permits the Minnesota State Council on Disability to meet by telephone or other electronic means under specific conditions.

Rep. Fran Bradley (R-Rochester), who sponsored the law with Sen. Linda Higgins (DFL-Mpls), said it is in response to a logistics issue. He said there have been times where it has been hard for the sufficient number of members to attend the meeting in order to achieve a quorum. There are still many rules that must be followed to ensure public access

but the change would help facilitate the business of the council, he said.

The conditions required for the electronic means to be used include:

- members of the council participating in the meeting and regular meeting location can hear one another and can hear all discussion and testimony;
- at least one member of the council is physically present at the regular meeting location;
- all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded; and
- the council must give notice of the regular meeting and if members may be participating by electronic means.

The law is effective July 1, 2004.

HF2691*/SF2639/CH195

Nursing home enhancement

Facility closures, medical assistance property-related rate adjustment requests, and the creation of a new nursing facility reimbursement system are three components of a new law.

Effective May 14, 2004, the human services commissioner is allowed to negotiate planned closures for nursing facilities beginning July 1, 2004, provided there is no cost to the state. Between Aug. 1, 2001, and June 30, 2003, the Department of Human Services was authorized to approve planned closures of up to 5,140 nursing facility beds and approve planned closure rate adjustments to beds remaining in operation.

Additionally, the state is permitted to go forward with the development of a new nursing facility reimbursement system that will include quality indicators for the system. A recommendation is to be brought forward by Jan. 15, 2005, with potential implementation of a new system by Oct. 1, 2006.

Furthermore, a request for a medical assistance property-related rate adjustment and the documentation of construction costs must currently be submitted to the commissioner within 60 days after the construction completion date to be considered eligible. The new law says the commissioner "shall provide a rate notice reflecting the allowable costs within 60 days after receiving all the necessary information to compute the rate adjustment."

Rep. Char Samuelson (R-New Brighton) and Sen. Linda Berglin (DFL-Mpls) sponsored the law.

HF1754/SF1604*/CH194

Pilot project extended

An amendment to current law extends the sunset date of a five-year pilot project of supportive housing and managed care by one year to June 30, 2007.

The program was established by law in 2000 and “is to determine whether the integrated delivery of employment services, supportive services, housing, and health care into a single, flexible program will: reduce public expenditures on homeless families with minor children, homeless noncustodial parents, and other homeless individuals; increase the employment rates of these persons; and provide a new alternative to providing services to this hard-to-serve population.”

Rep. Jim Abeler (R-Anoka), the House sponsor, said that Blue Earth and Ramsey counties have “a tremendous project bringing people to the services.”

Sen. John Hottinger (DFL-St. Peter) also sponsored the law, which is effective Aug. 1, 2004

HF2052*/SF2196/CH204

★ INDUSTRY

Non-oxygenated fuel exemptions

A new law will make some changes to the guidelines for retail gas stations selling both oxygenated and non-oxygenated fuels, raise petroleum inspection fees to further support a petroleum quality inspection program, modify non-oxygenated fuel sales reporting requirements to get a better sense of how much is sold on an annual statewide basis, and alter Department of Commerce Weights and Measurement Division requirements for liquefied petroleum gas measurements.

The former three provisions are effective Aug. 1, 2004, and the latter took effect May 14, 2004.

The statutory definition of oxygenated gasoline is gasoline that has been blended with agriculturally derived denatured ethanol or with another oxygenate approved by the U.S. Environmental Protection Agency.

State law now requires that all gasoline sold in Minnesota must contain at least 10 percent denatured ethanol by volume, with the exception of gas sold for use in collector vehicles or vehicles eligible to be licensed as collector vehicles, off-road vehicles, motorcycles, boats, snowmobiles, or small engines.

But some station owners who sell both types of gasoline said they were struggling a bit

meeting the 10 percent by volume mark on those pumps operating with a blending switch. The new law will provide certain exemptions for those retailers.

Another provision will require the sticker informing customers of the approved non-oxygenated fuel uses to be placed on the pump at least two feet above the ground.

Under current law, gasoline stations in Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright counties must notify the Department of Commerce of the intent to sell non-oxygenated fuel between Oct. 1 and Jan. 31 and then report the number of gallons sold during that period.

Under the new law, any retail gas station in the state selling non-oxygenated premium gasoline will have to submit a report summarizing the annual sales volume every two years.

Another provision will raise the petroleum inspection fee from 85 cents to \$1 for every 1,000 gallons. The additional fee will be directed to the department’s petroleum quality inspection program.

Rep. Dan Dorman (R-Albert Lea) and Sen. Becky Lourey (DFL-Kerrick) sponsored the legislation.

HF2098/SF2453*/CH189

★ INSURANCE

Cancellation notice

A new law refines certain notice requirements for fire insurance and amends provisions regulating township mutual combination policies.

For an insurance policy, the law clarifies language in regard to notices if the policy is declined within the first 60 days. Additionally, the law clarifies some statutory language in reference to town fire mutual insurances. Consumer or insurance company rights are not changed, under the law.

In the event of a midterm cancellation, “notice must be mailed to the insured at least 30 days before the effective cancellation date.” Current law indicates the insured must receive a 30-day notice.

“In the event of a nonrenewal, notice must be mailed to the insured at least 60 days before the effective date of renewal,” according to the law. Under current law, a 60-day notice must be sent to the insured.

Rep. Laura Brod (R-New Prague) and Sen. Dallas Sams (DFL-Staples) sponsored the new law, which takes effect Aug. 1, 2004.

HF2777/SF2620*/CH202

Care provider coverage

A new law raises the limits for nursing homes and long-term care facilities in the Minnesota Joint Underwriting Association.

Effective May 19, 2004, the law allows the association to issue malpractice insurance policies to long-term care providers who are members of an activated class with limits up to \$2 million per claimant under one policy and \$4 million for all claimants under one policy in a single year. The latter can only occur if the association finds the higher limits are needed for the applicant to conduct its business. Previous levels were \$1 million and \$3 million. Nursing home providers, who brought the proposal forward, expressed a desire to set the limits higher based on needs.

“Prudent business practice or mere desire to have higher limits is not a sufficient standard for the association to issue such policies,” under the new law.

Regulated by the Department of Commerce, the association provides liability insurance coverage for persons unable to attain it through ordinary means where coverage is required by law or is necessary for the conduct of business and serves a public purpose. All property and casualty insurance companies in the state are required by state law to be members.

Rep. Laura Brod (R-New Prague) and Sen. Dan Sparks (DFL-Austin) sponsored the law. HF2017*/SF1944/CH212

Reserve calculations

A new law changes the way real estate title insurance companies calculate their required reserves.

Effective Aug. 1, 2004, reserves will again be based on premiums and fees paid to the company. The 2001 Legislature changed the method of calculating title insurance from the traditional method of basing it on premiums paid to basing it on the risk to which the company was exposed.

Rep. Thomas Pugh (DFL-South St. Paul), who sponsored the law with Sen. Geoff Michel (R-Edina), said the problem with basing reserves on risks covered is that the risk is not known until later, so the reserves may need adjustment. Basing reserves on premiums is easier to compute and simpler to monitor.

The formula was developed with the review of the Department of Commerce.

Title insurance provides protection for people buying property from unforeseen claims on that property. A title company reviews the title

history or a property and issues a commitment listing encumbrances and exceptions.

In exchange for a premium, usually a one-time payment, the company assumes the risk that the title is exactly as stated in the policy. If, at a later time, someone comes forward with a prior claim on the property, the title company covers the purchaser's losses. The reserve assures that funds are available for this.

HF2139*/SF2257/CH227

Insuring home child-care property

A new law attempts to protect certain home day care providers from discriminatory insurance underwriting practices.

Effective Jan. 1, 2005, and applicable to coverage applied for, issued, or renewed on or after that date, the new law prohibits insurers from refusing to renew or declining to offer or write homeowner's insurance policies solely because the property also houses day care services for five or fewer children.

Rep. Michael Nelson (DFL-Brooklyn Park) and Sen. Ann Rest (DFL-New Hope) sponsored the law.

HF2801/SF1922*/CH239

Solvency calculation

A new law will change how the solvency of health plans is calculated.

Requested by the Department of Commerce, and based on model legislation from the National Association of Insurance Commissioners, the law puts in place a way to regulate the solvency of health plans through a method called risk-based capital. It is the same way property and casualty companies and life insurance companies are currently regulated, and similar to the way banks are regulated.

The law also repeals the old method of regulating the capital and allows the department and the National Association of Security Dealers to share data when working on joint fraud investigations.

Rep. Tim Wilkin (R-Eagan) and Sen. Dan Sparks (DFL-Austin) are the sponsors.

Most of the law is effective Aug. 1, 2004, although some securities regulation technical changes are effective May 30, 2004.

HF2258*/SF2587/CH285

LAW



Conflicts of laws among states

A new law designates rules to be considered in Minnesota court cases in which more than one state's statute of limitations would apply and if the case involves applying the law from one or more other states.

Under the law, if a claim in Minnesota is based on the law and limitation period of another state or more than one state, the Minnesota conflicts of law rules would decide which state's limitation period to follow.

Also, if another state's limitation period is substantially different from Minnesota's making it hard for either a plaintiff to sue, or a defendant to defend, the Minnesota limitation period would apply.

The law applies to claims after the Aug. 1, 2004 effective date, or brought up in a civil matter more than one year after the effective date.

Rep. Paul Kohls (R-Victoria) and Sen. Ann Rest (DFL-New Hope) sponsored the law.

HF2444*/SF1976/CH211

Purchase money mortgages

A new law clarifies what the lending and title industries had already assumed was law.

It says if any part of a loan is used to acquire real property, the entire loan will be deemed a purchase money mortgage; therefore, if the loan includes funds for additional improvements to the real property or closing costs, the total loan will be considered a purchase money mortgage.

Under the law, the lien position of the lender is protected for the total mortgage, not just the real property that is being purchased. This section is effective Aug. 1, 2004.

A purchase money mortgage is a mortgage that secures a loan made to a homebuyer for the purpose of buying a home. This is in contrast to a refinancing loan, a home equity loan or other mortgage loans where the borrower does not use the borrowed funds to buy the property being mortgaged.

The law also includes a technical measure that allows a sheriff, in the event of a foreclosure, to verify a creditor's right to redeem in the order of priority of various creditors. There was concern by the Minnesota Sheriffs' Association about who has priority rights when, or if a redemption occurs. The language is there to make sure the sheriff knows who has the right to redeem, and would prevent someone without that right from coming in before someone

with a prior right to the designated property. This section is effective Jan. 1, 2005.

Rep. Paul Kohls (R-Victoria) and Sen. Linda Scheid (DFL-Brooklyn Park) are the sponsors.

HF2419*/SF2393/CH234

Roadwork contract restrictions

A new law eases statutory restrictions placed on county and town officers who oversee roadwork contracts.

Current law prohibits final payments on contract work for counties and town roads until the engineer or person in charge of the work has certified to the county or town board that the work has actually been completed. Town clerks and county auditors who make final payments before the performance certificate is filed could be subject to a misdemeanor penalty.

Effective Aug. 1, 2004, the new law limits the application of that provision to contracts for road construction or improvement and exempts those contracts under \$35,000 in counties or towns under 2,500 in population and under \$50,000 in larger municipalities.

The new law also repeals the misdemeanor penalty. Proponents said the repeal was necessary because town clerks were being held responsible for the actions of town boards.

Rep. Laura Brod (R-New Prague) and Sen. Chuck Wiger (DFL-North St. Paul) sponsored the legislation.

HF1691*/SF1798/CH209

Conciliation court collections

A new law aims to speed up the collection process for the winners of small claims court cases.

Minnesota's conciliation court system is designed for relatively smaller cases in which the participants do not need to hire an attorney. The maximum recoverable amount is \$7,500.

Conciliation courts are not responsible to collect the judgment.

Currently, a judgment winner in conciliation court must wait 30 days to obtain the appropriate form on which the debtor — the person on the losing side of the case — lists assets, liabilities, and earnings. The debtor has 10 days to return the form or they will be considered in contempt of court.

Under the new law, effective Aug. 1, 2004, the winner may obtain the form immediately upon the judgment declaration and begin the

collection process. The new law does not alter the 20-day “stay period” during which a participant in the trial may appeal or move to vacate the judgment by providing valid evidence for missing the first trial.

Rep. Len Biernat (DFL-Mpls) and Sen. Wes Skoglund (DFL-Mpls) sponsored the legislation.

HF2288*/SF2500/CH226

Tending trust funds

Minnesota communities often respond to tragic events by setting up memorial trust funds. A new law aims to create better legal structure governing those funds and also revises state law relating to trustee appointments and other technical provisions concerning guardians and conservators.

Effective Aug. 1, 2004, memorial funds will be subject to the Minnesota Uniform Custodial Act, which assures the money is used for the benefit of the intended individuals. Previously, state law did not address the manner in which memorial funds were set up or administered.

Also effective Aug. 1, 2004, with qualifications, a trustee is allowed to enter into a binding settlement without court supervision over several matters including:

- approval of the trustee’s accounting,
- resignation of a trustee,
- determination of a trustee’s compensation,
- transfer of the trust’s location, and
- termination of a noncharitable trust with a fair market value under \$50,000 if the cost of administering the trust would defeat or substantially impair the trust purpose.

Currently, a trustee or person may petition the district court over various matters of a trust. The new law adds provisions specifying reasons a trustee may be removed by the court from the process, such as breach of trust, lack of cooperation among co-trustees, and a request agreed upon by all beneficiaries.

Additionally, the new law makes some technical updates to an overhaul of statutes governing guardianship of children and incapacitated adults passed by the 2003 Legislature.

Rep. Chris DeLaForest (R-Andover) and Sen. David Knutson (R-Burnsville) sponsored the legislation.

HF1803/SF1745*/CH146

Bond maximums

A new law caps the amount of a judgment at not more than \$150 million of the amount of appeal bonds that defendants in civil cases pay while appealing damage awards.

It also ensures that a company posting the bond does not liquidate assets to avoid payment of a judgment following an appeal.

Supporters say companies could be forced out of business if faced with high damage amounts that are sometimes awarded in class action cases. The law will help companies that lose the first round of a court fight save millions, even billions, of dollars.

The law, effective May 14, 2004, and applies to all cases pending on, or filed after, that date, except for any case where a judgment is under appeal or is the subject of a petition for discretionary review as of that date.

Rep. Mary Liz Holberg (R-Lakeville), who sponsored the law with Sen. Don Betzold (DFL-Fridley), said 29 other states have limits.

HF1425*/SF1414/CH190

★ LOCAL GOVERNMENT

Seeking water source

A new law will give the cities of Crystal, Golden Valley, and New Hope the go-ahead to explore making a long-term investment in a reliable water source.

The three municipalities have been operating under a joint water commission since the 1960s that currently purchases treated water from the city of Minneapolis.

The commission is seeking other options after experiencing rate increases of 179 percent since 1997, according to city managers.

Effective May 20, 2004, the new law will give the commission authority to proceed with a plan that could include drilling an independent groundwater supply from the Prairie du Chien/Jordan aquifer and building a treatment system.

Legislative approval is necessary before any permit requests to draw more than 2 million gallons per day average in a 30-day period are processed by the Department of Natural Resources.

Proponents noted that the three could drill individually without coming to the Legislature, even though the combined daily use would hit that threshold.

Opponents questioned the regional consequences to the aquifer and whether the additional draw would be sustainable.

Ultimately, the decision to grant the permit rests with the department.

Rep. Lynne Osterman (R-New Hope) and Sen. Steve Kelley (DFL-Hopkins) sponsored the legislation.

HF1897*/SF1740/CH230

Tort protection

Community action groups that offer affordable housing will be provided tort liability immunity as a cost saving measure, under a new law.

Community action agencies are insured under the Minnesota Counties Insurance Trust. The law will help reduce the agencies’ insurance costs by allowing municipal liability protection be extended to them.

Effective May 14, 2004, the law amends the definition of “municipality” in the existing statute providing immunity from tort liability by adding the language: “a limited partnership in which a community action agency is the sole general partner.”

Inclusion in the law will not affect the community action agency’s ability to receive federal funding for affordable housing.

Rep. Kathy Tingelstad (R-Andover) and Sen. Satveer Chaudhary (DFL-Fridley) sponsored the new law.

HF2987/SF2065*/CH193

Electronic payments, receipts

A new law permits township governments to pay bills and accept payments via electronic funds transfer.

Effective April 7, 2004, the new law provides townships the same authority cities and counties were granted by the 2001 Legislature to process business transactions electronically.

Township governments can make payments by electronic or wire funds transfer, and accept payments by credit or debit card, and other forms of electronic or wire funds transfer.

The law is expected to help town governments reduce service costs.

Sponsors of the new law are Rep. Loren Solberg (DFL-Grand Rapids) and Sen. David Tomassoni (DFL-Chisholm).

HF2033/SF1958*/CH152

Banking day definition

A new law clarifies the definition of a banking day in relation to government money.

Current law says that an entity, such as a city, county or school district, must designate a financial institution to be the depository of its public funds, and it must require security for deposited funds greater than the amount insured by the Federal Deposit Insurance Corporation.

However, it was unclear if that security requirement meant at all times or just the end of the banking day. The law clarifies statute so

that a banking day coincides with the definition set forth by the Federal Reserve Board, meaning that at the end of the day the bank must have the collateralized portion covered, not throughout the day, which supporters say would be difficult, if not impossible, to track.

Among those expressing support were the Minnesota School Boards Association, League of Minnesota Cities, Association of Minnesota Counties, and the major banking organizations in the state.

The law, sponsored by Rep. Dan Dorman (R-Albert Lea) and Senate President James Metzen (DFL-South St. Paul), is effective retroactive to the beginning of a government entity's 2003 fiscal year.

An internal opinion was given to the state auditor from the attorney general's office in September 2003. The auditor's office then said this problem needed to be fixed or audit exceptions would be given for fiscal year 2003.

HF2118/SF2063*/CH151

Conflict of interest

A new law provides conflict of interest exceptions for officers of watershed districts and soil and water conservation districts.

Effective March 20, 2004, a state statute that clarifies conflict of interest issues is amended to include the two political subdivisions.

The law now provides that a governing body of any port authority, seaway port authority, economic development authority, watershed district, soil and water conservation district, town, school district, hospital district, county or city "may contract for goods and services with an interested officer of the governmental unit." The vote must be unanimous.

Rep. Michael Beard (R-Shakopee) and Sen. Claire Robling (R-Jordan) sponsored the new law.

Beard said the change was needed so a watershed district manager in his district could be reappointed to the watershed board. The manager had resigned due to a personal conflict of interest. The manager's spouse was a partner in a law firm that had a contract with the watershed district.

HF1980/SF1799*/CH139

Annual town audits

A new law will affect annual financial audit requirements for 2004 for towns with populations of more than 2,500.

Effective Aug. 1, 2004, the law increases the minimum annual gross revenue amount that triggers a state required audit for a small

town from \$500,000 to \$670,500. Threshold amounts tied to the audit requirement will be annually adjusted for inflation after 2004.

Since towns were added in 1992 to the financial reporting law, the threshold amount has been \$500,000.

Rep. William Kuisle (R-Rochester), who sponsored the law with Sen. David Senjem (R-Rochester), said the law would help small local governments cut paperwork and potentially save money. An annual audit, which is often contracted for, costs the affected local government an estimated \$2,000, Kuisle said.

HF1843/SF2903*/CH161

Developer fees

A new law will require a connection between fees a municipality charges a developer and the local government's development-related public costs.

Sponsored by Rep. Carla Nelson (R-Rochester) and Sen. Betsy Wergin (R-Princeton), the law takes effect Aug. 1, 2004.

It will amend state law that allows a municipality to charge development fees and require that land in a proposed commercial or housing development be dedicated for public infrastructure, conservation, or recreation purposes.

Language will be added to existing law that, "there must be an essential nexus between the fees or dedication...and the municipal purpose sought to be achieved by the fee or dedication."

Such fees, under the law, could not be used by a municipality for "ongoing operation or maintenance."

In the event of a fee dispute, the law will allow a developer's application with a municipality to proceed pending a decision on an appeal. The developer must pay the fee, which the municipality must put in an escrow account.

HF2103*/SF2273/CH178

Attorney fees

Minneapolis police officers will continue to have attorney fees paid if a misconduct complaint filed against an officer is not upheld, under a new law effective Aug. 1, 2004.

The law changes an existing statute that provides a police officer's attorney fees be paid by the city if a citizen's complaint is not upheld at an evidentiary hearing before a Civilian Review Authority.

Under state law, a home rule charter or statutory city, town, or county can establish a Civilian Review Authority. Minneapolis is the

only such city with an authority.

The Minneapolis authority no longer conducts evidentiary hearings due to budget cuts and the city's desire to more quickly resolve citizen complaints.

The new law changes statute language to provide that an officer's legal costs be paid if there is "a finding that the complaint is sustained by the authority," but subsequently not upheld by a higher legal authority.

Attorney costs and fees are paid to the Minneapolis Police Federation, the union that represents officers in disciplinary and misconduct allegations. The union requested the technical change in state law to comply with a city ordinance change.

Sponsors of the new law are Rep. Len Biernat (DFL-Mpls) and Sen. Lawrence Pogemiller (DFL-Mpls).

HF2275/SF2231*/CH200

Payroll processing

Cities in Minnesota are authorized to use an electronic time recording system for payrolls, under a new law.

Effective April 27, 2004, the new law amends a statute that governs the process by which statutory cities pay wages for city employees, as well as claims for goods and services.

The law allows a city to use electronic time recording systems "if the governing body of the city adopts policies to ensure that the time-keeping and payroll methods used are accurate and reliable."

Rep. Mark Buesgens (R-Jordan), who sponsored the law with Sen. Sharon Marko (DFL-Cottage Grove), said the measure will allow cities better "efficiency in payroll processing."

HF2906*/SF2871/CH165

Publishing public notices

A new law updates and revises the laws governing publication of political subdivisions' public notices.

Sponsored by Rep. Peter Adolphson (R-Minnetonka) and Sen. Jim Vickerman (DFL-Tracy), the new law will take effect Aug. 1, 2004.

It updates and revises 17 sections in state statute that govern the publication of political subdivisions' public notices. Political subdivisions include counties, municipalities and school districts, as well as local and district commissions, boards, or authorities.

State law requires a political subdivision to contract with a designated qualified newspaper for publication of public notices, meeting

minutes, and other legal documents.

The law will require a qualified newspaper that maintains a Web site to post official notices on the site at no additional cost. The Web posting must be maintained for the notice's full publication period. A failure to post a government's official notice on a Web site would not affect the validity of the public notice.

The new law will allow more public notice information to be disseminated electronically or by alternative means in certain circumstances.

Solicitations for bids, requests for information, and requests for proposals can be posted on a political subdivision's Web site, under the new law, or in a recognized industry trade journal, as long as the posting is in the same format and follows the same length of publication time required in a qualified newspaper.

Financial statements will be added to the list of materials that can be summarized in a published public notice, as long as the full text of the summary is available for public inspection by standard or electronic mail.

When a summary of proceedings is published, the new law will require a notice that a full version of the proceedings is available without cost at the political subdivision's office or by standard or electronic mail.

The new law repeals a grandfathered provision that allows newspapers designated as a local government's official publication prior to May 20, 1965, to retain that status, even if the newspaper no longer meets state-qualified requirements.

Additionally, a bi-monthly newspaper is deemed as qualified to publish government public notices.

HF2270*/SF2067/CH182

Filling two seats

Members of a city council could be prohibited from serving on the city's charter commission, under a new law effective Aug. 1, 2004.

Sponsored by Rep. Ray Vandever (R-Forest Lake) and Sen. Michele Bachmann (R-Stillwater), the new law changes state statute governing charter commissions. It allows a commission-drafted charter or charter amendments – subject to approval by voter referendum – to propose that members of a city's governing body cannot serve on the charter commission. Only a person holding a judicial office is disqualified from serving on a charter commission, under existing law.

The new law also removes from statute a restriction that a person cannot be appointed

to more than two successive terms on a charter commission.

State law allows voters in cities governed by charters to petition a district court to appoint a charter commission to amend a city's charter or draft a new one. A charter is a governing foundation document for a city, similar to a state constitution.

A city council can also request a district court to appoint a charter commission, or the court can appoint a commission on its own if it determines it is in a city's best interest.

HF1392*/SF1334/CH197

Airport closures

A new law prohibits local governments from closing municipal airports unless certain measures are followed.

The impetus for the law is to ensure that what happened in Chicago is not repeated in Minnesota. In March 2003, Mayor Richard Daley sent bulldozers in under the cover of darkness to tear up a runway at Meigs Field which was used by private pilots near downtown Chicago. Done without public notice and over the objections of the state aeronautics division, Daley said the order was meant to protect the city's residents against possible terrorism threats at the airport. Skeptics said the mayor's actions were a "land grab" to facilitate construction of a nature preserve and park.

Effective Aug. 1, 2004, the law lays out several steps that must be taken before a Minnesota county, city, town, or joint powers board can close one of its airports. Excluded from the law are six reliever airports operated by the Metropolitan Airports Commission.

First, the local government unit must notify the state transportation commissioner of its intent to close the airport. Notice must be provided before or immediately upon cessation of airport operations.

Second, the government unit will not be allowed to abandon, significantly alter, demolish, or convey the airport property for a 180-day period following notice of closure. Violations would bring a fine of \$1,000 a day.

Third, the government unit would be required to conduct a public hearing regard-

ing the airport closure within 90 days of the closure notice. Before the public hearing, the commissioner would be required to evaluate the impact of the airport closure on the state airport system and make the evaluation available to the municipality and the public prior to the hearing.

Rep. Michael Beard (R-Shakopee) and Sen. Michael Jungbauer (R-East Bethel) are the sponsors.

HF2737*/SF2178/CH250

Storm sewer charges

A new law gives the city of Minneapolis a different way to calculate storm sewer charges for multiple unit apartment buildings.

Effective dates of the law vary. A provision that will include Minneapolis and other cities "of the first class" in a state statute covering storm and sanitary sewer authorizations takes effect Aug. 1, 2004. The remainder of the new law will be effective Jan. 1, 2006.

Sponsors of the new law are Rep. Frank Hornstein (DFL-Mpls) and Sen. Chuck Wiger (DFL-North St. Paul).

Hornstein said the law will allow Minneapolis to correct a problem with the way it charges large multiple family buildings for sewer and water services. Basing the charges on water consumed, as required by existing law, is not equitable for owners of multiple unit buildings, he said. A representative of the Minnesota Multi-family Housing Association said that apartment building owners were paying more than their proportional share for storm sewer service.

The new law will allow Minneapolis four options to calculate storm sewer charges "adjusted for reasonable calculation of storm water runoff."

A city official said the change would not mean a new fee for property owners.

HF1935/SF1626*/CH141



PHOTO BY ANDREW VONBANK

A new law prohibits local governments from closing municipal airports unless certain measures are followed, including a public hearing.

Town audits

The threshold for some cities and towns to have a financial audit is increased, under a new law.

Previous law stated that in cities or towns where the offices of clerk and treasurer are combined, and the city or town has annual revenue for all governmental and enterprise funds exceeding \$100,000, an annual financial audit must be performed by the state auditor or a public accountant in accordance with procedures prescribed by the state auditor.

Effective Aug. 1, 2004, the amount is increased to \$150,000 for 2004 and is adjusted for inflation in subsequent years using the annual implicit price deflator for state and local expenditures as published by the U.S. Department of Commerce. The law is expected to save money for smaller communities.

Rep. Tom Rukavina (DFL-Virginia), who sponsored the law with Sen. David Tomassoni (DFL-Chisholm), said the mayor of McKinley, an 80-resident city in his district, said they were looking to save money by combining their clerk and treasurer positions. Combining the positions would force them under state statute to perform an annual audit because their annual revenue exceeds \$100,000 annually, something they did not have to do with separate positions. The audit was estimated to cost \$5,000 to \$6,000, which would have negated the combination of the positions.

HF1883/SF1697*/CH281

Interim zoning ordinances

The length of a municipal interim ordinance — which local governing bodies can adopt while considering proposed commercial or residential developments — will be restricted to 12 months in most cases, under a new law.

Effective Aug. 1, 2004, the law changes state statute that allowed for up to 30 months for an interim ordinance, which could be adopted by a municipality's governing body for "protecting the planning process and the health, safety and welfare of its citizens." Previous law allowed an interim ordinance to regulate, restrict or prohibit any use, development or subdivision for a year, with an 18-month extension option.

The law also permits an extended interim ordinance, up to 30 months total, to allow a city to amend its master plan for a municipal airport expansion if, before Aug. 1, 2004, the Minnesota Department of Transportation requested the city to review the plan.

The governing body of a municipality may extend interim ordinances by up to 120 days



PHOTO BY ANDREW VONBANK

The length of a municipal interim ordinance will be restricted to 18 months in most cases, under a new law. Local governing bodies can adopt an ordinance while considering proposed commercial or residential developments.

for metropolitan agency or federal approvals, court orders, or other processes required by state or federal law. Under the new law, a one-year extension is possible if a municipality has not adopted a comprehensive plan at the time it enacted an interim ordinance.

A municipality's ability to regulate nonconforming business use or land occupancy is also changed by the law.

Improvement, restoration, and replacement — but not expansion — of a nonconformity will be allowed to continue provided the improvement began within a year from the time the nonconforming use was discontinued.

Rep. Mark Buesgens (R-Jordan) and Sen. Jim Vickerman (DFL-Tracy) sponsored the law.
HF2021/SF2274*/CH258

Conducting county business

A new law is designed to get counties out of the banking business by making it permissive rather than mandatory for county recorders to accept security deposits to guarantee payment of charges.

Under the new law, which changes the word "shall" to "may" regarding the deposit acceptance, any accepted deposit must be placed in a security fund with the county treasurer.

The new law, effective Aug. 1, 2004, also contains what was described as just a nugget out of a rulemaking reform task force. This provision requires state agencies to delve deeper into the fiscal impacts of proposed rules on local units of government before adopting the rules.

An agency is required to consult with the Department of Finance to help evaluate the fiscal implications on local governments.

Rep. Peter Adolphson (R-Minnetonka) and Sen. D. Scott Dibble (DFL-Mpls) sponsored the legislation.

HF2431/SF2343*/CH274

Reverse auction, court surcharge

Municipalities may use the Internet to seek vendor bids and purchase supplies, materials, and equipment using an electronic purchasing process called reverse auction, under a new law.

It gives municipalities the option to buy supplies, materials, and equipment using a procedure in which vendors compete in an interactive environment to provide the lowest selling price. Proponents said the law would help reduce purchasing costs and increase efficiency.

Conversely, municipalities could also use the process to sell unused supplies, materials, or obsolete equipment at the highest purchase price. The provision was effective May 30, 2004.

Also effective on that date, the law allows city managers in council-manager cities to make purchases or let contracts unilaterally if the amount is \$20,000 or less. Previous law set the maximum amount to purchases not exceeding \$15,000.

Additionally, the Second Judicial District is permitted to add a \$1 surcharge to district

court fines for felonies, and gross and petty misdemeanors. The resulting revenue will be used to fund a petty misdemeanor diversion program. These provisions are effective the day after the Ramsey County Board authorizes the surcharge or Aug. 1, 2004, whichever is later.

Rep. Morrie Lanning (R-Moorhead) and Sen. D. Scott Dibble (DFL-Mpls) sponsored the legislation.

HF1717/SF1790*/CH278

Direct deposit

The 2003 Legislature passed a law requiring the direct deposit of state employee paychecks with no option to opt-out.

A new law authorizes, but does not require, a municipality to do the same for employees being paid by its payroll system. The law is expected to be a cost-saving measure for municipalities.

A municipality is defined in statute as “a home rule charter or statutory city, county, town, school district, political subdivision, or agency of local government.”

The initial Senate bill had a provision whereby an employee could request a payroll check, and the municipality would be required to process the compensation by check within 30 days of receiving the request. It also would have allowed that for state employees. This provision was not in the House bill that was amended onto the Senate file in the final 90 minutes of session and ultimately signed by the governor.

Rep. Jim Knoblach (R-St. Cloud) and Sen. Dave Kleis (R-St. Cloud) sponsored the law.

HF1995/SF1787*/CH292

Keeping up appearances

A new law aims to keep city taxpayers from shouldering the burden of deadbeat landlords and unkempt properties by expanding the list of unpaid special charges for which a city may collect a service charge as a special assessment.

The legislation was brought to the House sponsor, Rep. Dan Dorman (R-Albert Lea), by former representative Andy Dawkins, who now works for the city of St. Paul as the director of neighborhood housing and property improvement.

Currently, if a landlord shirks maintenance duties and ignores city notices of code violations, a city can ask a judge to appoint an administrator to oversee repairs and assess

the costs of repairs back against the property. The new law adds unpaid utilities and exterior painting to the list of assessable repairs.

Opponents said exterior painting is not a public health or safety issue on par with the current allowable assessments. Under the law, the painting provision is repealed July 1, 2006.

A separate provision provides authority for the city of Hoyt Lakes and the town of White to operate a shared industrial park without the challenge of two separate zoning ordinances. The park will operate under Hoyt Lakes zoning rules, under the new law.

A third provision directs fees from public use of state-owned ski and golf facilities at the Giants Ridge Recreation Area into an Iron Range Resources and Rehabilitation Board account within the state enterprise fund. Under the new law, those funds are earmarked for costs associated with operations and improvements at the recreation area and other finance costs.

Sen. D. Scott Dibble (DFL-Mpls) also sponsored the legislation. The measure became effective after it received local approval on June 26, 2004.

HF2378*/SF2285/CH275

Personnel board of appeals

State law permits counties to establish a board of appeals to deal with personnel matters.

A new law allows Anoka County to do just that; however, it differs in that it limits the three-member board's scope to disciplinary matters; removes the county board from review of appeals board decisions; provides that the decision can be appealed directly to the Court of Appeals; and states that the county is the party to an appeal or other litigation, not the appeals board.

There exists a precedent in statute, as some counties, including Hennepin, Ramsey, and St. Louis, have provisions tailored to their specific needs.

Anoka County employees do not have civil service status, including an appeals process similar to that of other counties. The county internally created a procedure to deal with grievances, but discovered areas in the appeals process that needed improvement. The county attorney's office recommended that special legislation be sought because a statutory change would be the best way to ensure that the process would be fair to the employer and employee in disciplinary matters.

Rep. Chris DeLaForest (R-Andover) and Sen. Leo Foley (DFL-Coon Rapids) sponsored the law. It became effective the day after local

approval, which was June 16, 2004.

HF1941*/SF2122/CH210

Closing public meetings

A new law allows public bodies to negotiate property sales and acquisitions in private.

The law, effective May 31, 2004, amends the state's Open Meeting Law to allow a public body, in a closed meeting, to determine the asking price and strategy for the sale of real or personal property, to review confidential or nonpublic appraisal data, and to develop or consider property offers or counter offers.

Under previous law, a public body could only close a meeting to discuss labor negotiations or to evaluate the performance of an individual subject to its authority.

Rep. Mary Liz Holberg (R-Lakeville), who sponsored the law with Sen. Steve Kelley (DFL-Hopkins), said negotiating property purchases in public had been a problem for the Lakeville School District because, when they would identify property to purchase the price would increase.

Before holding a closed meeting for this purpose, the public body must identify on the record the particular real or personal property it will consider in the closed meeting.

An agreement on the actual purchase or sale, based on an offer considered at a closed meeting, must be approved by the public body at an open meeting with a required notice period and public disclosure of the purchase or sale price.

Proceedings of the closed meeting must be tape recorded, with the recording to be released to the public after the property discussed in the closed meeting has been purchased or sold, or the governing body decides to drop the matter. The tape must be preserved for eight years from the date of the closed meeting.

A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting.

HF2093/SF2114*/CH276

★ METRO AFFAIRS

Paying electronically

The Metropolitan Council can now make payments by electronic funds transfer.

Effective March 20, 2004, state law is amended to allow disbursement of council money by electronic funds transfer in addition to checks.

“This will provide (the council) a cost

savings which each state agency has," said Rep. Mark Buesgens (R-Jordan), who sponsored the law with Sen. Chuck Wiger (DFL-North St. Paul).

The council, a regional planning and service agency, covers the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

HF1822/SF1814*/CH140

Affordable housing

A new law modifies the formula used to determine a municipality's "affordable and life-cycle housing opportunities amount," which was enacted as part of the Livable Communities Act in 1995. It also modifies the basis by which nonparticipating municipalities may elect to participate in the program administered by the Metropolitan Council.

Life-cycle housing, according to the council, "refers to varied housing options that meet people's preferences and circumstances at all of life's stages and, in particular, options other than the predominant larger-lot, detached, single-family home. For example, smaller homes, apartments, town homes, condominiums, senior housing for independent living or (housing) with a range of assisted-living services."

The funding formula — based on new residential market values under the old law — determines the minimum expenditure a local government must annually spend on affordable and life-cycle housing to qualify for grants that support newly constructed and rehabilitated housing and other livable communities program funds. The law aims to reduce local expenditures.

Rep. Ron Abrams (R-Minnetonka), who sponsored the law with Sen. Linda Higgins (DFL-Mpls), said the reason for the change is that nobody predicted the increase in residential market values since 1995 and that to remain in the affordable housing program municipalities now need to allocate greater resources, meaning the formula works as a disincentive to participate.

According to the council, the minimum amount for Twin Cities metropolitan area communities was \$16 million in 2003. It was \$531,000 in 1996. Supporters said the change would help communities that do not have housing and redevelopment authorities or authorities that do not levy enough, which creates an impediment to their possible future involvement in the Livable Communities Act.

Under the law, effective May 13, 2004, the amount is equal to the sum of a municipality's proportionate share of the \$1 million Metropolitan Council levy which is credited to the local housing incentives account plus the municipality's proportionate share of the amount levied for the livable communities demonstration account. Proportionate shares are determined by the percentage of the total metropolitan levy for each purpose payable in each municipality in the previous year.

By Aug. 1 of each year, the council must notify each municipality of its affordable and life-cycle amount for the following calendar year determined by this method.

The law caps any increase in amounts for calendar years 2003 to 2007 at 20 percent of the increase caused by the new formula.

Since 1996, according to the council, the program has assisted participating communities in building or rehabilitating 1,300 homes, as well as nearly 1,000 new or rehabilitated rental housing units.

HF2448/SF2177*/CH259

MILITARY



Benefits revisions

A new law makes several changes related to military personnel, part of which follows a gubernatorial reorganization order.

Provisions are effective July 1, 2004, unless otherwise noted.

The order transfers from the education commissioner to the veterans affairs commissioner the authority for certifying higher education programs for federal funding eligibility and administering the veterans training program.

The maximum authorized support level for the tuition and textbook reimbursement for eligible members of the Minnesota National Guard is raised from 75 percent and 50 percent to 100 percent, in most cases. (However, the funding itself was not increased for fiscal year 2005 and, thus, the actual support level is unlikely to be increased for the 2005/06 school year.)

The new law also specifies that counties must reserve a family's position under the child care assistance fund if a family has been receiving child care assistance but is temporarily ineligible for assistance due to increased income from active military service.

Employment protections are established for those in the Armed Forces Reserves or National Guard. Under the law, employers are

prohibited from asking an applicant if they are members of the National Guard or reserves or requiring an applicant to make an oral or written statement concerning their military status. The provision does not apply to public employers asking a question or requesting a statement for the purpose of determining whether a veterans preference applies.

Additional language is added whereby school districts must pay military members the difference between their basic active military salary and the salary the member would be paid as a district employee. However, school districts are authorized to limit the actual payment amount to the amount of saving accruing from the person's position after paying for a substitute. Thus, for new teacher, for example, the amount paid is likely to be considerably less than the salary loss incurred during the person's military mobilization. Payments may not extend beyond four years from when the employee reports for active duty. Districts are also required to maintain health and dental benefits until the employee is covered by armed forces coverage.

The groundwork for a Global War on Terrorism bonus for veterans is also included in the new law. It requires the commissioner of veterans affairs, by Jan. 15, 2005, to provide to the Legislature the information needed to implement a bonus to veterans, including service eligibility dates, service medals, and a fiscal note.

Rep. Dean Urdahl (R-Grove City) and Sen. Jim Vickerman (DFL-Tracy) sponsored the law.

HF2166*/SF2260/CH256

Selective Service registration

Some Minnesota men will automatically be registered with Selective Service by applying for a driver's license, under a new law.

Effective Aug. 1, 2004, an application for a new or renewed driver's license, learner's permit, or Minnesota identification card by a male under the age of 26 constitutes consent to register with Selective Service. The Department of Public Safety will be required to electronically transmit pertinent information on such applicants to the federal government.

The law will assist men who forget to register, or those who don't have time to do so separately, supporters say.

Information about those between ages 16 and 18 who are applying for a Minnesota driver's license would be forwarded to



PHOTO BY TOM OLMSCHEID

Under a new law, an application for a new or renewed driver's license, learner's permit, or Minnesota identification card by a male under the age of 26 constitutes consent to register with Selective Service. The Department of Public Safety will be required to electronically transmit pertinent information on such applicants to the federal government.

Selective Service upon the applicant's 18th birthday, under the law.

Under the federal Military Selective Service Act, men between the ages of 18 and 25 are required to register with the federal government. While Selective Service in itself is not a military draft, it does provide a system for drafting the number of men needed should the president reinstate the draft during a war or national emergency.

Failure to register is punishable by a maximum sentence of five years in prison and a \$250,000 fine.

Those who must register include parolees, refugees, and applicants for asylum. In addition, men with disabilities that would disqualify them from military service must register, even if assistance must be solicited from a friend or relative to do so. Lastly, members of the National Guard or Reserves not on full-time active duty must register.

Those exempt from registration include women, non-immigrant aliens who were lawfully admitted, and active-duty military personnel. Men unable to register due to hospitalization, institutionalization, or incarceration must do so within 30 days after their release.

Rep. Jim Rhodes (R-St. Louis Park) and Sen. Mee Moua (DFL-St. Paul) sponsored the law. HF1216/SF1192*/CH192

RECREATION



Snowmobiling both ways

A new law effective Aug. 1, 2004, allows two-way snowmobiling along major state highways.

Current law restricts snowmobile travel along highways and roads to the same direction as road traffic.

Sponsored by Rep. Larry Howes (R-Walker) and Sen. Tom Saxhaug (DFL-Grand Rapids), the new law will not allow the practice in an area without approval from the transportation commissioner, who must first consider the safety of motorists and snowmobilers.

Though there are some safety concerns over broadly allowing the two-way riding, proponents testified that the practice could actually improve safety under certain conditions, particularly poorly lit roads and in areas that contain steep ditches on one side.

HF532*/SF522/CH244

RETIREMENT



Pension changes

A new law makes changes to public employees' pensions by addressing several benefits and plans.

Sponsored by Rep. Steve Smith (R-Mound)

and Sen. Don Betzold (DFL-Fridley), the law covers a number of areas, including: membership issues, salary definitions, allowable service credit, qualified part-time teacher provisions, retirement plan contributions and transfers, death and survivor benefits and refunds, health care savings plan, and the Minneapolis Police Department pension fund. The law has various effective dates.

Much of the discussion revolved around the financial status of the Minneapolis Police Relief Association and the Minneapolis Teachers Retirement Fund Association funds. While the funds continue to struggle, several legislators said the law doesn't go far enough to address the problems.

The law eliminates service pension levels that apply when the police association is below 90 percent funded. It also increases benefits under the Minneapolis police plan for persons with more than 20 years of service by one unit, extends the target date for amortizing the unfunded liability of the police pension fund from 2010 to 2020, and provides that once a pension benefit is properly paid in accordance with this law to any member, the dollar amount of that pension benefit shall not be reduced. This section is effective the day after local approval.

A conference committee removed language that would have addressed issues with the teacher's fund.

HF890/SF676*/CH267

Pension funds

A new law orders the chief administrative officers of the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, the Minneapolis Teachers Retirement Fund Association, the Minneapolis Employees Retirement Fund, and the St. Paul Teachers Retirement Fund Association to jointly contract with an actuarial consulting firm to conduct annual actuarial valuations and related services for many major Minnesota public pension plans.

It requires the contract to require completion of specified actuarial valuations, experience data collection, and cost analyses for certain proposed legislation. An annual report to the Legislature is required.

The law is effective May 20, 2004.

Rep. Steve Smith (R-Mound) and Sen. Don Betzold (DFL-Fridley) sponsored the law.

HF890/SF806*/CH223

Fund investment

A new law permits the State Board of Investment to invest Metropolitan Council postretirement health funds if requested by the regional agency.

Sponsored by Rep. Mark Buesgens (R-Jordan) and Sen. Chuck Wiger (DFL-North St. Paul), the new law is effective May 11, 2004.

Buesgens said the law, requested by the Metropolitan Council, will allow the council the option to request investment — through the state agency — of council funds held in reserve for the payment of potential and estimated postretirement health benefits.

A Metropolitan Council representative said the law will allow a potential higher rate of return over time because the council funds would be part of a larger state investment board funding pool.

The council is a regional planning agency serving the seven-county Twin Cities metropolitan area.

HF1821/SF1815*/CH175

★ SAFETY

Pinpointing 911 callers

A new law aims to improve 911 emergency services by requiring new multi-line phone systems to pinpoint the exact location of callers.

Sponsored by Rep. Steve Strachan (R-Farmington) and Sen. Dallas Sams (DFL-Staples), the new law will address the various requirements for residential, hotel, school, and business telephone systems.

Strachan said the bill may resolve a problem 911 systems have had locating callers. Multi-line phone systems that require the user to dial “9” for an outside line will often show the emergency operator the address of a business headquarters or a phone line switching location, rather than the location where the call originated.

Under the new law, most of which went into effect May 30, 2004, operators of a multi-line telephone system purchased after Dec. 31, 2004, are required to design and maintain the system to provide a call back number and emergency response location.

The new law lays out the procedures for multi-line system operators to seek exemptions from these requirements. It authorizes the transfer of nearly \$3.5 million from the state government special revenue fund to the Department of Public Safety to be used for 911 emergency telecommunications activities.

A separate provision, effective Aug. 1, 2004, requires peace officers to invalidate the license of a driver who refuses to take a breath, blood or urine test for intoxication. Previously officers had the option to confiscate the license.

HF622/SF653*/CH282

Dangerous but regulated

A new law aims to smooth some ruffled feathers between owners of exotic animals and their neighbors.

Sponsored by Rep. Steve Strachan (R-Farmington) and Sen. Don Betzold (DFL-Fridley), the new law will impose registration requirements on owners of bears; large cats, such as lions and tigers; and nonhuman primates, including chimpanzees, and gorillas.

Currently in the state, certain non-domesticated animals are controlled by local ordinances, and breeding facilities are required to meet U.S. Department of Agriculture (USDA) animal welfare guidelines for fence specifications, nutrition, and veterinary care.

But, Strachan said, dangerous wild animals are not regulated at all by the state, and the USDA does not regulate ownership of them as pets. He said the law is a matter of public safety.

Effective Jan. 1, 2005, the new law will require owners of dangerous animals to



PHOTO BY ANDREW VONBANK

A new law imposes registration requirements on owners of bears; large cats, such as lions and tigers; and nonhuman primates, including chimpanzees, and gorillas.

register with the local animal control authority. Under the new law, microchip implantation is required if a regulated animal is sedated and it does not already have one. Failing to meet these requirements could result in a misdemeanor charge.

Also under the new law, if an animal dies, breeders who run USDA-licensed facilities could replace it in perpetuity, but pet owners could replace the animal only once.

The new law will provide a significant number of exemptions, including accredited zoos, sanctuaries, circuses, rodeos, and county fairs.

Proponents said that reducing or regulating the pool of private ownership would decrease the risk of injuries and diseases that could be transmitted to people. But the law was met with significant opposition from breeders who said the restrictions could put them out of business.

HF1593/SF1530*/CH264

Personal protection orders

A new law will allow victims of domestic violence to receive orders for protection and restraining orders more quickly in some cases.

Effective Aug. 1, 2004, the law will make *ex parte* orders for protection and temporary restraining orders effective upon the signature of a court referee. Currently, the process is delayed in some counties where orders must be forwarded for a judge's counter signature following the referee's signature.

The law received support, according to House sponsor Rep. Michael Paymar (DFL-St. Paul), from the chief judges of Hennepin and Ramsey counties and from domestic violence programs.

Sen. Wes Skoglund (DFL-Mpls) is the Senate sponsor.

HF2491/SF2498*/CH145

Permitted to drive

A new law limits the ability of most teenagers to gain a driver's license following accidents or drunken driving incidents.

Effective May 8, 2004, a young person whose provisional license is revoked due to a drunken driving crime or a crash-related moving violation cannot regain a license until age 18. Furthermore, that person must complete a formal driving instruction course, document three months' experience in operating a motor vehicle, and pass the driver's license written examination.

Also under the new law, any person under age 18 who is driving without a permit or

license and convicted of a DWI-related crime or a crash-related moving violation cannot be given a provisional license or instructional permit. In order to obtain a regular license, this person must pass a written test, obtain a learner's permit and hold it for at least six months, and then pass a behind-the-wheel test.

The new law is referred to as "Vanessa's Law" in memory of Vanessa Weiss, who was killed in May 2003 just days before her 16th birthday. She was a passenger in a vehicle being driven by an unlicensed 15-year-old who lost control of the vehicle. Vanessa's mother, Mary Weiss of St. Louis Park, blamed the accident on excessive speed, inattentive driving, and youthful inexperience.

Rep. Greg Blaine (R-Little Falls) and Sen. Betsy Wergin (R-Princeton) sponsored the law.
HF2555/SF2851*/CH177

Honoring fallen Minnesotans

Minnesota and American flags in the State Capitol area will be required to be flown at half-staff upon the death of public safety personnel killed in the line of duty, under a new law.



PHOTO BY TOM OLMSCHEID

Minnesota and American flags in the State Capitol area will be flown at half-staff upon public safety personnel or Minnesota military personnel being killed in the line of duty, under a new law.

The bill also orders the flags be flown at half-staff upon the death of Minnesota military personnel killed in the line of duty.

In each case, the governor will determine the length of time the flags will be flown at half-staff.

Rep. Ray Vandevor (R-Forest Lake) and Sen. Mady Reiter (R-Shoreview) sponsored the law, which is effective Aug. 1, 2004.

HF2930*/SF2733/CH173

One call says it all

A new law aims to ensure that excavating around public utilities is done in a safe manner by making some changes to the responsibilities excavators and utilities have under the Gopher State One Call system.

Gopher State One Call is a notification center designed to protect personal safety and pocketbooks in the excavation process.

The 1987 Legislature mandated the formation of a centralized statewide information center on the advice of a pipeline safety commission formed after a serious 1986 pipeline accident in the Twin Cities metropolitan area.

Under current law, homeowners and contractors are required to notify the nonprofit statewide call center of any intended excavations within 48 hours. An excavation means "an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically powered tool, or machine-powered equipment of any kind, or by explosives."

Operators collect certain data from callers, including when, where, and how long the dig will be, and inform utilities with buried lines of the intentions to dig. The utilities are notified of excavation plans and mark with paint or flags the approximate location of their lines. Participating utilities include gas, electric, cable television, sewer, telephone, and water line operators. The utilities pay for the service, and participation is mandatory under state law.

According to the organization's Web site, its operators handle more than 5 million communications per year.

Effective Aug. 1, 2004, the new law will make some technical changes to the blueprint requirements excavators follow during the bid process and modify the timeline for call center notification in both emergency and non-emergency situations.

Rep. Ray Cox (R-Northfield) and Sen. Dan Sparks (DFL-Austin) sponsored the legislation.
HF995*/SF1268/CH163

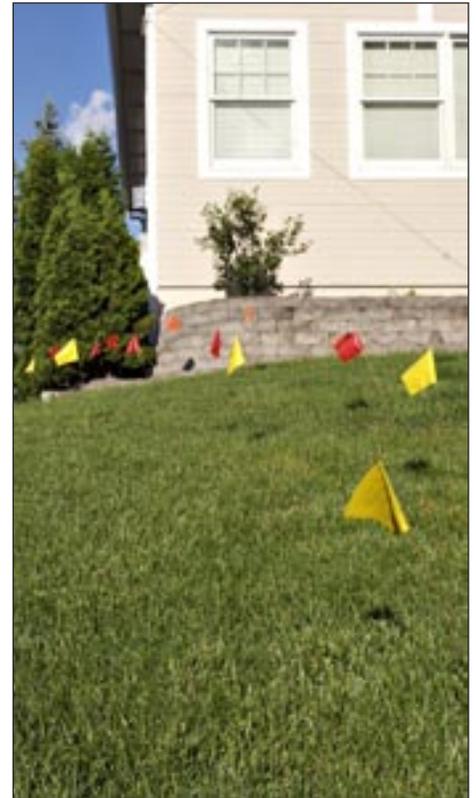


PHOTO BY TOM OLMSCHEID

A new law makes several changes to the One Call Excavation Notice System, including the addition of the procedure an excavator must follow to give notice of excavation in an emergency.

Railroad track clearance

A new law will enhance vehicle safety around railroad crossings, particularly where there may be a tendency for traffic to back up.

Effective Aug. 1, 2004, the law prohibits all vehicles when stopped at railroad tracks from crossing the tracks "until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least 10 feet past the farthest railroad track."

Violators would be subject to misdemeanor penalties.

State law already requires vehicles to stop 10 feet from the nearest track, except in the case of motor vehicles carrying passengers for hire, school buses, Head Start buses, or any other vehicle required to stop at railroad crossings, when the stopping distance is between 15 feet and 50 feet.

Rep. Doug Meslow (R-White Bear Lake), who sponsored the law with Sen. Mady Reiter (R-Shoreview), said the law is necessary to keep vehicles from stopping atop tracks when traffic is backed up.

Some opponents said the law is



PHOTO BY TOM OLMSCHIED

Drivers stopped at railroad tracks are prohibited, under a new law, from crossing the tracks until the back of their vehicle can clear the furthest track by at least 10 feet.

unnecessary because it's common sense not to stop on railroad tracks.

The fact that many drivers have inadvertently broken traffic laws, such as running a red light, for instance, does not negate the need for such a law, Meslow said.

HF2217*/SF1852/CH229

Statewide Radio Board

A new law will create a Statewide Radio Board with authority over the backbone infrastructure of a developing statewide public safety radio communications system.

Effective May 18, 2004, the law will also continue for two years the Metropolitan Radio Board, which has built and operated the Twin Cities regional piece of the system.

The Public Safety Radio System Planning Committee will become the 21-member Statewide Radio Board, under the new law, to be chaired by the public safety commissioner.

The board — to include five state agency commissioners, the State Patrol chief, and local and county elected and public safety officials — will have overall responsibility for the statewide communications system to be known as the Allied Radio Matrix for Emergency Response.

As the system continues to develop, the law will allow the Metropolitan Radio Board — which represents nine counties in the Twin Cities metropolitan area — to add local and regional enhancements to the system's first

phase and continue the planning and operation of the system's second phase into such regions as St. Cloud and Rochester.

The law allows two counties, or a city and one or more counties in a region, to establish a regional radio board to operate and maintain regional and local improvements to the statewide radio system.

If requested, the state board, by a two-thirds vote, can direct the Metropolitan Council to issue revenue bonds to finance phase development of the radio system.

The Metropolitan Radio Board was established by the 1995 Legislature to set standards for the construction and operation of a high-frequency (800MHz) digital public radio system covering Twin Cities metropolitan area counties.

By July 1, 2006, the board will transfer its responsibilities to the state board. The law repeals a June 30, 2004 metropolitan board expiration date to allow more time for the transition.

The radio system's first phase started operating in 2002. The system cost of about \$36 million was funded through the Metropolitan Council, state-issued bonds, the trunk highway fund, and a portion of 911-emergency line fees paid by all telephone users.

Rep. Mary Liz Holberg (R-Lakeville) and Sen. Jane Ranum (DFL-Mpls) sponsored the law.

HF2136/SF1973*/CH201

Preventing fraud

A new law authorizes the commerce commissioner to establish a law enforcement agency known as the Division of Insurance Fraud Prevention.

Rep. Gregory Davids (R-Preston), who sponsored the law with Sen. Linda Scheid (DFL-Brooklyn Park), said it "will go a long way to help combat insurance fraud that often results in higher premiums for all Minnesota insurance policyholders."

Comprised of appointed peace officers, the division will serve several functions:

- review notices and reports of insurance fraud submitted by authorized insurers, their employees, and agents or producers;
- respond to notifications or complaints of suspected insurance fraud generated by other law enforcement agencies, state or federal governmental units, or other persons;
- initiate inquiries and conduct investigations when the division has reason to believe that insurance fraud has been or is being committed; and
- report incidents of alleged insurance fraud disclosed by its investigations to appropriate law enforcement agencies, including the attorney general and county attorneys.

Insurance companies will fund the division based on the company's assets, with the payment ranging from \$200 to \$2,000 per year. Concerns were expressed that insurance companies would pass the costs on to policyholders. Davids said although the initial effect would be left to consumers, savings would eventually be seen through fraud prevention measures by the agency.

Also under the law, duties of the statewide auto theft prevention program currently in the Department of Public Safety, will be transferred to the Department of Commerce.

HF2640*/SF2607/CH269

★ TOURISM

Promoting Minnesota

A new office within the executive branch called Explore Minnesota Tourism is created, under a new law.

Tourism functions are currently administered within the Department of Employment and Economic Development, but the transfer of duties to a new agency would help "increase the awareness of tourism in Minnesota," according to John Edman, deputy commissioner of the Minnesota Office of Tourism.



PHOTO ILLUSTRATION BY TOM OLMSCHIED

A new law creates an office within the executive branch called Explore Minnesota Tourism to increase the awareness of tourism in the state.

The move is projected to have no net fiscal impact to the state.

Rep. Gregory Davids (R-Preston), who sponsored the law with Sen. Thomas Bakk (DFL-Cook), said the current configuration no longer meets the needs of the industry.

Edman said Minnesota is being outspent on tourism marketing by neighboring states. With more people leaving the state to travel than people coming here from elsewhere, it is time to look at other funding mechanisms for promoting Minnesota travel. He said for every dollar the state spends, it gets \$4.60 back in taxes. By giving Explore Minnesota Tourism the flexibility to pursue public-private partnerships, the law would make the office more effective at generating marketing dollars.

Under the law, the governor will continue to appoint the director, as well as a 28-member council to oversee the tourism office.

Effective July 1, 2004, the law also permits the director to sell reports, publications, or related publicity or promotional material of the office.

HF2044/SF2009*/CH171

★ TRANSPORTATION

Local airport costs

The minimum local source share of federally funded airport construction or improvements will be reduced under a new law.

Effective March 11, 2004, the airport project cost share required of a municipality, political subdivision, or public corporation is decreased from 10 percent to 5 percent.

Federal and state funding will cover the remaining 95 percent of project costs for construction, improvement, maintenance, or operation of an airport.

Rep. Michael Beard (R-Shakopee) and Sen. Keith Langseth (DFL-Glyndon) sponsored the law.

HF1794*/SF1615/CH136

Bridge review

The review of bridge replacements and repairs will be streamlined under a new law.

Effective Aug. 1, 2004, the law repeals a statute that requires review by the appropriate regional development commission or the Metropolitan Council of all bridge replacements and repairs that are funded by grants from Minnesota state transportation bonds. The reviews were originally envisioned to ensure

consistency with long-term comprehensive development plans.

Organizations representing county governments want the law changed, according to Rep. Peter Adolphson (R-Minnetonka), who sponsored the law with Sen. Ann Rest (DFL-New Hope).

Adolphson characterized the new law as “mandate relief.” Dennis Berg, an Anoka County commissioner, said that many regional development commissions haven’t been reviewing bridge repairs and replacements. Eliminating the law wouldn’t damage the integrity of the process, which still requires local government unit approval, he added.

Current law, according to nonpartisan House Research Department staff, was enacted in 1976 when the state transportation fund was created. At the time, the state had no process for reviewing bridge projects funded by state grants, and lawmakers wanted to ensure adequate local review. Since then, such projects have been reviewed *pro forma* by regional development commissions without substantial impact.

HF1851*/SF1954/CH180

Garbage truck weight

Under a new law, seasonal weight limits do not apply to certain garbage trucks that collect municipal mixed solid waste.

Effective May 19, 2004, the law allows trucks to continue making their routes despite any posted weight restrictions until July 1, 2005, provided the trucks do not exceed 14,000 pounds per axle.

Some heavy vehicles are already exempt from temporary annual weight restrictions, including school buses and recycling trucks.

The provision’s expiration date coincides with completion of a study on road wear and



PHOTO BY TOM OLMSCHIED

A new law allows garbage trucks that collect municipal mixed solid waste to continue making their routes despite any posted weight restrictions until July 1, 2005, provided the trucks do not exceed 14,000 pounds per axle.

weight restrictions, being conducted by the Minnesota Department of Transportation and the Center for Transportation Studies at the University of Minnesota.

The law allows law enforcement to impose a civil penalty on garbage and recycling truck drivers violating weight restrictions.

Garbage companies favor the law, but city engineers and county representatives are in opposition, fearing that the new law could exacerbate the condition of county roads, which reportedly have \$195 million in preservation and maintenance needs throughout the state. They also said that the garbage hauling industry has increased truck sizes to increase profits and is now asking the Legislature for an exemption.

Rep. Ron Erhardt (R-Edina) and Sen. William Belanger Jr. (R-Bloomington) sponsored the new law.

HF722*/SF457/CH205

Trucking trailers

Cargo, horse, and livestock trailers can be more easily transported from manufacturer to dealer, and Minnesota statutes are amended to accommodate federal motor carrier regulations, under a new law.

Effective May 20, 2004, the law allows manufacturers of trailers used for cargo, horses, and livestock to purchase a \$120 annual permit allowing them to hitch two empty, new trailers to a vehicle for transportation only to the dealer. The trailers may not exceed 28.5 feet in length and can only be moved in a three-vehicle combination on routes where such a configuration is allowed.

Law proponents said that manufacturers desire to bring empty horse trailers to the dealership two at a time.

Other components of the law are in keeping with federal motor carrier regulations.

One provision requires truck drivers transporting hazardous materials to immediately telephone the state hazardous materials emergency reporting line in three situations: when a hazardous materials accident occurs, when hazardous materials are unintentionally released from a package, or when a shipment containing a hazardous material not previously declared is discovered.

Another section amends a statute that exempts drivers from hours-of-service rules following assistance to an emergency relief effort. It increases from 24 to 34 hours the mandatory time off if the driver has been on duty for more than 60 hours in seven days if the employing carrier does not operate every



PHOTO BY TOM OLMSCHEID

A new law allows manufacturers of trailers used for cargo, horses, and livestock to purchase an annual permit allowing them to hitch two empty, new trailers to a vehicle for transportation to a dealer. The trailers can only be moved in a three-vehicle combination on specified routes.

day in the week or 70 hours in eight days if the carrier operates every day.

Rep. Peter Nelson (R-Lindstrom) and Sen. Mark Ourada (R-Buffalo) are the sponsors.

HF2671*/SF2930/CH225

Preservation designation

A new law streamlines the designation of natural preservation routes on county state-aid highways.

Effective Aug. 1, 2004, a section of law is removed that required all requests by counties for the designation of natural preservation routes to be reviewed by an advisory committee. The committee consisted of a representative from the Department of Natural Resources, a county commissioner, a representative of an environmental organization, and three members of the public.

The repeal leaves intact the remaining portion of the statute that regulates the designation of natural preservation routes. It states that in order for the state to designate the route, the county board with jurisdiction over the road must receive a petition requesting the road's designation. The county board must act on the petition request within 60 days.

According to the nonpartisan House Research Department, natural preservation routes are highways within the county state-aid highway system that may be built to different

standards because they are located in scenic or historically or environmentally sensitive areas.

Rep. Ron Erhardt (R-Edina) and Sen. Ann Rest (DFL-New Hope) sponsored the law.

HF1898*/SF1953/CH181

Behind the wheel

A new law makes substantial changes to the hours that truck drivers may work.

The new rules add an hour to allowed driving times, but also increases required off-duty rest times. Furthermore, more non-driving activities have been added to the definition of driving.

The changes, effective April 30, 2004, were mandated by an update of federal law in January.

Earlier this year, trucking companies throughout the nation objected to the new federal rules, fearing that the changes would drive up costs.

However, the Federal Motor Carrier Safety Administration, on its Web site, states that the new hours-of-service rule will save 75 lives and prevent 1,326 fatigue-related injuries and 6,900 incidents of property damage every year. Prevention of such incidents would save the American economy \$628 million a year.

The cause of driver fatigue is the length of a



PHOTO BY TOM OLMSCHEID

In response to recent federal changes, a new law makes changes to the hours that truck drivers may work. It adds an hour to allowed driving times, but also increases required off-duty rest times. Furthermore, more non-driving activities have been added to the definition of driving.

driver's workday, not just the amount of time he or she spends on the road, according to the federal agency.

Sponsors of the law are Rep. Michael Beard (R-Shakopee) and Sen. Mark Ourada (R-Buffalo).

HF1978*/SF1910/CH167

Transportation housekeeping

A new law forwards a collection of transportation policy changes surrounding weight restrictions, Department of Transportation contract procedures and highway rest areas.

The provisions are effective Aug. 1, 2004, unless otherwise noted.

The law allows the department to require that bidders for trunk highway contracts over \$5 million submit bids electronically.

Another provision allows vehicles carrying forest products to operate on highways without regard to certain load restrictions if the vehicle is equipped with six axles and brakes and does not exceed 90,000 pounds gross weight (98,000 pounds during winter-weight increase periods). The trucks must still comply with seasonal load restrictions, posted bridge load limits, and other road postings.

The new law grants the department authority to enter into agreements for public or private sponsorship of highway safety rest areas by transportation and tourism-related entities as

long as the contracts do not jeopardize federal funding.

Effective May 30, 2004, until July 1, 2005, the transportation commissioner may not close or substantially reduce operations of any trunk highway or interstate highway safety rest area that was open at the beginning of 2004.

The new law also preserves a number of advisory committees to the department that would otherwise have expired, including the county state-aid advisory board, the county state-aid screening board, and the municipal state-aid advisory board. This section is effective retroactive to July 1, 2003.

Rep. Chris DeLaForest (R-Andover) and Sen. Julianne Ortman (R-Chanhassen) sponsored the legislation.

HF2479/SF2263*/CH295

Longer bus

A new law will help an Amboy resident who was pulled over for driving a bus that exceeded the state motor carrier length limit.

Sponsored by Rep. Tony Cornish (R-Good Thunder) and Sen. Julie Rosen (R-Fairmont), the law allows a passenger motor carrier operator to drive an articulated bus — an accordion-style motor vehicle — up to 61 feet in length without a permit. Previous law required a permit for any bus more than 45 feet in length.

However, a variance existed for the Twin Cities metropolitan area.

The resident, who operates a bus company, bought an articulated bus in another state and drove it to Minnesota, only to later find out that the bus violated state law.

The law is effective Aug. 1, 2004.

HF1838*/SF1948/CH240

Safer, longer-lasting land surveys

A new law, effective Aug. 1, 2004, aims to reduce the costs of relocating survey markers due to road construction and improve safety for survey crews.

Sponsored by Rep. Scott Newman (R-Hutchinson) and Sen. Yvonne Prettner Solon (DFL-Duluth), the new law will make some technical changes to the land surveying marker preservation statute and require that the markers or monuments be placed in such a way as to not be disturbed by routine street or highway maintenance.

Under the new law, durable monuments along paved highways must have a supplemental marker placed over the durable monument that is visible at the road surface and not vulnerable to routine snow plowing activities. If it's not practical or safe to set a corner marker in a highway surface, the new law will allow for a durable metal marker to be set on the section or quarter-section line.

The new law also will remove a requirement that when county boards require plats to be approved by a surveyor, that surveyor must maintain a full-time office in the county.

The previous requirement was not in conformance with the actual practice of the counties, where approximately one-third have full-time surveyors but the other two-thirds do not, Newman said.

The new law also will allow for licensed land surveyors other than the county surveyor to approve the plats before they are recorded with the county.

The legislation was forwarded at the request of the Department of Transportation.

HF2107/SF1653*/CH154

Light rail operations

A new law aims to improve safety and impede fare swindlers along the new Hiawatha light-rail line.

First, it attempts to prevent traffic jams that could be caused at downtown light rail vehicle track crossings by providing that all vehicles



PHOTO BY TOM OLMSCHEID

Vehicles required by federal law to stop at railroad crossings regardless of the presence of a train, such as school buses, are allowed to pass through light rail track crossings at the intersection of two or more public streets if the intersection is controlled by a traffic signal.

required by federal law to stop at railroad crossings regardless of the presence of a train, such as school and passenger buses, will be allowed to pass through the intersection if a train is not approaching. This applies only to crossings at the intersection of two or more public streets if the intersection is controlled by a traffic signal and the intersection is marked with signs indicating the requirements to drivers.

Without this provision, proponents said traffic could become backed up at light-rail crossings in downtown Minneapolis, and rear-end accidents could ensue.

Second, the legislation allows law enforcement agents and Metropolitan Transit police to ticket passengers who attempt to ride the train without paying for or presenting the proper fare.

A portion of rail line that will eventually run between downtown Minneapolis and the Mall of America opened June 26.

Effective May 27, 2004, Rep. Mary Liz Holberg (R-Lakeville) and Sen. Chuck Wiger (DFL-North St. Paul) sponsored the law.

HF2078*/SF1904/CH245

VETERANS



Information sharing

A new law will allow the Department of Revenue to disclose certain veterans' taxpayer identification information to the Department of Veterans Affairs to help notify those veterans of military-related health hazards that might affect them.

Effective Feb. 27, 2004, the law allows the

veterans affairs commissioner to "request data only for the purposes of locating and notifying individual veterans of health hazards, including, but not limited to, hearing loss, chemical, biological, and radiation exposure, Gulf War Syndrome, and other injuries as they become recognized as a result of their service in the armed forces of the United States."

The shared information will be used to help notify those veterans, their dependents and survivors of veterans, of potential benefits to which they may be entitled, such as eligibility for health-care assistance for post-traumatic stress disorders and chemical dependency treatment or physical injuries.

Under the law, the data is limited to the taxpayer's identity, which includes their name, mailing address, and taxpayer identification number.

Rep. Laura Brod (R-New Prague) and Sen. Dan Sparks (DFL-Austin) sponsored the law.

HF973/SF1015*/CH135

Veterans tuition and nursing homes

A new law amends the tuition and textbook reimbursement grant program and updates laws governing the Minnesota veterans' homes.

Effective July 1, 2004, members of the Minnesota National Guard may receive up to 100 percent reimbursement for books and tuition for lower division programs in the College of Liberal Arts at the University of Minnesota. However, if the Guard member is a medical student, the authorized reimbursement level is 100 percent of the cost of tuition for the program at another Minnesota public

institution, or, if a person is enrolled at a public institution outside the state, the cost of a comparable program at the university.

The previously authorized support level was 80 percent of these costs. Despite the increase in support, citizen-soldier-students are not likely to see any actual increase from current aid amounts for the coming school year, since the Legislature did not increase total funding for the tuition reimbursement program.

The tuition reimbursement program covers up to 208 quarter credits or 144 semester credits of coursework.

Col. Dennis Lord, executive director of the Minnesota National Guard, said surrounding states currently offer 100 percent reimbursement and Minnesota is competing with them for recruitment.

The new law also makes several updates and clarifications to provisions concerning veterans' homes, effective Aug. 1, 2004.

The law clarifies the role of the executive director and requirements related to quality assurance and allow profits from wood shops at a veterans home can be used to benefit the residents of a home. The provision already existed for canteens and coffee shops.

Rep. Char Samuelson (R-New Brighton) and Sen. Rod Skoe (DFL-Clearbrook) sponsored the law.

HF1141/SF1080*/CH219

Leasing land

A new law permits the Minnesota Veterans Homes Board to lease land on its Hastings campus to Dakota County for up to 60 years for the construction of permanent supportive housing for veterans and county residents.

The measure is necessary because the board currently has only a 20-year leasing authority. The lease will cost the county \$1 per year over the 60-year term.

Plans are for 30 units for veterans and 30 units for county residents. Currently, there is a 200-bed facility for veterans on the 128-acre campus.

The county plans to fund the facility through low-interest loans. The program is meant to be self-sufficient: neither the state nor the veterans will be asked for financial support. Plans are not yet finalized.

The law is sponsored by Rep. Denny McNamara (R-Hastings) and Sen. Sharon Marko (DFL-Cottage Grove).

HF2688/SF2626*/CH160