

# New Laws 2005



A Summary of the 2005 Regular and First Special Session

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## ★ AGRICULTURE

**E20 gets green light**

A new law establishes a “petroleum replacement goal” for Minnesota that by Dec. 31, 2015, at least 20 percent of the liquid fuel sold in the state be derived from renewable sources.

Most provisions are effective Aug. 1, 2005, unless otherwise noted.

Currently, the state requires that motor vehicle gasoline sold in Minnesota contain an “E10” blend, meaning 10 percent agriculturally derived ethanol by volume.

The new law raises that blend to 20/80 by Aug. 30, 2013, unless, by Dec. 31, 2010, the state is already using a 20 percent denatured ethanol blend in the gasoline supply or federal approval has not been granted for the E20 blend.

Under the new law, dealers and refiners would be protected from lawsuits alleging damages from defective blended gasoline. The immunity would not apply to situations of “simple or willful negligence or fraud” or environmental or public health damages.

Effective May 11, 2005, the Agriculture Department, in consultation with other agencies and the renewable fuels, petroleum and auto manufacturing industries, is to implement

strategies that promote the widespread use of renewable fuels. Items to address include installing more pumps, getting a green light from the federal government and working with large corporate fleets of vehicles.

The department, again in consultation with other agencies and stakeholders, is also directed to review the effects of E20 on the ethanol industry and Minnesota consumers.

Additionally, the Commerce Department is required to report to the Legislature by Jan. 15, 2008, on the appropriate use of E20 gasoline in small engines and make recommendations on marketing tactics and ways to increase E20 availability.

Rep. Gregory M. Davids (R-Preston) and Sen. Dallas C. Sams (DFL-Staples) sponsored the legislation.

HF223/SF4\*/CH52

**Power to arrest vetoed**

Gov. Tim Pawlenty vetoed a bill that would clarify that county agricultural societies are exempt from local zoning ordinances and modify current law that allows fairs to appoint individuals to serve as “special constables” for law enforcement services.

“I have vetoed Chapter 58 because this bill would expand the full powers of arrest to

unlicensed special constables appointed by an agricultural society,” the governor wrote in his veto message. “In the interest of public safety, the full powers of arrest should be reserved to appropriately trained and licensed peace officers.”

County agricultural societies have been empowered, under Minnesota law, to organize, make rules and purchases, and have full jurisdiction over county fairgrounds since 1860.

The long-standing presumption has been that county fairgrounds are exempt from local zoning ordinances throughout the year, according to the nonpartisan House Research Department.

Proponents asked for the legislation because some city officials assert that under current law the exemption applies only during the fair.

The governor took no issue with the exemption provisions and suggested that the clarification be placed in the omnibus agriculture bill.

Rep. Bob Gunther (R-Fairmont) and Sen. Jim Vickerman (DFL-Tracy) sponsored the legislation.

HF1389/SF1146\*/CH58

**Grain storage and warehouses**

A new law grants the Department of Agriculture explicit authority to adopt rules regulating warehouse operators, merchandise warehouses, household goods warehouses and grain storage facilities.

According to the nonpartisan House Research Department, “there is some doubt about whether the commissioner of agriculture has full rulemaking authority over these activities.”

Furthermore, the department’s rules coordinator testified in committee that many rules were “terribly obsolete,” some having come from the Railroad Authority decades ago.

Effective Aug. 1, 2005, the new law addresses the following warehouse activities: labeling of goods, documenting storage orders, protecting warehouses from fire, keeping warehouse aisles free from clutter, determining safe floor loads and other storage practices.

Rep. Mary Ellen Otremba (DFL-Long Prairie) and Sen. Paul E. Koering (R-Fort Ripley) sponsored the legislation.

HF466\*/SF1250/CH92



PHOTO BY TOM OLMSCHEID

**By Dec. 31, 2015, at least 20 percent of the liquid fuel sold in the state must be derived from renewable sources, double the current minimum.**

## ★ ARTS

### **Commission, poet laureate**

State funding for the Minnesota Humanities Commission was cut by the 2003 Legislature, and language governing the commission was removed from statute.

An attempt to put the language back into the statute was vetoed by Gov. Tim Pawlenty, but was eventually signed into law as a non-profit organization as part of the omnibus education law passed during the special session.

Sponsored by Rep. Barb Sykora (R-Excelsior) and Sen. LeRoy A. Stumpf (DFL-Plummer), the bill would have reestablished the commission to ensure balance in public education and the state's cultural life through the creation of a humanities center, and improve humanities education by establishing the Minnesota Institute for Lifelong Learning and Minnesota Institute for the Advancement of Teaching.

The governor's veto message states that the bill's title indicates the measure is an attempt to, "establish" a commission. "The bill does no such thing," the governor wrote. "It requires the Commission to submit a report to the Legislature and it recognizes the commission 'may' do certain things which the Commission could presumably already do with our without the legislature's permission."

Pawlenty further wrote, "If the Legislature was attempting to formally bestow additional status upon the Commission, this bill does not accomplish that goal."

The bill also directed the commission to make recommendations to the governor for a state poet laureate.

"While respectful and appreciative of the arts, I do not believe Minnesota needs an official state poet. We can benefit from the richness and the diversity of all of the poets in Minnesota and recognize and embrace their work as merit and circumstances warrant."

Pawlenty also expressed concern that other state positions will be sought. "We could see requests for a state mime, interpretive dancer, or potter," according to the veto message.

HF1275/SF877\*/CH108

## ★ BANKING

### **New bank for Burns Township**

Burns Township in the northwest corner of Anoka County has been given the green light to have a bank branch in its community.

Rep. Larry Howes (R-Walker) and Sen. Carrie L. Ruud (R-Breezy Point) sponsored the legislation that allows Pine River State Bank, which has its main office in Pine River,

to establish a branch in Burns Township.

A bank that wants to open a new branch needs permission from the Legislature when that branch will be in a township. The Legislature grants an exemption about once every two years.

The law is effective upon approval by the Burns Township Board.

HF997\*/SF985/CH18

### **Financial institution regulations**

The regulation of banks, credit unions and other financial institutions will change under a new law.

Rep. Rod Hamilton (R-Mountain Lake) and Sen. Dan Sparks (DFL-Austin) sponsored the legislation, which will regulate the investment authority of, and annual reporting for, certain financial institutions.

The law will clarify the type of property that may be acquired or improved by certain financial institutions without prior approval by the commerce commissioner and eliminate a requirement to submit a copy of its annual audit reports to the commissioner. It also amends the requirements of safe deposit companies in the event a safe deposit box is opened after the death of the renter of the box.

Commercial, state and savings banks will be permitted to act as trustee or custodian of a Health Savings Account, under the law. Banks doing business in Minnesota will be permitted to choose to comply with federal customer identification standards in lieu of those in state statute to open a checking account.

The commerce commissioner will no longer be required to provide a notice to suspend the operation of a credit union to an advisory council that no longer exists. Also eliminated is a provision requiring the advisory council to attend the suspension hearing.

Advanced fees paid to a mortgage originator must be placed in an unaffiliated account, according to the law. The voluntary dissolution of a domestic fraternal benefit society upon application to the commerce commissioner will be allowed upon demonstrating that the society has satisfied or transferred its members' policy obligations.

Insurance companies will no longer need approval to annually renew their licenses. Instead, the licenses will be considered renewed annually upon payment of all applicable fees.

Banks will be exempt from liability based on their disclosure of customer information to a banking industry anti-fraud database relating to forged or stolen checks.

The law will prohibit the deceptive use of the name, trade logo or tagline of a financial

institution or its subsidiaries and affiliates. It will repeal a provision in statute that allowed for an advisory task force investigation of a credit union in lieu of immediate suspension of operations and repeal a provision that required a bank's board to prepare a written response to the findings and recommendations in its annual examination report.

These provisions are effective Aug. 1, 2005.

A person who has been convicted of a crime involving dishonesty, breach of trust, or money laundering would be prohibited from working as or for a residential mortgage originator without prior written consent from the commissioner. This provision is effective Jan. 1, 2006.

HF1824/SF1636\*/CH118

## ★ BONDING

### **Capital projects move forward**

One year after the Legislature failed to pass a capital investment law, lawmakers approved a nearly \$945 million plan.

Of the total, \$885.9 million is in general obligation bonds, about a split between the original \$780.3 million House proposal and \$975.6 million Senate plan. The governor's plan was just shy of \$744 million.

Sponsors of the legislation, Rep. Dan Dorman (R-Albert Lea) and Sen. Keith Langseth (DFL-Glyndon), estimate that 10,000 jobs will be created because of this law.

The largest bonding law in state history was passed by the 1998 Legislature. It called for just under \$1 billion in capital projects.

Highlights of the 2005 law, effective April 12, 2005, include (all items are from Article 1, unless otherwise noted):

HF3\*/SF1/CH20

### **Minnesota State Colleges and Universities (MnSCU)**

The law calls for nearly \$213.6 million in general obligation bonding. One-third of the debt service must be paid by MnSCU and two-thirds from the General Fund.

The largest percent of dollars (\$41.5 million) goes toward asset preservation and replacement, with the remainder targeted to specific projects on 22 campuses, plus systemwide science renovations, workforce classrooms, technology upgrades, demolition, program consolidation and land acquisition.

Eight projects receiving more than \$10 million each in funding, under the law, are:

- \$15.06 million to St. Cloud Technical College for a multistory addition and to renovate classrooms, labs and offices for a health



program and the co-location of a workforce center;

- \$12.76 million to renovate buildings for a health science center at Rochester Community and Technical College;
- \$11.24 million to Lake Superior College for student services and classroom additions;
- \$11.12 million for the renovation of Pasteur Hall at Winona State University for classrooms and science laboratories;
- \$10.99 million to renovate the construction trades and technology labs at St. Paul College, and construct an entryway addition;
- \$10.86 million to renovate Bridgeman Hall at Bemidji State University, and for an addition at Northwest Technical College as part of the Emerging Technology addition project;
- \$10.48 million to renovate the main campus building for a science laboratory and academic support center at the Cambridge campus of Anoka-Ramsey Community College; and
- \$10.48 million to renovate Hagen Hall at Minnesota State University Moorhead for science classrooms, labs and related offices.

Of the nearly \$6.67 million for systemwide science lab renovations are projects at: Alexandria Technical College, Anoka-Ramsey Community College, Central Lakes College - Staples, Century College, Minnesota West Community & Technical College - Granite Falls and Pipestone, Pine Technical College, Ridgewater College - Willmar and Hutchinson, South Central Technical College - Mankato, Southwest Minnesota State University, St. Cloud Technical College, St. Paul College and Vermillion Community College.

Campuses to receive learning technology classroom upgrades as part of the \$1.02 million systemwide appropriation are: Minnesota State College - Southeast Technical, Minnesota West Community and Technical College - Granite Falls, Normandale Community College, North Hennepin Community College, Northland Community and Technical College, Pine Technical College, Riverland College in Albert Lea and Austin, South Central Technical College - Faribault, Southwest Minnesota State University, St. Cloud State University and St. Paul College. (Sec. 3)

### University of Minnesota

The university is to receive nearly \$108.4 million for eight areas.

After the \$40 million designated for asset preservation and replacement, the largest totals go toward the Minneapolis campus: \$17.4 million to renovate Kolthoff Hall for the Department of Chemistry, \$14.5 million to renovate



PHOTO BY ANDREW VONBANK

**Included in the capital investment law is nearly \$4.68 million to construct river's edge improvements at Raspberry Island and Upper Landing in St. Paul and develop a public park on Raspberry Island.**

the Minerals Research Science Building into an Education Sciences Building so that a number of programs, currently spread across the campus, can be consolidated and \$11.6 million to renovate classrooms and teaching labs at the Academic Health Center.

On the Duluth campus, the Life Sciences Building will be upgraded thanks to \$10.1 million along with \$5 million in university funds. The building will make room for the school's pharmacy program and help meet increased demand for the biology program, which has seen a 90 percent enrollment increase during the past decade.

Also in Duluth, \$8.7 million is directed to an addition to the recreational sports center. In 2002, students voted to pay for the other one-third of the project cost. University officials said 90 percent of students participate in recreational sports, and that the current facilities are now used 18 hours a day, sometimes with waits of an hour or more to use some equipment or gym space.

University officials are also encouraged to expand parking on the Duluth campus by buying property from willing sellers.

Stadium funding is included in the law — but for the Morris campus.

The football field will need to be relocated because of a proposed \$4 million expansion to a nearby biomass heat generating facility which provides steam and chilled water to the Morris campus. However, this provision is contingent upon a written operations plan being agreed to “that provides the West Central Research and Outreach Center adequate access to the facility for research purposes.”

The university will contribute \$1.8 million and the Morris School District, which will also use the facility, will contribute \$1 million.

The appropriation to the University is ex-

pected to cover about two-thirds of the cost of the projects, except for asset preservation and the Morris football stadium. The University is required to cover all remaining cost of the projects with nonstate funds. In contrast, the appropriations to MnSCU cover the entire cost of the projects, but MnSCU must pay one-third the debt service of the bonds issued.

The law also allots \$283,000 to construct a building to accommodate the farm machinery repair, maintenance and carpentry shops at the North Central Research and Outreach Center in Grand Rapids. (Secs. 2, 49)

### Education

The largest chunk of the \$25.9 million for education projects is \$18 million for the Red Lake School District to “design, construct, renovate, furnish, and equip a new middle school and the existing high school.”

The law also includes nearly \$4.26 million for asset preservation for the Minnesota Academies for the Blind and Deaf; \$1.08 million to repay a loan that was used to complete the land acquisition for the Crosswinds Arts and Science Middle School in Woodbury; \$1.08 million for asset preservation and a building demolition at the Perpich Center for the Arts in Golden Valley; \$1 million for library improvement grants; and \$500,000 for early childhood learning and child protection facilities. (Secs. 4-6)

### Employment and Economic Development

Nearly \$167.2 million is allocated in the law to the Department of Employment and Economic Development or to the Public Facilities Authority.

The authority will receive \$29.9 million for grants and loans to municipalities through the wastewater infrastructure funding program,



PHOTO BY ANDREW VONBANK

**The capital investment law includes \$1 million to construct a permanent flood control perimeter dike along the east and south sides of Holman Field near downtown St. Paul.**

including \$5 million to the cities of Dumont, Dunnell, Henriette, Lewisville, McGrath and Ostrander for corrective action on systems built since 2001 with federal money from the U.S. Department of Agriculture Rural Economic and Community Development funds.

Nearly \$5 million would aid the construction of sanitary sewer overflow storage facilities at locations in Duluth. The city must match the funding dollar-for-dollar.

Other cities to receive funding for various projects are: Aurora, Austin, Bayport, Burnsville, Crookston, Eagle Bend, Mounds View, New Brighton, Red Lake Falls, Rushford, Two Harbors and Willmar.

Roseau will receive more money as it attempts to recover from a 2002 flood. Nearly \$8.28 million is to construct a new city hall, auditorium, library, museum and police department located out of the Roseau River floodway. Another \$4.94 million is to assist with the cost of replacement or rehabilitation of publicly owned infrastructure.

The law also allocates \$22 million to build a planetarium in downtown Minneapolis; nearly \$21.73 million for a Rochester biotechnology research facility that will be a joint venture between the University of Minnesota and the Mayo Clinic; \$18.5 million for political subdivision grants to construct publicly owned infrastructure to support bioscience development, with \$2.5 million specifically directed to Worthington; \$4 million for the Phalen Boulevard construction project in St. Paul; \$2 million for the city of Orono to acquire the Big Lake Veterans Camp in Lake Minnetonka; \$1 million for asset preservation of the Heritage Hjemkomst Center in Moorhead, contingent on a nonstate match; and \$1 million for the design and related capital costs for the Shubert Center in downtown Minneapolis. (Sec. 23)

### Environment and Natural Resources

More than \$72.1 million is directed to the Department of Natural Resources for 41 different areas, including \$27 million for the state share of flood hazard mitigation grants.

According to the law, "The appropriation includes money for the following projects: Ada, Austin, Breckenridge, Canisto Mine, Cannon Falls, Crookston, Dawson, East Grand Forks, Grand Marais Creek, Granite Falls, Green Meadow Dam, Inver Grove Heights, Little McDonald Lake, Malung, Manston Slough, Minneapolis, Montevideo, Oakport, Palmville, Roseau River, St. Louis Park, Two River Ross Impoundment, Warren, and Whiskey Creek."

To acquire land for wildlife management area purposes, the law allocates \$10 million. Part of this money is designated for a state contribution to create a buffer around Camp Ripley.

A little more than \$7.9 million is designated for 15 state trail development projects, including \$2.4 million for the Paul Bunyan Trail, and \$885,000 will go towards matching grants for three trail connections, two in Stearns County and one for the Mesabi Station.

Other provisions in the law include: \$2.5 million to acquire private lands from willing sellers for state park and recreation infill; \$2 million each for improvement of public water access on lakes and rivers; a match for the critical habitat private sector matching account; renovate or remove publicly owned dams; increased reforestation and improving public access and small craft harbors on Lake Superior; \$1.8 million to improve state parks and recreation areas; \$1.7 million to renovate fish culture facilities; and \$1 million for grants for local parks, outdoor recreation areas and regional parks in Greater Minnesota for up to 60 percent of nonfederal share of project costs. (Sec. 7)

Capital improvements of metropolitan regional parks are funded with \$14.66 million. Included in the amount are \$4.68 million for public park development on Raspberry Island in St. Paul and \$2.5 million for South St. Paul for closure, capping and remediation of approximately 80 acres of the Port Crosby construction and demolition debris landfill as the fourth phase of converting the land into parkland. (Sec. 19)

The Board of Water and Soil Resources will receive \$27.86 million, with \$23 million to be used "to acquire conservation easements from landowners on marginal lands to protect soil and water quality and to support fish and wildlife habitat," \$4.36 million to acquire wetlands or restore wetlands as replacement for wetlands impacted by public roads projects and \$500,000 to local governments to assist with floodwater retention systems along a portion of the Minnesota River. (Sec. 10)

The Pollution Control Agency will receive \$10 million for its Closed Landfill Program, and \$4 million to the Office of Environmental Assistance is evenly split between two solid waste capital assistance grants in Red Wing and Olmsted County. (Secs. 8, 9)

### Corrections

Highlighting the corrections funding is \$84.4 million for an expansion of the Faribault prison to include three 416-bed double-bunked living units, a kitchen and dining area and additional programming space. The money will also be used for the demolition of some buildings and a utility tunnel.

In addition to \$8 million for asset preservation, the law provides \$3.5 million to demolish one building, renovate a pair of units and design a new 150-bed segregation unit at the Stillwater facility and \$2 million to demolish an activities building at the Willow River



facility and construct a replacement. A building to accommodate 100 new beds would also be built at the facility for \$350,000.

The Willow River facility serves as the first phase of the department's Challenge Incarceration Program, a boot camp mandated by the 1992 Legislature. According to the department's Web site, the program "is an intensive, rigorous, highly structured and disciplined program for carefully selected, non-dangerous drug and property offenders." (Sec. 22)

### Human Services

Of the department's \$26.07 million allocation, \$8.6 million is for new skilled nursing home capacity for forensic treatment programs at the St. Peter Regional Treatment Center. Another \$3.26 million is for the renovation of current space or construction of new space at the center for persons committed as sexually dangerous, sexual psychopathic personalities, mentally ill or mentally ill and dangerous.

Redevelopment and reuse of the Ah-Gwah-Ching site in Walker is funded at \$4 million. Any unspent money can be granted to a local government that acquires the site. Also funded at about that level is asset preservation and roof renovations and replacements.

A renovation of buildings at the Willmar Regional Treatment Center for chemical dependency treatment specializing in methamphetamine addiction, and the demolition of other buildings, is funded with \$1 million. Another \$900,000 is allocated for work at the center for health care, mental care, chemical dependency treatment, housing and other public purposes consistent with a master plan and reuse study. Again, any unspent money in either provision can be granted to a local government that acquires the site. (Sec. 20)

### Transportation

After five years of work, supporters of the Northstar commuter rail line can finally rejoice. The law contains \$37.5 million for the line that is to run from downtown Minneapolis to Big Lake. The money is contingent on an equal amount of local funding and federal approval.

The law also contains \$40 million for local bridge replacement and rehabilitation, \$10 million in local road improvement programs to be equally divided between routes of regional significance and capital projects on county state-aid highways to reduce accidents; \$2.5 million to the rail service improvement account; and \$1 million each for flood protection at Holman Field in St. Paul and for restoration of the Aerial Lift Bridge in Duluth. The latter is contingent on an equal match

from Duluth. (Sec. 18)

The law also provides \$10 million for construction of bus rapid transit along Cedar Avenue between Lakeville and the Mall of America, \$5.25 million for preliminary work of a transit way between Minneapolis and St. Paul, \$500,000 for preliminary engineering and environmental review for a transit way corridor from Hastings through St. Paul to Minneapolis and \$500,000 to match federal funds for the Rush Line corridor busway between St. Paul and Hinckley. (Sec. 19)

### Other provisions

- \$22.6 million is allocated to the Minnesota Zoo for construction of a new exhibit and asset preservation. The zoo is also relieved from paying debt service on bonds issued for Discovery Bay. (Secs. 12, 45)
- \$12 million for permanent supportive housing loans and grants; (Sec. 25)
- \$4 million for asset preservation at the veterans homes across the state; (Sec. 21)
- \$3.3 million for construction of a joint plant pathogen containment research facility at the University of Minnesota's St. Paul campus. The funding is contingent on a \$1.6 million nonstate match; (Sec. 11)
- \$2.37 million is for the design of renovation and restoration of the Capitol interior. Of that \$1.17 million is directed to third floor public areas; (Sec. 14)
- \$1.78 million is directed towards renovation and expansion of parking in the Capitol area. The debt will be financed with parking fees; (Sec. 13)
- \$1 million for urgent preservation projects at Fort Snelling; (Sec. 25)
- \$670,000 will go toward the completion of the World War II veterans' memorial on the Capitol Mall; (Sec. 16)
- \$642,000 for a grant for a Blue Earth fire and police station contingent on an equal nonstate match. (Sec. 17)

## BUDGET



### Agencies, programs funding

A new law averted public defender layoffs and kept the Minnesota Gang Strike Task Force on task.

Effective Feb. 16, 2005, the \$31.07 million deficiency measure assists those state agencies and programs that were facing budget shortfalls by June 30, 2005, or sooner.

The appropriations include:

- \$13.39 million for regional treatment centers for civilly committed sex offenders,
- \$7.68 million to offset the loss of public defender co-pay revenue after the Min-

nesota Supreme Court ruled that a 2003 law obligating defendants to pay \$50 for a public defender was unconstitutional,

- \$4.71 million to the Department of Administration for relocating the Agriculture and Health departments to a joint facility, and
- \$4.07 million to help the Department of Corrections deal with a growing prison population and rising prisoner health care costs.

The cost of the new law is offset, in part, by a \$24.7 million transfer from the budget reserve in the state General Fund.

Rep. Jim Knobloch (R-St. Cloud) and Sen. Richard Cohen (DFL-St. Paul) sponsored the legislation.

HF57\*/SF350/CH2

## BUSINESS



### Motor vehicle loans

The Motor Vehicle Retail Installment Sales Act will be recodified.

A new law makes purely technical changes to the act, by renumbering the statutes dealing with motor vehicle loans by dealers.

Effective Aug. 1, 2005, the law puts those statutes in a new chapter of statutes that is adjacent to other chapters involving lending regulated by the Department of Commerce.

Rep. Diane Loeffler (DFL-Mpls) and Sen. Julianne E. Ortman (R-Chanhassen) sponsored the legislation.

HF933\*/SF1437/CH19

### Cosmetology laws have changes

Technical changes in the transfer of cosmetology regulation from the Department of Commerce to the newly expanded Board of Barber and Cosmetologist Examiners have become law.

The law covers items that were not included or that were overlooked when the transfer was approved by the 2004 Legislature.

Rep. Connie Ruth (R-Owatonna) and Sen. Thomas M. Bakk (DFL-Cook) sponsored the legislation, effective Aug. 1, 2005.

HF1650\*/SF1559/CH27

### Auctioneer numbers won't change

Auctioneers can get used to their license numbers and include them on printed materials without having to worry about them changing every year because a new law modifies the numbering requirements for auctioneer licenses issued by county auditors.

Effective May 6, 2005, the law allows

auctioneers to keep the same numbers and requires the license to contain a number that individually identifies the auctioneer holding the license.

Formerly, license numbers could change each time they were issued, presenting a problem for auctioneers who needed to include their numbers in marketing materials, as required by law.

Rep. Lyle Koenen (DFL-Clara City) and Sen. Gary W. Kubly (DFL-Granite Falls) sponsored the legislation.

HF1621/SF453\*/CH32

### Application deadline extended

Certain licensing requirements have been changed for Minnesotans who submit applications to take the power-limited technician examination, administered by the Board of Electricity, before Sept. 30, 2005.

A new law, effective May 24, 2005, modifies those requirements under the Minnesota Electrical Act.

Applicants are required to have graduated from an approved four-year electrical course at an accredited college or university, or have at least three years of experience, subject to a credit of up to 2,000 hours for completing a two-year post high school electrical course or other approved technical training.

However, under the new legislation, sponsored by Rep. Rod Hamilton (R-Mountain Lake) and Sen. Jim Vickerman (DFL-Tracy), applicants are exempt from those requirements if they apply for the exam by Sept. 30, 2005. Hamilton said the legislation will allow an additional 1,500 to 2,000 people to apply for the exam.

HF1521/SF1355\*/CH62

### Streamlining corporate language

A new law makes technical changes to state statute regulating the formation and structure of certain corporations.

Rep. Tom Emmer (R-Delano) and Sen. Geoff Michel (R-Edina) sponsored the measure dealing with state statute as it relates to financial corporations and insurance companies.

Effective Aug. 1, 2005, the law defines the organizational structure of these institutions' governing bodies and lays out their powers, the role of the bylaws and how a certificate of incorporation should be filed with the secretary of state. It creates separate language relating to the two industries and streamlines the corporate laws making it easier to reference.

The result of a five-year effort, the legislation has the support of the Minnesota Bar Association and organizations that represent the banking and insurance industries.

HF1043/SF767\*/CH69

### Attorney's fees for funeral providers

Funeral homes will have a greater chance of recouping attorney's fees in conciliation court, under a new law.

Sponsored by Rep. Sondra Erickson (R-Princeton) and Sen. Betsy L. Wergin (R-Princeton), the law states that if a funeral provider is allowed to recover fees through court action, the provider may be able to recoup reasonable attorney's fees as well. It is effective Aug. 1, 2005.

Supporters said that rural funeral providers oftentimes have a handshake agreement for their services because they know and trust the family of the deceased, but when the agreement falls through they must go to court to recover their costs. They also said that even if there is a written contract, and those owing the money are brought to conciliation court, funeral homes seem to have little success in having judges award attorneys fees without statutory requirement.

HF128\*/SF287/CH71

### Changes made in liquor policy

The signing of the omnibus liquor law grants a series of changes to state liquor policy.

The law will modify annual fees for liquor licenses and eliminate the requirement that brewpubs use only wort produced in Minnesota. Wort is the filtered liquid malt mash used in the production of beer.

Also eliminated will be a requirement that brewpub off-sales be limited to 50 percent of the brewpub's production, if it's less than 500 barrels.

Wine tasting will be allowed to take place for more than four hours at a large convention of fine wine and gourmet food exhibitors,

under the law. It will also move from noon to 10 a.m. the hour on Sundays when alcohol, including 3.2-beer, can be sold and provide a uniform statewide closing time of 10 p.m. for off-sale of intoxicating liquor Monday through Saturday.

These provisions are effective Aug. 1, 2005.

The city of Minneapolis will be allowed to issue a liquor license to the Guthrie Theater's concessionaire for a restaurant, under the law. This provision took effect June 3, 2005, as did a change that will require people to wait until 8 a.m. on the day of their 21st birthday before being able to legally buy and consume alcohol.

This change is from a bill sponsored by Rep. Morrie Lanning (R-Moorhead) that called for an end to "Power Hour." Formerly, people could legally drink alcohol at midnight on their 21st birthday. Some people would celebrate by attempting to drink 21 alcoholic beverages between midnight and when the bar closes. The practice, known as "Power Hour," caused the alcohol poisoning death of at least one Minnesotan.

Also effective June 3, 2005, liquor licenses can also be issued by: Breckenridge for the Bois de Sioux Golf Club; Caledonia for the Four Seasons Center; Detroit Lakes for the Castaway Inn and Resort; Duluth for the Enger Park Golf Course; Eden Prairie for the entity holding a food service contract at a designated building owned by the city; Mankato for the Midwest Wireless Civic Center and the Mille Lacs County Board for an exclusive liquor store in Eastside Township.

The city of Anoka will be allowed to issue an on-sale liquor license for the Main Street



PHOTO BY TOM OLMSCHIED

**A funeral provider allowed to recover fees through court action may be able to recoup reasonable attorney's fees as well, under a new law.**



Stage Theatre and Elko is permitted to authorize liquor sales seven days a week at Elko Speedway. The provisions are effective upon approval by the respective city councils.

Rep. Joe Hoppe (R-Chaska) and Sen. Sandra L. Pappas (DFL-St. Paul) sponsored the legislation.

HF605/SF664\*/CH131

## ★ CHILDREN

### **Child welfare law changes made**

A number of technical changes are made to child welfare laws, under a new law effective Aug. 1, 2005.

The legislation, sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Becky Lourey (DFL-Kerrick), includes the governor's policy recommendations and changes requested by advocates.

Under alternative response for maltreatment of children, the law defines "family assessment" as a thorough assessment of child safety; it defines "investigation" as a way to gather facts about the child's safety and determine if protective services are needed; and it defines "substantial child endangerment" as an act that substantially endangers a child's well-being by a person responsible for a child's care who endangers the child's well-being.

The local welfare agency will decide whether to conduct an assessment or an investigation after receiving a report; it is compelled to do an investigation if there is "substantial risk" to the child's safety. Family assessments must be completed in 45 days, and tribal social services agencies are added to the definition of "local agency."

Under adoptions and custody issues, the law requires the human services commissioner to maintain a permanent record of all adoptions granted in district court; social service agencies must make "reasonable" efforts to develop a permanency plan for a child in their care; and if a parent flagrantly abuses or abandons a child, or has had rights to another child terminated, a termination of parental rights petition must be filed by the Department of Human Services.

In addition, the responsible social services agency or the court must assume immediate custody of a child when it is "contrary to the interest of the child to remain in the care of a parent or guardian."

HF1889\*/SF1710/CH159

## ★ CONSUMERS

### **Wine shop gets liquor license**

After waiting nearly five months, Jeffrey Huff finally was able to open his wine shop in St. Paul.

Huff had quit his job to start his business, only to learn that he could not obtain a liquor license because the law did not allow off-sale liquor licenses within one-half mile of the University of Minnesota St. Paul Campus.

That changed when a new law, effective Feb. 25, 2005, authorized the city of St. Paul to issue the license in proximity to the campus.

Rep. Alice Hausman (DFL-St. Paul) and Sen. Ellen R. Anderson (DFL-St. Paul) sponsored the legislation.

HF155/SF206\*/CH3

### **Movers providing charitable service**

A company that was helping to move the furniture of resettled families for free can now do so legally, according to a new law.

Effective March 20, 2005, the law allows movers providing a charitable service to operate outside their geographic area. It exempts them from complying with rates filed with the Department of Transportation.

The issue grew out of the work by a Bloomington company called Two Men and A Truck, a small, six-truck moving company. The franchise has a corporate philosophy of donating eight hours of community service work each month. That service was helping to move the donated furniture of newly arrived families.

However, another mover apparently reported them to the department. The caller claimed that by offering the service for free, the company was creating an unfair advantage.

Rep. Neil W. Peterson (R-Bloomington) and Sen. William V. Belanger Jr. (R-Bloomington) sponsored the law.

HF298/SF75\*/CH12

### **Alcohol can be served at Walker**

A new law gives the OK for the Walker Art Center to serve alcohol.

The legislation, sponsored by Rep. Joe Hoppe (R-Chaska) and Sen. D. Scott Dibble (DFL-Mpls), allows the city of Minneapolis to issue a liquor license to the center's concessionaire or operator of a restaurant and catering operation on the center's premises. The license will authorize liquor sales seven days a week. The renovated center reopened April 17, 2005.

The law is effective upon approval by the Minneapolis City Council.

HF1376/SF1535\*/CH24

### **Omnibus liquor bill approved**

One year after an omnibus liquor bill was vetoed because it contained a provision concerning the sale of alcohol near a state facility in Walker, a newer version of the 2004 bill is now law, minus the provision.

Rep. Joe Hoppe (R-Chaska) and Sen. Sandra L. Pappas (DFL-St. Paul) sponsored the legislation that conforms license fees and production levels for brewpubs and small brewers, authorizes temporary licenses to small brewers and modifies other municipal licenses.

The law allows liquor licenses to be issued by St. Paul for special events at the State Capitol and by Duluth for Wade Municipal Stadium. It also permits Elko Speedway to sell liquor seven days a week and transfers from St. Paul to Ramsey County the authority to issue licenses to state fair vendors to sell Minnesota-produced wine.

The provision regarding license fee conformity is effective July 1, 2005, the permit for Elko Speedway is effective after approval by the Elko City Council and the rest of the law became effective April 23, 2005.

HF286/SF171\*/CH25

### **Travel contract protections offered**

Consumers will have greater protections regarding membership travel contracts, under a new law that closes loopholes and makes changes to legislation enacted two years ago that regulated travel memberships.

Some of those changes include moving the buyer's right to cancel the contract to the 10th day after the consummation of service and prohibiting membership travel operators from offering a gift in Minnesota unless the gift is disclosed.

Oral disclosure requirements will also be modified, under the law. The disclosures will need to include information about any legal proceedings against the travel operator involving travel services, criminal offenses, consumer fraud, bankruptcy or unpaid court judgments.

A membership travel operator will need to disclose when a third party travel agent is used to make travel arrangements and whether the consumer could buy the travel package directly from the third-party without going through the travel operator.

The law, sponsored by Rep. Doug Meslow (R-White Bear Lake) and Sen. Chris Gerlach (R-Apple Valley), is effective Aug. 1, 2005.

HF1583\*/SF794/CH70



PHOTO BY TOM OLMSCHEID

**Greater protections regarding membership travel contracts are provided for under a new law that closes loopholes and makes changes to legislation enacted two years ago.**

### Handgun bill signed into law again

A new law reenacts and makes retroactive provisions in the Citizens' Personal Protection Act.

Sponsored by Rep. Larry Howes (R-Walker) and Sen. Pat Pariseau (R-Farmington), the measure reenacts the so-called "concealed-carry" legislation. Passed in 2003, it liberalized the process to acquire a handgun permit. A district court judge later ruled the law unconstitutional because it was attached to an unrelated bill at the time of passage. That ruling was upheld by the Minnesota Court of Appeals and appealed to the Minnesota Supreme Court.

Under the law, county sheriffs are required to grant handgun permits to anyone meeting specified criteria. Before the law, sheriffs and police chiefs had wide discretion in granting permits to carry handguns and, according to law supporters, this led to widespread discrimination with some sheriffs issuing a large number of permits and others none.

The law also modifies the notification requirement mandating that businesses tell customers if the area is a gun-free zone.

The earlier law called for a sign to be posted at every entrance to the business and that the request be given verbally, as well. Now, either a verbal or written notice is sufficient.

Other new provisions include:

- upon request, a permit holder must disclose to a peace officer whether the permit holder is carrying a gun;
- the public safety commissioner will develop standards for firearms instructors and a

certificate must be issued to anyone who has completed a firearms safety course;

- on the permit application, a person must not just list the state in which she or he resides (as in the previous legislation), but the township or city, and county; and
- if a convicted felon carries a permit, the court must take possession of the permit upon conviction.

HF2428/SF2259\*/CH8

### Licensees requirements modified

A new law makes changes to licenses issued by the Department of Commerce.

Effective Aug. 1, 2005, the law modifies requirements for certain people licensed by the department and restrict the payment of fee refunds to overpayments. Other provisions require advance approval of license education courses by the commerce commissioner and specify certain course coordinator requirements.

Limited lines insurance agent licenses will be expanded to mobile telephone insurance, under the law. Individuals applying for the license are exempted from written examination requirements.

Also covered under the law are provisions specifying required appraiser license qualification components and extending the deadline for license application after the examination, defining temporary license and authorizing extension, and clarifying certain appraiser education requirements.

In addition to modifying certain continuing education requirements for the renewal of real estate appraiser licenses, the law repeals certain transitional appraiser licensing authority of the commissioner and a rule specifying certain real estate appraiser experience requirements.

Rep. Kurt Zellers (R-Maple Grove) and Sen. Cal Larson (R-Fergus Falls) sponsored the law.

HF1532/SF1815\*/CH100

### Unclaimed property notification

Notification requirements to Minnesotans who have unclaimed property, such as uncashed checks, dormant bank accounts or utility deposits, will change under a new law.

When property is presumed abandoned after a period of time, it is reported and turned over to the Department of Commerce, which then attempts to notify the owner.

Previous law required notices of unclaimed property to be published in a newspaper. The new law, effective Aug. 1, 2005, allows the commerce commissioner to determine the most effective and efficient manner of providing the notice, such as in print, broadcast or electronic media.

Under former law, the right of the owner would be extinguished if the property is held by a cooperative and disbursed to a tax-exempt organization. The new law specifies that the right will be extinguished only if a notice that the property is available has been mailed to the last known address of the person. If the address is unknown, the notice will be published in an official cooperative publication.

Broader language is included in the law to avoid certain time limits on the right of an owner of abandoned property to recover it.

A new provision allows for a "default rule" for dealing with abandoned personal property not covered by any other law.

Rep. Lloyd Cybart (R-Apple Valley) and Sen. William V. Belanger Jr. (R-Bloomington) sponsored the bill.

HF1398/SF1360\*/CH10

### Notification of security breach

Local governments can enter into agreements with private electric or communications companies to bury distribution lines, under a new law.

Sponsored by Rep. Doug Meslow (R-White Bear Lake) and Sen. Mady Reiter (R-Shoreview), the law allows a municipal council to "assess affected property owners for all or a portion of the cost agreed to with an electric utility, telecommunications carrier, or cable



system operator to bury or alter a new or existing distribution system within the public right-of-way that exceeds the utility's design and construction standards."

The law, effective Aug. 1, 2005, stems from a group of homeowners in White Bear Lake who approached the city about burying some electric lines, but were told that current laws might prohibit the city from working with the utility company to bury the lines.

The law is expected to help older communities, built before it was common practice to bury cables.

If the affected property owners petition the municipality to bury a new or existing utility distribution system within the public right-of-way that exceeds the electric utility, telecommunications carrier or cable system operator's design and construction standards, or those set by law, tariff or franchise, the municipality may assess affected property owners for all or a portion of the agreed to costs.

HF732\*/SF527/CH6

## ★ CRIME

### Strong public safety law

Focused on life sentences with no possibility of release for the "worst of the worst" sex offenders and efforts to curtail the state's methamphetamine epidemic, the omnibus public safety law is "one of the strongest anti-crime bills in Minnesota's history," according to Gov. Tim Pawlenty.

Rep. Steve Smith (R-Mound) and Sen. Jane B. Ranum (DFL-Mpls) sponsored the law, which easily passed both houses with bipartisan support.

Financial provisions of the law are effective July 1, 2005. Other provisions are effective Aug. 1, 2005, unless otherwise noted.

Nearly half of the omnibus law involves sex offenders and meth users, reflecting the priority that both parties placed on these public safety threats.

HF1\*/SF609/CH136

### Focus on sex offenders

Legislators want dangerous sex offenders, like the one who allegedly abducted and killed college student Dru Sjodin, in prison forever.

First- and second-degree criminal sexual offenders will face life in prison without the possibility of release when their crimes involve force, violence or a dangerous weapon, and either two or more heinous elements exist or the offender has a previous sex offense conviction and one heinous element exists. (Art. 2, Sec. 21)

Also, the law creates a new crime known as "criminal sexual predatory conduct" that applies when an offender commits a predatory crime motivated by sexual impulses or as part of a predatory pattern of behavior with criminal sexual conduct as its goal. The statutory maximum sentence for this offense is 25 percent longer than for the underlying predatory crime. (Art. 2, Sec. 20)

Other sex offenders could be given indeterminate sentences with the possibility of being on supervised release after serving the minimum sentence. Several factors must be considered when placing an offender on supervised release, including the possible risk to the community, progress in treatment, behavior while in prison, psychological evaluations, past criminal history and other relevant conduct of the offender. (Art. 2, Sec. 5)

The law gives the Department of Human Services access to the predatory offender registry and requires that administrators of health care facilities be notified if a sex offender is going to live in their facility. Communication about sex offenders who come from other states to live in Minnesota is also strengthened. (Art. 3, Sec. 2)

Sex offenders are barred from attending their own community notification meetings, which are required when Level III offenders leave prison to serve out the remaining one-third of their sentences under supervision in

the community. (Art. 3, Sec. 14)

A conference committee dropped House provisions for chemical castration of some sex offenders and special license plates and driver's licenses that would have publicly identified sex offenders.

### Methamphetamine crackdown

Legislators agreed that one way to attack the meth problem is to limit access to ephedrine and pseudoephedrine, key ingredients used to manufacture meth.

So beginning July 1, 2005, it will be harder for methamphetamine manufacturers (and everyone else) to purchase cold and allergy medications in pill form that contains ephedrine or pseudoephedrine. Products like Sudafed® will be located behind the pharmacy counter and buyers will have to ask for them, be at least 18 years old, show identification and sign a logbook. Buyers will also be limited to two packages per transaction, not to exceed six grams. (Art. 7, Sec. 3)

Medications with ephedrine or pseudoephedrine in gel capsule or liquid form are not restricted at this time but if meth manufacturers switch to using those forms, then the state Board of Pharmacy could put the same restrictions on them. (Art. 7, Sec. 4)

A felony crime is established for stealing, purchasing or possessing anhydrous ammonia to be used in the manufacturing of meth. (Art. 7, Sec. 11)

A written prescription from a veterinarian will be needed to purchase any products with ephedrine or pseudoephedrine for use for animals. (Art. 7, Sec. 1)

Meth is added to the definition of narcotic drug, which gives law enforcement more options for charging defendants. (Art. 7, Sec. 2)

The law criminalizes meth-related activities that impact children and vulnerable adults and establishes a penalty of up to five years in prison and a \$10,000 fine. (Art. 7, Sec. 12)

A revolving fund will be established so that city and county governments can borrow funds to clean up mini toxic waste dumps left behind from the manufacture of meth. (Art. 7, Sec. 15)

Ten new agents, at a cost of \$1 million each year, will be added to the Bureau of Criminal Apprehension to work exclusively on statewide meth enforcement and investigation. (Art. 1, Sec. 9)

### New crimes

The law creates several new crimes and establishes their penalties.

For example, a crime of domestic assault by strangulation is added to the list of qualified domestic violence-related offenses. Enhanced penalties will apply to those who commit



PHOTO BY ANDREW VONBANK

**A new law provides \$500,000 to establish a methamphetamine laboratory cleanup revolving loan fund.**

more than one qualified domestic assault within a certain time frame. (Art. 17, Sec. 8)

It will be a crime to knowingly provide false information to a police officer. The law also establishes a crime for falsely reporting police misconduct when a person knows the allegations are not true. (Art. 17, Sec. 30)

Anyone who interferes with ambulance service personnel providing emergency care will face the same penalties as those who obstruct peace officers and firefighters performing their duties. (Art. 17, Sec. 29)

People convicted of gasoline theft will face a 30-day suspension of their driver's license. (Art. 17, Sec. 3)

It's already a crime to flee from a police officer in a motor vehicle, it will also be a crime to flee in other ways to avoid arrest, detention, investigation, or to conceal or destroy potential evidence. (Art. 17, Sec. 28)

The definition of "public place" is expanded for purposes of the prostitution statutes to include a motor vehicle on a public street, alley, parking lot or driveway that connects a parking lot with a street or highway. (Art. 17, Sec. 23)

Identity theft is a growing concern and one way the Legislature responded was by establishing new crime of "phishing," which is the electronic use of false pretense to obtain identifies through e-mail, Web sites or any other Internet communication. The crime carries a penalty of up to five years in prison and a \$10,000 fine. (Art. 17, Sec. 35)

The harassment and stalking crime is expanded to include monitoring with the use of technology. (Art. 17, Sec. 46)

### **Tougher penalties**

In addition to increased penalties for sex offenders and meth manufacturers, the bill ramps up penalties for other crimes as well.

For example, to keep penalties proportional, people convicted of premeditated first-degree murder will face life in prison without the possibility of parole just as the "worst of the worst" sex offenders. (Art. 17, Sec. 9)

Gang members who commit crimes against children will have 10 years added to the maximum sentences they receive. The new provision, called "Benny's Law," was inspired by Ben Doran, a 15-year-old St. Paul boy who was killed in 2003 by gang members in a case of mistaken identify. (Art. 17, Sec. 14)

Penalties are increased for selling steroids and specifically to minors. An exception is made for those who properly and legally use steroids in raising animals. (Art. 17, Sec. 1)

Anyone who promotes, trains or is involved in animal fighting now faces a felony penalty. Those who purchase tickets or attend a fight are subject to a misdemeanor penalty. (Art. 17, Sec. 4)

Some prison space will be freed up by a conditional early release provision for some nonviolent drug offenders whose crimes were committed because of drug addiction and not to make money. (Art. 13, Sec. 6)

### **Other areas of interest**

- Establishes an all felon predatory DNA database in Minnesota and requires all convicted felons to submit a DNA sample. The new law also requires those arrested

for certain violent and predatory offenses to submit a DNA sample after a probable cause determination.

The samples would be destroyed if charges are later dismissed or a person is found not guilty. Parents or guardians of juveniles must be contacted before DNA is taken from their child. (Art. 12, Sec. 1)

- Employees are protected against retaliation when they want to take reasonable time off from work, with advanced notice, to be involved in court proceedings because of domestic violence or because a close family member was the victim of a heinous crime. (Art. 9, Sec. 23)
- Peace officers can be reimbursed every five years for up to \$1,200 for new bulletproof vests. The costs would be split between the state and the government unit that employs the officer. (Art. 11, Sec. 1)
- The Department of Public Safety is required to research and develop a plan to address human trafficking and assist victims of the crime. (Art. 11, Sec. 6)

### **Dollars and cents**

The law includes \$1.65 billion in spending for the biennium, about a 16 percent increase over current year spending for corrections, courts, law enforcement and public safety.

A monthly 25-cent fee increase for 911 service will be charged to each telephone number, effective July 1, 2006. Previously, charges were applied to phone lines. Funds will be used to improve emergency communications. (Art. 10, Sec. 10)

Real estate recording fees will increase to pay for maintaining and updating technology for county recording services. (Art. 14, Sec. 10)

The law includes a 1.5 percent increase for judges, but Mary Pawlenty will decline her salary increase so there is no question of a conflict of interest on the part of her husband, Gov. Tim Pawlenty, said the governor at the bill signing ceremony. (Art. 1, Sec. 2)

## **DEVELOPMENT**



### **Otsego plan receives exemption**

A proposed Rottlund Homes housing development along the Mississippi River in Otsego will receive an exemption from certain land use restrictions, under a new law.

Effective April 27, 2005, the new law deletes approximately 100 acres of land in Sherburne and Wright counties from the Mississippi Recreational River Land Use District.

The district exists under the 1973 Wild and Scenic Rivers Act that directs the Department of Natural Resources (DNR) to adopt rules



PHOTO BY TOM OLMSCHEID

**People convicted of gasoline theft now face a 30-day suspension of their driver's license.**



and administer a program to protect rivers or segments of rivers with scenic, recreational, historic or similar value to the state.

Once a parcel of land is included in the wild and scenic designation, local units of government with jurisdiction over that property must adopt land use plans consistent with the program. Lands within the designation must meet certain lot sizes and other development standards.

Proponents said in committee testimony that the parcels were mistakenly included in the designation and would be deleted anyway under a DNR review process that is currently underway. However, that could take two to three years.

Opponents questioned whether the exemption would usurp the DNR rulemaking process and spur "copycat" bills.

Rep. Tom Emmer (R-Delano) and Sen. Mark Ourada (R-Buffalo) sponsored the legislation.

HF990/SF692\*/CH30

### **Low-income area definition**

A new law will change the definition of low-income areas, allowing for greater participation in a program that could bring digital technology to schools and communities.

Sponsored by Rep. Michael Nelson (DFL-Brooklyn Park) and Sen. Linda Scheid (DFL-Brooklyn Park), the legislation is effective Aug. 1, 2005.

A low-income area was previously defined as any city in the seven-county Twin Cities metropolitan area where the average income is 80 percent below the U.S. median income for a family of four. The law extends that definition to include any city in the Twin Cities metropolitan area with two or more adjacent sections where the average family income is less than 80 percent of the median income in the Twin Cities metro area.

This would allow those cities to take advantage of the Urban Challenge grants program. Sponsored by 3Com Corporation, it provides cities and school districts with grants of products and services to help them find ways to use information technology in their communities.

HF986\*/SF514/CH142

## **EDUCATION**



### **Prinsburg receives approval**

Prinsburg School District 815 can use voter-approved levy referendum money to pay off a debt to a neighboring school district, under a new law.

Funds will also be used to provide special

education services for school district residents who attend a private religious school in the district.

Prinsburg owes about \$280,000 to the neighboring MACCRAV School District for tuition of Prinsburg residents who attended the district through an informal arrangement a few years ago.

Prinsburg has no students and is one of only two remaining common school districts in the state. Because of its unique situation, state approval was required for levy recertification and authority.

Rep. Al Juhnke (DFL-Willmar) and Senate Majority Leader Dean E. Johnson (DFL-Willmar) sponsored the legislation, most of which is effective March 8, 2005, and applies to taxes payable in 2005.

HF248\*/SF485/CH8

### **Multiple-birth children placement**

A new law will give parents and guardians first right of placement in classrooms for their multiple-birth children.

Rep. Marty Seifert (R-Marshall), whose wife is a twin, said he sponsored the bill after parents came to him with stories about schools that would not follow their wishes for placement of their multiple-birth children. He said research shows that children often do better in school if they are together.

Effective with the 2005-06 school year, the law will benefit parents who want their twins, quadruplets, quintuplets and other multiple-birth children in the same classroom and also those who don't.

School staff may recommend classroom placement to parents and provide advice, but parents will have the final say.

If multiple-birth children are disruptive in a classroom, a principal could request that the school board, after consulting the classroom teacher, determine a new placement for the children after the initial grading period.

Sen. Dennis R. Frederickson (R-New Ulm), the father of twins, is the Senate sponsor.

HF130/SF180\*/CH33

### **Credit during military duty**

Teachers whose first three years of consecutive employment are interrupted for active military service will be able to return to teaching and pick up where they left off on their probationary period, under a new law.

New public school teachers have a probationary period of three consecutive years of teaching before they can be considered for tenure, according to Rep. Randy Demmer (R-Hayfield), who sponsored the law with Sen. Sheila M. Kiscaden (IP-Rochester).

Under the new law, eligible teachers will have to promptly resume teaching after completing active military duty consistent with federal reemployment timelines for uniformed service personnel. Teachers will not be able to count their military service as part of their consecutive teaching time.

Previously, probationary teachers who left their teaching jobs to serve in the military lost credit for the time they had taught and had to start over when they returned to their jobs.

The law applies to probationary teachers absent for active military service as of Sept. 10, 2001, or later.

HF1144/SF244\*/CH36

### **Revamped computers for schools**

The nonprofit Minnesota Computers for Schools is added to the list of organizations able to acquire surplus state property, under a new law.

Sponsored by Rep. Mike Charron (R-Woodbury) and Sen. Brian LeClair (R-Woodbury), the law adds the organization to others able to receive surplus property such as a tribal government, nonprofit or tax-exempt medical institutions, hospital clinics, health centers, schools, school systems, colleges and universities.

Under the law, effective Aug. 1, 2005, state surplus computers can be transferred to the program for "refurbishing and distribution to any school, school system, college or university in Minnesota."

According to its Web site, "Minnesota Computers for Schools equalizes educational opportunities for Minnesota students by training inmates at the Stillwater Correctional Facility to refurbish computers donated by businesses and placing them in Minnesota K-12 public and private schools as well as other education programs. This provides a cost-effective opportunity for schools, education nonprofits, and special at-risk students to access the technology they need to prepare for the future."

HF1922\*/SF1768/CH65

### **High school coaching contracts**

One word prompted Gov. Tim Pawlenty to veto a bill that would give high school coaches whose contracts are not renewed the opportunity to respond at a school board meeting.

However, the provision was included in the omnibus education law. But because the bill states, "... any portion of that meeting at which educational data are discussed must be disclosed under section 13D.05, subdivision 2," it was vetoed, according to the governor's veto message.



PHOTO BY TOM OLMSCHIED

**A bill that would give high school coaches whose contracts are not renewed the opportunity to respond at a school board meeting was vetoed by the governor before returning in the omnibus education law.**

The provision is not consistent with the Open Meeting Law, which requires a school district to close any portion of a meeting that would include discussion of personnel data about an employee, according to the message.

"The context of the bill suggests that the Legislature may have intended to use the word 'closed' rather than 'disclosed,'" said Pawlenty. "However, if that is the case, the provision is not necessary because existing law already mandates closure of any portion of a meeting in which educational data is discussed." The concern was that use of "disclosed" might create confusion about whether a meeting may be closed if student information is discussed.

"It is important that we protect the privacy of public school children. Accordingly, I am vetoing this bill to avoid any uncertainty in a school district's obligation to close a meeting to protect the privacy of students," added the governor.

Rep. Dean Urdahl (R-Grove City) and Sen. Steve Dille (R-Dassel) sponsored the law.

HF68\*/SF457/CH57

### Special education license

A special education license variance issued by the Board of Teaching for a primary employer's low-incidence region will be valid in all low-incidence regions, under a new law, effective Aug. 1, 2005.

There are eight disability categories that occur in low incidence among students in the state including: deaf blindness, deaf and hard of hearing, vision impairment, physically

impaired, other health disability, traumatic brain injury, developmental cognitive disabilities and autism spectrum disorders, according to the nonpartisan House Research Department.

Rep. Laura Brod (R-New Prague) and Sen. Dallas C. Sams (DFL-Staples) are the laws sponsors.

HF1176\*/SF586/CH154

## ELECTIONS



### Hennepin Co. campaign procedures

A new law makes technical changes to Hennepin County campaign procedures.

Effective Aug. 1, 2005, the law, sponsored by Rep. Keith Ellison (DFL-Mpls) and Sen. Ann H. Rest (DFL-New Hope), defines political committee, political fund and principal campaign committee for city, school and county elections in Hennepin County.

It also lays out procedures for the various political committees to follow, including how statements of organization are filed and how and when various campaign accounts need to be reported to the Campaign Finance and Public Disclosure Board.

HF958/SF518\*/CH11

### Primary bill reworked into law

Gov. Tim Pawlenty vetoed a bill that would have negated the need for primary elections in cases where there are uncontested races. But

after some rewording, the measure passed as part of the state financing omnibus law.

In his veto message, the governor said he agreed with the intent of the bill, sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Michelle L. Fischbach (R-Paynesville), but his veto was based on a concern that the bill's language does not achieve its objective.

"As you know, election laws are very technical and their interpretation is often contentious. As governor, it is important that any election bill signed into law achieves its intended results and that we do not interject confusion into the election process."

Under current law, a state primary is held the first Tuesday after the second Monday in September in each even-numbered year when more than one person from each party has filed to run for the same elected position. The primary is used to select only one nominee from each of the major political parties to be on the general election ballot in November.

Pawlenty explained the need for a primary is not based on the number of people seeking an office, but whether the elective office requires the conducting of a primary to select nominees. In essence, the primary is needed to make the candidate officially the nominee.

"All partisan offices elected at the state general election require that nominees be selected by a primary. As a result, there are arguably no circumstances under which the statewide primary election would not be required to select the nominees and the objectives of the proposed law would not be achieved."

Also of concern to the governor was the lack of any language that would make the candidate the nominee when no primary is held.

HF1110/SF879\*/CH48

### Media access to the polls

As part of their government "watchdog" role, journalists have traditionally been allowed limited access to polling places, as long as they didn't interfere with the election process.

However, that access was questioned in 2002, and an attorney general's opinion did little to clarify the issue. A new law hopes to provide better clarity.

Under the law, sponsored by Rep. Jeff Johnson (R-Plymouth) and Sen. John Marty (DFL-Roseville), representatives of the media are allowed at a polling place for an unlimited amount of time during voting hours for observation purposes only. They were previously allowed up to 15 minutes of access. Media representatives are required to provide photo identification, along with recognized media credentials or a written verification



from a local election official attesting to the representative's credentials.

While at the polling place, a media member may not get within 6 feet of a voter, converse with a voter while in the polling place, make a list of people voting or not voting, or interfere with the voting process.

The law is effective May 28, 2005.  
HF936/SF370\*/CH113

### **New voting system funded**

Voters who are disabled in any way might, for the first time, be able to vote independently and privately in federal and state 2006 elections, and in county, municipal and school district elections held after Dec. 31, 2007.

A new law puts Minnesota on the road to compliance with the federal Help America Vote Act (HAVA) and provides the framework needed for distribution of almost \$38.3 million in federal grant money to make it possible.

Passed by Congress in 2002, HAVA requires state and local governments to reform election processes and systems to ensure equal treatment of, and accessibility for, all voters.

Sponsored by Rep. Laura Brod (R-New Prague) and Sen. Linda Higgins (DFL-Mpls), the law is effective June 4, 2005. Following are some of the provisions.

HF874\*/SF290/CH162

### **Appropriations**

The law allocates \$29 million for counties to purchase electronic assistive voting systems and to defray operating costs of the assistive voting equipment, up to \$600 per polling place per year. With any remaining money from this allocation, counties can purchase a precinct-count or central-count optical scan electronic voting system.

Other appropriations are:

- \$6 million to help counties that do not have sufficient remaining grant money after purchasing an electronic assistive voting system, to purchase new optical scan voting equipment that would verify votes, and allow for votes to be corrected before the voter's ballot is cast and counted;
- \$3 million is available to the Office of the Secretary of State to help defray any administrative costs associated with implementing this act, including training; and
- \$290,000 to the office for grants to counties and municipalities to improve access to polling places for individuals with disabilities. (Sec. 34)

### **Making a plan**

Even though votes would be cast and counted electronically, the law calls for the paper ballot to be preserved as an official



PHOTO BY TOM OLMSCHIED

**A new law puts Minnesota on the road to compliance with the federal Help America Vote Act and provides for distribution of almost \$38.3 million in federal grant money.**

record of the vote.

A working group of local election officials is to be established in each county to create a local equipment plan and establish procedures. The plan must describe procedures for implementing the voting systems, define who is responsible for any capital or operating costs and outline how the federal money from the HAVA account will be spent.

The county board of commissioners must adopt the plan after a public hearing. (Sec. 35)

### **Combining resources**

The new law also addresses cases where it might be more convenient and cost-effective for separate precincts to combine polling places. It also allows for this to happen for noncontiguous precincts located in one or more counties. (Sec. 2)

## **EMPLOYMENT**



### **Pay increases on the way**

The approximately 50,000 Minnesotans who earn minimum wage are going to receive a pay raise.

Effective Aug. 1, 2005, a new law requires employers with annual gross sales of at least \$625,000 to increase the minimum wage from \$5.15 an hour to \$6.15 an hour. Employers with annual gross sales less than \$625,000 will need to increase the minimum wage from \$4.90 an hour to \$5.25 an hour. Employers will be able to pay employees under 20 years of age \$4.90 an hour for the first 90 consecutive days of employment.

According to the U.S. Department of Labor, the federal minimum wage for covered, nonexempt employees is \$5.15 an hour.

The state's last minimum wage increase for employees of larger companies was Sept. 1, 1997, and Jan. 1, 1998, for employees of smaller companies.

Rep. Tom Rukavina (DFL-Virginia) and Sen. Ellen R. Anderson (DFL-St. Paul) sponsored the law.

HF48/SF3\*/CH44

### **Employees compensation plan**

A new law will put unclassified employees of the State Board of Investment under a new compensation plan as of July 1, 2005.

According to House sponsor Rep. Neil W. Peterson (R-Bloomington) "unclassified employees who are not now covered by collective bargaining (will) be compensated under the terms of a compensation plan that (the board) would adopt."

Senate President James P. Metzen (DFL-South St. Paul) is the Senate sponsor.

The board is having trouble retaining employees because private sector companies can offer better compensation plans.

Once the board establishes a compensation plan, it must be submitted to the Department of Employee Relations for review within 14 days. Under the law, the Legislature and the Legislative Coordinating Commission must also approve the plan.

Another provision exempts the executive director from the salary cap placed on commissioners that maximized their compensation at



PHOTO BY SARAH STACKE

**For the first time since Jan. 1, 1998, the state's minimum wage will increase.**

95 percent of the governor's salary.  
HF1692\*/SF1598/CH55

### **Rulemaking requirements changed**

The commissioner of labor and industry's standard industrial classifications list rulemaking requirements will change Aug. 1, 2005, under a new law. The change authorizes the use of the North American industry classifications of employers.

Previously, the commissioner was required to adopt a rule specifying a list of standard industrial classifications of employers. Employers specified on the list were required to establish a written workplace accident and injury reduction program.

Beginning in 1997, the standard industrial classification system was replaced by the North American industry classification system, which was designed as the index for statistical reporting of all economic activities of the United States, Canada and Mexico and reorganized industry categories on a production and process-oriented basis.

The new law, sponsored by Rep. Joyce Pappin (R-Rogers) and Sen. Thomas M. Bakk (DFL-Cook), will require the commissioner to adopt a rule specifying a list of either standard industrial classifications of employers or North American industry classifications of employers.

The provision was in the omnibus jobs and economic development bill passed by the House, but not the Senate, in 2004.

HF598/SF1405\*/CH86

### **Changing workers' compensation**

Workers' compensation provisions will be changed to adopt recommendations made by the Workers' Compensation Advisory Council, under a new law.

The law clarifies that emergency management program volunteers must be acting under the direction of and within the scope of duties approved by the state or a political subdivision to collect benefits if they are hurt while working.

Another provision authorizes certain administrative conferences to be held for medical disputes if the disputed amount is \$7,500 or less.

An employer is authorized to designate a pharmacy or network of pharmacies that its employees must use to obtain outpatient prescriptions and nonprescription medications payable under workers' compensation law, under the law. An employee is not limited to those pharmacies if one is not located within 15 miles of his or her residence.

The requirement for insurers and self-insured employers to file annual statements with the labor and industry commissioner detailing their legal fees for the year has been eliminated, under the law.

The legislation requires the deposit of certain penalties in the assigned risk safety account in lieu of the special compensation fund, and modifies the definitions of paid

indemnity losses and standard workers' compensation premium for special compensation fund purposes.

The parent is the presumed guardian of minor employees, according to the law. It also authorizes electronic submission of health care provider bills, expands certain collective bargaining agreement validity recognition requirements and specifies the liability of employers for payment of compensable workers compensation claims upon insurer insolvency.

A special provision for North Dakota employees will be created to limit the circumstances under which an employee hired in that state by a North Dakota employer could receive benefits under Minnesota law for injuries incurred while temporarily working in Minnesota.

Such an employee, who works in Minnesota fewer than 15 consecutive calendar days, or a maximum of 240 hours in a calendar year, will receive benefits under North Dakota law.

That provision is effective Oct. 1, 2005. All other provisions are effective either May 26, 2005 or Aug. 1, 2005.

Rep. Tim Wilkin (R-Eagan) and Sen. Thomas M. Bakk (DFL-Cook) sponsored the legislation.

HF1859/SF1716\*/CH90

### **Watershed managers pay raise**

District watershed managers will see a compensation increase from \$55 to \$75 a day, under a new law.

Sponsored by Rep. Morrie Lanning (R-Moorhead) and Sen. Rod Skoe (DFL-Clearbrook), the compensation is for meetings and the performance of other necessary duties. "Managers are entitled to reimbursement for traveling and other necessary expenses incurred in the performance of official duties," according to the law.

The House version originally included language pertaining to managers and designated staff being able to enter onto private lands with written authorization, which has been the longstanding practice around the state. However, that provision did not make the final language.

The law is effective Aug. 1, 2005.

HF1309/SF1371\*/CH103

### **An end to 'dumping' by employers**

Changes to the state's unemployment law are designed to end "dumping," which occurs when employers use mergers, acquisitions or restructuring schemes to try to lower their unemployment experience ratings.

Sponsored by Rep. Anthony "Tony" Sertich



(DFL-Chisholm) and Sen. Ellen R. Anderson (DFL-St. Paul), the new law will change the unemployment law to curb state unemployment tax act (SUTA) avoidance and make Minnesota law consistent with the federal SUTA Dumping Prevention Act of 2004.

Minnesota, like other states, distributes unemployment insurance costs among employers through an unemployment experience rating based on the number of former employees who have received unemployment benefits.

Some employers try to “dump” their poor ratings by changing or merging companies or shifting employees between companies. The “dumping” compromises the rating system by shifting the cost of one employer’s unemployment experience to other employers.

The law will require a corporation to report workers on a wage detail report if the corporation is the only member of a limited liability company that is disregarded for federal income tax purposes. That provision takes effect Jan. 1, 2006.

A number of technical and housekeeping changes to Minnesota’s unemployment insurance law, also included in the new law, are effective July 1, 2005.

HF898\*/SF944/CH11

### **Employee appeals procedure**

Provisions regarding state employees, requested by the Department of Employee Relations, are effective Aug. 1, 2005, under a new law.

Sponsored by Rep. Joe Hoppe (R-Chaska) and Sen. Betsy L. Wergin (R-Princeton), the law changes appeals of state employees not covered under collective bargaining agreements, such as discharge, suspension without pay or demotion, to the Bureau of Mediation Services from the Office of Administrative Hearings.

Under the new law, “within 10 days of an employee’s written notice of appeal, the commissioner of the Bureau of Mediation Services shall provide both parties with a list of potential arbitrators. . . . If an arbitrator finds, based on the hearing record, that the action appealed was not taken by the appointing authority for just cause, the employee shall be reinstated to the position, or an equal position in another division within the same agency, without loss of pay.”

If there are sufficient grounds for the employer’s action, but the hearing record established extenuating circumstances, “the arbitrator may reinstate the employee, with full, partial, or no pay, and may modify the appointing authority’s action. The appointing authority shall bear the costs of the arbitrator hearings.”

Language is also removed from statute that a correctional employee may be required to retire at age 55. Additionally, correctional personnel beyond that age are no longer required to make a written request to continue employment or take an annual physical establishing the employee’s ability to work.

HF1748\*/SF1530/CH114

### **Food workers to retain benefits**

School food service workers who have had unemployment insurance benefits throughout the summer, but would have seen them end in 2005, will have those benefits made permanent.

The new law will provide the benefits to approximately 125 employees who work in food service in schools.

The Legislature approved the benefits in 2000 and 2002, but each law had a two-year sunset.

Under former law, wages earned from employment with an educational institution were not considered for unemployment purposes during the summer break. The new legislation will make food service workers’ wages considered if they are employees of private employers under contract to work at elementary or secondary schools.

Sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. Dan Sparks (DFL-Austin), the law is effective retroactively from Dec. 31, 2004.

HF400\*/SF546/CH115

### **Migrant worker violations increased**

Failure to pay migrant workers their required wages and benefits will cost employers more in penalties, under a new law.

The law will increase from \$250 to \$500 the penalty for employers who fail to comply with the terms of an employment statement provided to a migrant worker and with statutory requirements for the payment of migrant workers. The penalty will also apply to employers who fail to pay wages to migrant workers within the time period required by law, such as paychecks every two weeks.

Employers who fail to pay wages on time after employment is terminated will also face increased penalties. Current law requires a discharged employee who lives away from home to be paid within 24 hours, and makes employers who do not comply with this requirement liable for the employee’s reasonable expenses for remaining away from home.

Under new law, if wages are not paid within two days of employment termination, the employer will have to pay the employee two times the average amount of his or her daily wage from the time of termination until pay-

ment has been made in full.

The timeframe for employers to provide benefits or wage supplements due to employees will be reduced. Formerly, employers would face a gross misdemeanor if they failed to provide the benefits within 60 days after they were due. The new law shortens the time period to 30 days.

Sponsored by Rep. Karen Clark (DFL-Mpls) and Sen. Ellen R. Anderson (DFL-St. Paul), the legislation is effective Aug. 1, 2005.

HF1914/SF1984\*/CH127

### **Search firms receive exemption**

Search firms are not the same as employment agencies, according to a new law exempting the firms from employment agency licensing requirements.

Sponsored by Rep. Dean Simpson (R-New York Mills) and Sen. Thomas M. Bakk (DFL-Cook), the legislation will reenact a provision that was repealed in the 2001 Legislature and took effect July 1, 2003.

Under the new law, effective Aug. 1, 2005, a search firm will be exempted from employment agency regulations if:

- it is retained by, acts on behalf of, and is only compensated by the employer;
- the candidate retained by the search firm does not have to pay a fee for the firm’s services;
- it does not encourage anyone it has placed with an employer to terminate the employment; and
- it does not in any other way act as an “employment agency.”

If these conditions are not met, the firm will be considered an employment agency and subject to its licensing regulations.

The law will prohibit an employer from requiring an employee who has been placed by a search firm to pay any of the search firm’s fee. A search firm will be prohibited from offering employment agency services at the same location.

HF742\*/SF1404/CH134

### **Clarifications made for state employees**

A new law makes technical changes to state provisions regarding the Department of Employee Relations.

Effective Aug. 1, 2005, the law simply changes some language so that a 2004 law addressing the hiring process is clearer. Rep. Randy Demmer (R-Hayfield) and Sen. Claire A. Robling (R-Jordan) sponsored the law.

The phrase “in good standing” is stricken in reference to applicants who are former permanent or probationary employees of the job class under consideration for employment,

and state entities will be allowed to search the state employment database to fill temporary jobs, or when necessary, under the new law.

Another provision allows the department to notify employees electronically of insurance benefit changes, "including but not limited to, information necessary for open enrollment elections."

People who do not have access to a computer would still receive information by mail.

HF973\*/SF1208/CH144

### **'Wage' is defined**

The Minnesota Fair Labor Standards Act definition of wage will be modified to include compensation by electronic transfer to an employee's payroll account, under a new law, which will also regulate the payment of wages through the accounts.

Payroll debit cards allow an employee's net pay to be applied to a payroll account. The employee can then use the card to make purchases and withdraw cash at ATMs. An estimated 13 percent of workers do not have a bank account and often use check-cashing stores, which charge an average of 2.5 percent to cash checks. Payroll accounts allow wages to be electronically transferred, eliminating the need for check cashing.

Employers offering electronic fund transfers of wages will be required to disclose to employees, in writing, all wage payment options and the terms, conditions, rights, liabilities and responsibilities under each option. The written disclosure will need to include certain information, such as fees that would apply.

Employers will only be allowed to initiate payment by transfer to a payroll card account by receiving an employee's signed, written consent.

The law requires that an employee must be able to withdraw, by a free transaction, wages transferred to the account on the employee's regular payday. Employers will be required to provide employees, upon request, one free transaction history each month.

The linking of payroll cards and accounts with credit, including loans against future pay and cash advances, will be prohibited. Employers will also be prohibited from using personal information generated by an employee's use or possession of the card or account for any purpose other than processing transactions and administering the account.

The law is effective June 3, 2005. The amendments made in the law will expire on May 31, 2007.

The legislation was sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Dan Sparks (DFL-Austin).

HF2141/SF2093\*/CH158

## **ENERGY**



### **Renewable eligibility extended**

The wait is over for Minnesotans seeking an eligibility extension for wind incentive payments.

A new law will extend until Dec. 31, 2005, the 18-month timeframe in which a wind facility must begin operating or lose its eligibility for state incentive payments. The law is effective May 6, 2005.

Those who qualify for the extension, or are approved to receive incentive payments after Jan. 1, 2005, will be paid 1 cent per kilowatt-hour over a 10-year period. Owners of the wind facilities had originally sought payments of 1.5 cents per kilowatt-hour.

Facility owners requested the law, sponsored by Rep. Tony Cornish (R-Good Thunder) and Sen. Julie A. Rosen (R-Fairmont), after the federal Production Tax Credit, which investors can use against passive income to reduce tax liability, was unavailable between January and November 2004. Without the credit, some people were unable to secure the financial backing they needed to go forward with their projects.

The Renewable Energy Production Incentive was created to support the development of wind energy.

HF218\*/SF817/CH40

### **Law calls for wind energy tariffs**

An omnibus energy law includes a wind energy tariff, and specifies conditions under which the Public Utilities Commission (PUC) can approve tariffs that would allow utilities to automatically recover certain transmission costs.

In order to receive permission from the PUC to construct a high-voltage transmission line, an applicant is required to show the relationship of the line to the regional energy needs in the state transmission plan, the benefits of enhanced regional reliability or lower costs to consumers. Applicants will also need to show that they are complying with the state's renewable energy objective.

The Legislative Electric Energy Task Force must convene a group of stakeholders representing utilities, consumer advocates and affected state agencies to determine if current state processes could be modified to increase the efficiency and effectiveness of siting and routing of transmission lines. A second working group will need to make recommendations regarding alternative methods of compensation paid to landowners over whose land transmission lines are routed. Both reports are due to the Legislature by Jan. 15, 2006.

Public utilities, municipal power agencies, and generation and transmission cooperatives will be required to establish a community-based energy development tariff, under the law. The tariff will be used to promote wind projects throughout the state.

The PUC will be directed to take regional impacts on the electricity grid into account when evaluating need under the certificate of need process.

The law provides for a joint venture between the Virginia and Hibbing municipal utilities to retrofit coal-fired generation facilities to utilize biomass fuels. It also provides criteria and requires third-party oversight for harvesting woody biomass on state land, requires the preparation of annual fuel plans and the development of guidelines or best management practices for sustainably managed woody biomass at the municipal utilities' expense.

The law also provides for a statewide study to determine the impact on rates and reliability of increasing wind capacity in Minnesota to 20 percent of state retail electricity sales by the year 2020.

An account by the Commerce Department will be established and authorized to make a onetime assessment to all regulated utilities of \$300,000 to establish an e-filing system that will allow documents to be filed and retrieved via the Internet.

The law allocates \$150,000 in fiscal year 2006 from available funds in the renewable development account to the Agricultural Utilization Research Institute for disbursement over three years as grants for a project that uses soy diesel generators as backup power for wind energy conversion systems.

These provisions are effective Aug. 1, 2005.

Authority to route and site high-voltage electric lines and large energy facilities will be transferred from the Environmental Quality Board to the PUC, effective July 1, 2005.

The law allows the city of Alexandria to obtain authority to provide local service or interexchange service and enter into joint ventures to provide the niche services. That provision takes effect the day after the city's governing body and chief clerical officer certify local approval.

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

HF1344/SF1368\*/CH9

## **ENVIRONMENT**



### **Iron nuggets facility gets permit OK**

A new law will make some adjustments to the statutory provisions governing the first



iron nugget production facility in the state.

A 2004 law exempted from certain environmental review the Hoyt Lakes Mesabi Nugget facility. The goal was to ensure a new process of producing high-quality iron nuggets from iron ore moved from demonstration to production in Minnesota ahead of nugget development efforts in Indiana.

Effective May 6, 2005, the new law makes a technical change to the statutory description of the hearth furnace used at the facility and extends its permit application timeframe to June 30, 2005.

The permit component of the new law is good news for mercury emissions, proponents said, because the company has discovered new, better technology to control the discharge of mercury in the process water. Though the discovery has extended the permitting process, the proprietary technology is designed to meet the federal Great Lakes Initiative mercury emissions standards.

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

HF1334\*/SF1342/CH37

### Water supply plan approved

A new law will give the city of St. Paul a backup water supply plan in the event of an emergency such as a terrorist threat, drought or contamination.

Effective May 6, 2005, the law grants legislative approval for the Department of Natural Resources to issue the city's water board a consumptive use of groundwater permit to draw more than 2 million gallons per day average in a 30-day period.

The city primarily pulls water from the Mississippi River. Using backup wells would require obtaining the permit.

Under the new law, the permit is subject to a determination by the department that the water remaining in the basin from which the backup wells draw would be adequate to meet the basin's need for water.

Rep. Sheldon Johnson (DFL-St. Paul) and Sen. Ellen R. Anderson (DFL-St. Paul) sponsored the legislation.

HF1327/SF1252\*/CH39

### Forest road easements to be mapped

A new law creates a public process for the Department of Natural Resources (DNR) to record as prescriptive easements the state's interest in state forest roads that cross non-state land.

According to the nonpartisan House Research Department, a prescriptive easement "means the right to use another's property that

is not inconsistent with the owner's rights and which is acquired by use over a specified time (many years typically)."

The DNR estimates there are approximately 13,000 parcels of non-state land crossed by, or contiguous to, state forest road segments.

Effective Aug. 1, 2005, the law will allow the DNR to adopt a state forest road map that lists all of the parcels and establish the procedures it must follow in doing so.

"When state forest road segments on non-state lands are blocked or closed by landowners, many hours of state time are expended to respond to the landowners," according to a DNR legislative summary. "If the road closure effort goes to court, it costs the DNR thousands of dollars to document road use and defend the right of the DNR to use the road."

The new law will give the DNR the ability to address landowner concerns in a consistent manner rather than having to respond to multiple legal proceedings, according to the summary.

The DNR will be required to conduct a public hearing before adopting the map. Property owners directly affected by the easements must receive a notice from the department at least 30 days before the hearing.

The new law provides 120 days after the map is adopted for anyone to appeal a decision to include or exclude recording a road on the map.

Opponents said the process could infringe upon property owners' rights and the due process afforded to them in protecting those rights.

Rep. Denny McNamara (R-Hastings) and Sen. John Marty (DFL-Roseville) sponsored the legislation.

HF1438/SF1326\*/CH101

### Great horned owl protection

A new law clarifies the protected status of great horned owls in Minnesota.

Previously, great horned owls appeared on Minnesota's unprotected birds list, along with such avian cousins as sparrows, blackbirds and pigeons.

Great horned owls are, however, protected under the federal Migratory Bird Treaty Act.

Effective Aug. 1, 2005, the new law will remove the great horned owl from the state's unprotected bird list.

The law was prompted by the concerns of Houston Nature Center Naturalist Karla Kinstler for the safety of an owl she handles named Alice.

Kinstler said that the classification is causing confusion among conservation officers. The uncertainty became apparent during a



PHOTO BY ANDREW VONBANK

**A new law removes the great horned owl from the state's unprotected bird list.**

dispute over construction of Houston's city-funded nature facility, she said.

Because Alice was a symbol of the center, some opponents were threatening to shoot the owl. When Kinstler approached a local state conservation officer about the threats, he told her that he had no jurisdiction over the matter because the great horned owl is on the unprotected birds list.

There are occasions when great horned owls prey on farm animals and in those cases a farmer or landowner can apply for a depredation permit. The new law clarifies that a person who is authorized to take a great horned owl under a federal permit does not need a state permit, as well.

Rep. Ray Cox (R-Northfield) and Sen. Thomas M. Neuville (R-Northfield) sponsored the legislation.

HF419\*/SF628/CH104

### More input into road vacation

The Department of Natural Resources will have greater input into the process when townships and municipalities decide whether to give up public access rights to roads leading to public waters.

Effective Aug. 1, 2005, a new law requires local authorities to consult with the department and increase the timeline for notifying the department, as required under state law, from 30 days to 60 days prior to the local road vacation public hearing.

According to House sponsor Rep. Denny McNamara (R-Hastings), the law was prompted by a situation in Lakeland where the city gave back a 30-foot wide easement to neighboring property owners. Before that, people used the path to access the St. Croix River and fish, McNamara said. The law is designed to protect similar entry points to public waters.

A separate provision, effective June 26, 2005, and expiring on July 3, 2005, provided an exemption allowing athletes in the National Veterans Wheelchair Games to ride in side-facing positions, rather than facing forward, as they are transported in buses between Hennepin and Ramsey counties. Current law prohibits people who use wheelchairs to ride in vehicles in a side-facing position. The Twin Cities is hosting the 25th national event.

Sen. Dennis R. Frederickson (R-New Ulm) is the Senate sponsor.

HF436\*/SF929/CH117

### **Boathouse terminology clarified**

A new law will alter the way the Department of Natural Resources (DNR) manages boathouses on public waters, ground water quantity and the official listing of the state's public waters. Most provisions are effective Aug. 1, 2005, unless otherwise noted.

Boathouses on public waters are prohibited under previous law, except "in areas of historic use for such structures, as determined by the (DNR) commissioner; when approved by the local government unit; and where the boat-house is in existence on public waters prior to January 1, 1997."

The new law will alter the exceptions and clarify the statutory definition of "boathouse."

"Due to problems with definitions in the statute and the rule, people have been trying to find innovative ways to build boathouses on public waters in areas and under circumstances where they are prohibited," according to the DNR.

Previously, the following definitions could be found in state law:

- Boathouse – "a floating structure that is moored by spuds, cables, ropes, anchors, or chains that may be intended for habitation and has walls, a roof, and either an open well for boats or a floor from wall to wall and does not include houseboats."
- Houseboat – "a motorboat that has either a pontoon or a flat-bottomed hull configuration, and a permanent enclosed superstructure housing, at a minimum, built-in sleeping, cooking, and toilet facilities."

Under the new law, the following definitions will apply to structures in or adjacent to public waters:

- Boathouse – "a structure or watercraft that is moored by spuds, cables, ropes, anchors, or chains that may be intended for habitation and has walls, a roof, and either an open well for boats or a floor from wall to wall and does not include watercraft that are designed and operated as motorboats."

- Motorboat – "a watercraft that is designed for and is capable of navigation on the water and that has an adequately sized external or internal mechanical propulsion system for the type of watercraft."

Another provision will allow the department to issue cease and desist orders for illegal activities that adversely affect groundwater. Current law grants it this authority over wetlands and public waters.

The new law also will add depleted quarries and sand and gravel pits, when the water body exceeds 50 acres and the shoreland has been zoned for residential development, to the public waters inventory. Also under the new law, trout stream tributaries may be added or subtracted from the inventory.

Additionally, a DNR commissioner's order relating to activities that affect waters of the state may be recorded or filed as a deed restriction on real property that runs with the land until the conditions of the order are met or the order is rescinded.

Effective June 4, 2005, a provision clarifies that a restrictive covenant placed on wetlands on surplus lands bordering public waters in Scott County that were authorized for sale in a 2003 law applies only to a certain parcel.

Rep. Ray Cox (R-Northfield) and Sen. Dennis R. Frederickson (R-New Ulm) sponsored the legislation.

HF894\*/SF935/CH138

### **State timber management addressed**

A new law should help the Department of Natural Resources manage timber sales more efficiently.

Effective July 1, 2005, the new law addresses public notice and input on the state timber management plan, rewards for state timber trespassing informants and sales procedures.

"Together, the changes will improve customer satisfaction and economic stability, while enhancing state revenues through cost-reduction measures," according to the department.

The new law will require the department to conduct annual public meetings in the forested areas of the state to discuss the way in which its timber sales and management plan will shake out for the upcoming fiscal year.

It does not change the fuelwood permit fee structure, as the House had initially recommended. Such a permit allows people

to salvage or cut down up to 12 cords of fuelwood per year for personal use. The House would have required that the fee cover the department's cost in issuing that permit. The department estimated the average fuelwood permit fee would have increased from \$22 to \$24, but some lawmakers were opposed to leaving the permit fee up to the department's discretion.

Also under the new law, the reward for information leading to timber trespass convictions will be limited to the greater of \$100 or 10 percent of the single stumpage value of any timber unlawfully cut or removed. Previously, state law contained a tiered reward structure of \$25, \$50 or \$100 based on timber value. The new law leaves the offer of a reward up to the commissioner, rather than the previous language that said a reward "shall be paid."

Rep. Greg Blaine (R-Little Falls) and Sen. Thomas M. Bakk (DFL-Cook) sponsored the legislation.

HF823\*/SF802/CH141

### **Cologne gets exemption for trail**

A new law will help the city of Cologne connect its old downtown with its northern expansion via a trail.

Effective Aug. 1, 2005, the city will be granted an exemption to wetland replacement requirements in the construction of a trail on land between Benton Lake and State Highway 284.

Generally, under state law, wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan. There are certain exceptions and the Cologne project will qualify for one, under the new law.

Currently, city residents hike and bike the route along a narrow gravel shoulder. Cologne Mayor Barb Swanson said that she has seen many near-accidents in the area and that the construction of a trail is a public safety issue.

Rep. Paul Kohls (R-Victoria) and Sen. Julianne E. Ortman (R-Chanhassen) sponsored the legislation.

HF2279\*/SF2085/CH143

### **Cleaning up after dry cleaners**

A new law makes permanent the flexibility given to the Pollution Control Agency in 2001 to maintain a minimum balance in a state account that helps Minnesota dry cleaners clean up after themselves.

The Dry Cleaner Environmental Response and Reimbursement Account was established in 1995 to help the dry cleaning industry pay for investigation and cleanup of leaks or spills of dry cleaning chemicals that have



contaminated land or water. Facility owners are responsible for \$10,000 of the costs. Any insurance payments they receive are remitted to the PCA to reimburse the account for remediation expenses.

Annual registration fees paid by dry cleaning facilities and solvent fees collected by retailers of certain dry cleaning chemicals support the fund.

Effective July 1, 2005, the new law will allow the Pollution Control Agency to adjust the fees as necessary to maintain a balance of \$650,000 in the account.

The fund balance fluctuates because there are fewer dry cleaners each year and the chemicals, which carry different fees, change over time, proponents said during committee testimony.

Rep. Tom Hackbarth (R-Cedar) and Sen. Dallas C. Sams (DFL-Staples) sponsored the legislation.

HF1470\*/SF1424/CH157

## Law governs public land transactions

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

Most provisions are effective June 4, 2005, with the exception of a provision regarding a no-build easement in St. Louis County (Sec. 22), which is effective upon local compliance.

The new law changes the way in which the Department of Natural Resources (DNR) acquires scientific and natural areas by allowing the local county board 90 days to approve or disapprove the transaction. If the local officials disapprove, they must state valid reasons. The landowners or DNR may take an appeal to the district court having jurisdiction where the parcel is located and the process may end up for resolution before the Land Exchange Board. (Sec. 1)

Under the law, hunting, trapping and fishing could be permitted in scientific and natural areas when the designating document allows it or the DNR allows for it with the appropriate notice and hearing. (Sec. 2)

Legislative approval is granted in the following land deals:

- Private sale of consolidated conservation (Con-Con) land in Aitkin County (Sec. 4). Con-Con lands were turned over to the state in the 1930s to pay off bonds that were issued to develop drainage ditches for farmland in seven counties. The DNR now manages the lands. The land was turned over during the Depression when many farmers went bankrupt and were unable to pay taxes on the land. The counties gave about 1.6 million acres to the state to avoid defaulting on the bonds;

- Private sale of tax-forfeited land in Beltrami, Itasca, Lake, Rice, St. Louis and Washington counties (Secs. 5, 12, 15, 16, 20, 24);
- Public sale of tax-forfeited land in Itasca and St. Louis counties (Secs. 13, 19);
- Conveyance of tax-forfeited lands in Hennepin County. One parcel would go to the city of Brooklyn Park for a storm water retention area. Another would go to the city of Minnetrista for wetland and wildlife preservation. Two others are authorized to the city of Eden Prairie for wetland purposes (Secs. 6-9);
- Another conveyance of tax-forfeited land in Rice County (Sec. 17);
- Private sale of surplus state land in Hubbard County to "resolve a longstanding unintentional trespass," and others in Lake, Roseau and Wabasha counties (Sec. 10, 14, 18, 23);
- Public sale of surplus state land in St. Louis County (Sec. 21); and
- Easement on state land in Washington County. (Sec. 25)

The new law allows Itasca County to spend money from its environmental trust fund to acquire land for public access purposes. (Sec. 11)

Furthermore, the new law clarifies that a restrictive covenant placed on wetlands on surplus lands bordering public waters in Scott County that were authorized for sale in a 2003 law applies only to a certain parcel. This provision is also included in a new law (HF894\*/SF935/CH138) concerning the state's public waters inventory. (Sec. 3)

Rep. Tony Cornish (R-Good Thunder) and Sen. Thomas M. Bakk (DFL-Cook) sponsored the legislation.

HF814\*/SF896/CH161

## FAMILY



### Birth certificates for stillborns

Parents of stillborn children will be able to receive a birth certificate, under a new law.

Under former law, parents of stillborns in Minnesota could only receive a death certificate.

The law, effective Aug. 1, 2005, is intended to help families deal with the grief of losing an infant.

Sponsored by Rep. Karen Klinzing (R-Woodbury) and Sen. Ellen R. Anderson (DFL-St. Paul), it requires those responsible for filing a fetal death report to advise parents that they can request a record of birth, inform them the record is optional and explain how to obtain a record if they want one.

The state registrar is required to prepare

and file, within 30 days, a record of birth if one is requested.

The law makes birth certificates for stillborns retroactive. A stillbirth that occurred in Minnesota at any time is eligible for a birth certificate by the parents submitting a written request to the state registrar on or after Aug. 1, 2005.

HF947\*/SF1029/CH60

### Abuse in custody cases

When child custody and visitation issues are being considered by the court, domestic abuse will play a greater role in any determination, under a new law.

Sponsored by Rep. Steve Smith (R-Mound) and Sen. Thomas M. Neuville, the measure is effective May 24, 2005.

The bill "returns the focus of the court to the safety of the victim and the child when awarding custody and parenting time in the context of a domestic abuse hearing and order for protection," Smith said.

In the past, domestic abuse issues were only allowed to be heard in family court if the abuse victim was the child. New statute language changes that giving courts more leeway to consider abuse in a broader context.

HF2110\*/SF1920/CH76

### Conservators get investment leeway

Those assigned as court-appointed conservators of a protected parent, child or sibling will have more leeway in managing that person's estate, under a new law.

Sponsored by Rep. Randy Demmer (R-Hayfield) and Sen. David H. Senjem (R-Rochester), the law enables the court, at its discretion, to allow a transaction of beneficial interest to the conservator, as long as the conservator can prove that this transaction is in the best interest of the protected person.

During committee testimony, Larry Dobson spoke about his daughter, Emily Steffens, who had been in a car accident and suffered a traumatic brain injury, and is now under the guardianship of her parents. As court-appointed guardians, settlement money had been allocated for her future needs, current living expenditures and some investments. Dobson wanted to use that portion as an investment in the family business for which his daughter is part owner. The new language would allow the court to consider that type of investment.

Effective July 1, 2005, the law includes all proceedings open or pending on that date.

HF2156/SF1969\*/CH91

## Spousal support collection

Out of the thousands of divorce cases filed annually in the state, few have mandated spousal support and even fewer use a state service to collect the support.

Effective May 27, 2005, a new law clarifies state statute authorizing the Department of Human Services to continue collecting support payments in spousal maintenance-only cases, if mandated by the court.

In August 2004, the department had concluded the statute was ambiguous as to whether it should be providing the service. Letters were sent to parties in the approximately 1,700 cases being handled notifying them that the service would stop in June 2005.

Rep. Tina Liebling (DFL-Rochester), who sponsored the law with Sen. Becky Lourey (DFL-Kerrick), said spousal support is rarely awarded, but can be if there is a compelling reason. Parties who use the department to collect support payments are either older, disabled or have experienced domestic abuse.

A \$15 monthly fee paid by the spouses who pay the support covers the cost of the service.

HF1578/SF1479\*/CH116

## Child support/custody changes

For the first time in more than two decades, the state's child support and custody laws have received an overhaul. The legislation's sponsors herald the new provisions as more reflective of today's family circumstances.

While there is language relating to spousal maintenance, the new provisions focus primarily on how child support will be calculated using the parents' combined gross income.

"We cannot continue to use a tool in Minnesota that was developed decades ago, that does not reflect the true family and societal circumstances of today," said Rep. Steve Smith (R-Mound) who sponsored the law with Sen. Thomas M. Neuville (R-Northfield). "Both parents have an equal duty to provide for the needs of the child."

The law does not allow for modification of custody or child support agreements that are in place prior to Jan 1, 2007. (Sec. 32)

A one-time, six-month review will be held to make sure that compliance of child-support and parenting time is in place. (Sec. 4)

HF1321/SF630\*/CH164

## Support calculation

The law lays out a guide to help courts determine child support based on the parents' combined income. It defines basic support as the dollar amount ordered for a child's housing, food, clothing, transportation and education costs and other expenses relating

to the child's care. It does not include monetary contributions for child-care expense and medical and dental expenses. This is a separate calculation.

Child support may be adjusted every two years based upon a change in the cost of living. (Secs. 5, 26)

## Health care coverage

A significant portion of the new law deals with how health care will be provided for a joint child.

A divorcing couple will need to decide which party must carry health care coverage for the child; the cost of premiums and how it will be allocated between the parties; the circumstances, if any, under which the obligation to provide health care coverage for the joint child shifts from one party to the other; and if appropriate health care coverage is not available for the joint child, whether a contribution for medical support is required.

In determining whether a party has appropriate health care coverage for the joint child, the court must evaluate the health plan using certain factors, including: accessibility to services, comprehensiveness of the policy, affordability and special medical needs of the child. (Sec. 22)

## Child-care provisions

Unless otherwise agreed to by the parties and approved by the court, work-related or education-related child-care costs of joint children are to be divided between the parents, based on the proportionate share of the parties' combined monthly parental income for determining child support. (Sec. 23)

## Fees help cover new costs

To help cover the costs of implementing the new law, \$860,000 is appropriated for fiscal year 2006 and \$450,000 in fiscal year 2007 from the General Fund to the human services commissioner. The state will be able to recoup some of the money through some new fees, effective July 1, 2005, and modifications to ones already being charged. For example, a \$50 fee will be added on to the fee already charged to those filing for divorce. (Secs. 2-6, 30)

Additionally, the law modifies numerous other fees relating to child support. For example, \$20 from each fee collected for modifications to child support agreements will go into the county's general fund to help pay for county child support enforcement efforts and \$35 will be credited to the state General Fund. (Secs. 1-3)

The bill also calls for an evaluation of the economic impact of the new guidelines to be completed through a private vendor. The human services commissioner is to report back

to the Legislature by Jan. 20, 2006. (Sec. 28)

## GAMBLING



### Texas hold'em is now law

Permitting Texas hold'em is one of the many gambling changes in the omnibus policy gaming law.

Rep. Tom Hackbarth (R-Cedar) and Sen. Ann H. Rest (DFL-New Hope) sponsored the legislation that also regulates lottery service businesses and exempts games that simulate horsing racing as games of chance.

The law adds the popular Texas hold'em card game to the list of games permitted in tournaments or contests, provided participation is limited to people at least 18 years of age, does not provide any direct financial benefit to the organizer, and offers \$200 or less in prizes.

Accommodations for players with disabilities will be required, such as using Braille cards for players who are blind and announcing cards visible to the entire table.

The provision, effective June 4, 2005, originated from a bill sponsored by Hackbarth to legalize Texas hold'em. It now joins the list of games legally allowed for tournaments or contests: cribbage, skat, sheephead, bridge, euchre, pinochle, gin, 500, smear and whist. (Art. 4, Sec. 1)

Also effective June 4, 2005, games or devices that simulate horse racing and do not involve a prize payout will be exempted from the definition of "video game of chance." Video games of chance are games that simulate gambling, such as poker, blackjack or craps. (Art. 3, Sec. 1)

A number of the law's provisions are effective Aug. 1, 2005.

- Several modifications are made to bingo, including defining "bar bingo" as a bingo occasion at a location licensed to sell alcohol and has a permit for lawful gambling. Although no limits on the number of bingo games that could be played during a bingo occasion have been imposed, an occasion will not be allowed to last longer than eight consecutive hours. (Art. 1, Secs. 1-2)
- References to bingo halls will be deleted from the list of powers and duties of the Gambling Control Board as will references to bingo halls from conflict of interest statutes for board members and staff. The law also repeals and deletes references to bingo hall licenses and bingo halls from the law authorizing a local investigation fee. (Art. 1, Secs. 8, 12, 13, 15)
- "Noon-hour bingo" references will be replaced with "bar bingo" and the game can be played other than from 11 a.m. to 2 p.m.





PHOTO BY TOM OLMSCHEID

**Texas hold'em is added to the list of games permitted in tournaments or contests, provided players are at least 18 years old, the games do not provide any direct financial benefit to the organizer, and offers \$200 or less in prizes. Other games legally allowed for tournaments or contests include cribbage, skat, bridge, euchre and gin.**

(Art. 1, Sec. 17)

- Raffles with total annual prizes not exceeding \$1,500 can be conducted without registering with the board. (Art. 1, Sec. 22)
- The requirement that each player in a tipboard game must sign the game placard at the time the ticket is purchased and opened will be amended to make the requirement apply only to games with more than 32

tickets. The maximum tipboard prize will be increased from \$500 to \$599. (Art. 1, Secs. 28, 34)

- Lottery service businesses, which are businesses that purchase lottery tickets for customers for a fee or commission, will be regulated. They will be required to disclose how much of the subscribers' fees are used to buy tickets, and be required

to give unclaimed prizes, and interest earned, to the public safety commissioner for deposit in the General Fund on July 1 of each year. A prize will be considered unclaimed if good faith efforts are made to distribute more than \$25, but the money has not been distributed within one year. (Art. 2, Sec. 1)

And, effective July 1, 2006, the law will increase from 55 percent to 60 percent the maximum percentage of gross profit that may be spent on expenses for gambling other than bingo. The calculation must be made biennially, concurrent with the license term. (Art. 1, Sec. 7)

HF1801/SF1555\*/CH166

## ★ GAME & FISH

### **Silencers allowed for DNR officials**

A new law allows wildlife control officers to muffle firearms during operations that require stealth.

Effective May 28, 2005, Department of Natural Resources (DNR) employees or individuals operating under a DNR contract for wildlife control purposes are allowed, until July 1, 2011, to use silencers on firearms.

Under the new law, the DNR is required to establish and enforce a written policy governing transportation, possession and storage of the devices. It limits the number of devices to no more than 10 and requires the DNR to keep direct custody and control of the silencers when they are not in use.

Silencers are already legal for peace officers to use in tactical emergency response operations against criminal activity.

The law was prompted by a situation on Little Pelican Island on Leech Lake where natural resources officials are attempting to thin the double-breasted cormorant population. The cormorants are threatening the lake's walleyes, according to the area's aquaculture industry.

Six years ago there were about 260 nesting pairs of cormorants on the lake, according to Rep. Larry Howes (R-Walker), the House sponsor. Today, he said, there are more than 5,000 nesting pairs and each bird eats an average of one pound of fish per day.

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

HF42\*/SF149/CH102

### **New hunting/fishing rules in place**

Limiting "palaces in the poplars" on public lands, quashing unsportsmanlike computer conduct and improving the quality of walleye in Minnesota lakes are three of the goals of a



PHOTO BY TOM OLMSCHIED

**The statewide walleye length limit is changed, under a new law that also clarifies the way fish length is measured to account for species that have a lower jaw that extends beyond the nose.**

new omnibus game and fish law.

Most provisions are effective Aug. 1, 2005, unless otherwise noted.

Under the new law, anglers will see the statewide walleye length limit changed from one over 24 inches to one over 20 inches. The new limit takes effect March 1, 2006. Another fishing-related provision clarifies the way fish length is measured — from the tip of the nose or jaw to the tip of the tail, whichever is longer — to account for species that have a lower jaw that extends beyond the nose. (Secs. 44, 47)

Waterfowl hunting provisions in the new law place restrictions on leaving waterfowl decoys unattended for more than four consecutive hours to prevent hunters from “holding” prime spots.

Under the new law, motorized decoys are prohibited on all waters during the early part of the duck season; the prohibition is year-round on water bodies fully contained within wildlife management areas. Motorized devices designed to attract waterfowl may be restricted by DNR rule at other times. Currently, the motorized devices are restricted only on public waters early in the duck season and there is an exemption for goose hunting. This has led to some confusion, according to the DNR. (Secs. 41, 42)

“The closure of certain areas during the season is to provide some areas where waterfowl hunters using traditional decoying techniques may be more able to successfully hunt, without having to compete with the more effective motorized decoys,” according to the DNR. “Research in Minnesota found that 4.7 times more mallards were taken when

the decoys were turned ‘on’ than when they were turned ‘off.’”

The new law will allow the department to give first preference in hunting and fishing license lotteries to qualified members of the armed forces, including the National Guard, or veterans. (Sec. 17)

Effective June 4, 2005, a Minnesota resident who is currently serving or who has served at any time during the past 24 months will qualify.

They still will be required to purchase a hunting license but they will move to the front of the line in the special lotteries conducted by the department. The preference will not apply to the moose, elk or prairie chicken hunts, but antlerless deer, moose, bears or wild turkeys could be in the crosshairs.

Another provision, effective June 4, 2005, prohibits the use of computer-assisted remote hunting, such as over the Internet. A real-world example of this is a Texas ranch that has set up an unmanned rifle attached to video cameras and wires that will pull the trigger at the click of a mouse. (Sec. 31)

Effective Aug. 1, 2006, the new law specifies “any unoccupied permanent stand or blind on public land is public and not the property of the person who constructed it.” Proponents of this provision said they wanted to prevent hunter conflicts in the woods. Elaborate stands assert a false sense of ownership, they said. (Sec. 32)

A House-Senate conference committee removed House language that would have prohibited any permanent stand or blind on public land from having a permanent roof or a permanent wall.

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

HF847\*/SF789/CH146

## ★ GOVERNMENT

### **Cooperative purchasing authorized**

Day training and rehabilitation services are authorized to participate in cooperative purchasing, under a new law.

Sponsored by Rep. Marty Seifert (R-Marshall) and Sen. Linda Higgins (DFL-Mpls), the change allows for facilities to contract with the state for goods and services without submitting a bid, a process some facilities already participate in. An example would be collating state records.

Also, the groups are added to the state purchasing alliance that allows purchasing of goods through state-authorized vendors. Many times the alliance can offer much lower prices for goods, such as vans for transportation.

The idea for the law came from the Governor’s Council on Developmental Disabilities and is supported by the Minnesota Developmental Achievement Association and the Minnesota Habilitation Coalition.

The groups work to find and maintain employment for developmentally disabled adults, along with retirement programs, recreation, transportation and behavior support.

The law is effective March 15, 2005.

HF871\*/SF548/CH9

### **Administrative office changes**

A “housekeeping” proposal from the Office of Administrative Hearings is now law.

Effective Aug. 1, 2005, the law makes several changes requested by administrative law judges, including: requiring the Office of the Revisor of Statutes to distribute three copies of the Minnesota Rules to the office, allowing a judge to set procedures for all hearings conducted and requires state licensing agencies to report back to a law judge within 90 days of the record of a proceeding being closed.

Supporters said that previous laws don’t account for judges setting procedures for hearings in cases referred to the office, including those related to the Help America Vote Act, contested case proceedings related to municipal boundary adjustments and the Fair Campaign Practices and Campaign Finance Act.

Rep. Marty Seifert (R-Marshall) and Sen. David H. Senjem (R-Rochester) sponsored the law.

HF1036\*/SF1158/CH16



### State to use design build contracts

State construction projects can be contracted a different way, under a new law.

The change “would modernize and update our ability for the state Department of Administration, the University of Minnesota, and Minnesota State Colleges and Universities to utilize construction manager at risk or design-build techniques in building major capital projects,” said Rep. Michael Beard (R-Shakopee), who sponsored the law with Sen. Richard J. Cohen (DFL-St. Paul).

The law is effective May 25, 2005.

The design-build process includes a contract established with a single company to perform both the design and construction of a project. Supporters say it allows the owner and designer to become involved early and derive the best value.

A design-build contract is defined in the law as, “a contract between the commissioner and a designer-builder to furnish the architectural, engineering, and related design services as well as the labor, materials, supplies, equipment, and construction services for a project.”

Traditionally state contracts have been a design-bid-build process, where a contract with an architect is established to create the construction documents and then the project is bid out.

The law also allows a construction manager at risk, where the constructor has initial input during the design and is thus faster than the traditional method of design-bid-build.

Also, job order contracting is permitted on projects up to \$250,000. According to the law, it is defined as “a project delivery method that requests a limited number of bids from a list of qualified contractors, selected from a registry of qualified contractors who have been prescreened and who have entered into master contracts with the commissioner.”

HF1460/SF1335\*/CH78

### Claims against the state to be paid

A new law will authorize the payment of \$45,142 to the Department of Corrections in various claims against the state.

A claim against the state is filed when someone cannot otherwise take legal action against state agencies, under Minnesota’s tort law.

The Joint House-Senate Subcommittee on Claims, consisting of three representatives and three senators, was established in 1976 to hear each individual claim and decide whether to pay it.

It meets annually to determine which petitions alleging personal injury or property damage will be funded. The subcommittee then forwards a recommendation to the

House and Senate. All state agencies are eligible to receive funding to cover the claims.

Most claims included in the new law stem from injuries suffered by inmates and people performing community service and sentence-to-service work. One claim will reimburse a corrections employee for eyeglasses damaged by an inmate.

Effective July 1, 2005, the new law will increase from \$250 to \$500 the amount the Corrections and Human Services departments can pay to reimburse an employee for property damage caused by patients or inmates in an attempt to escape an institution.

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

HF2371/SF2160\*/CH128

### State to lease building

A private tenant can lease a state-owned building less than two blocks from the Capitol for the purpose of a child-care and after-school facility, under a new law.

Sponsored by Rep. Joyce Peppin (R-Rogers) and Sen. Mady Reiter (R-Shoreview), the law designates that the empty building at 168 Aurora Ave. can be leased for up to 10 years.

“This building is currently slated for demolition for a small parking lot. The demolition could cost the state hundreds of thousands of dollars and is not a good use of taxpayer money,” said Peppin.

Berean Church occupies an adjacent building and its leaders expressed an interest in leasing the vacant building.

Under the law, if a faith-based organization leases the building, it may not “promote any

particular faith and must operate in a nondiscriminatory manner.”

The new law is effective June 4, 2005.

HF2133\*/SF2076/CH145

### State government funding

From funding some state offices, laying out election guidelines to recognition of the military, the state government finance law covers a lot of ground.

Included is nearly \$597 million in General Fund spending for state agencies and the Legislature. When special funds are included the law’s total reaches \$635.1 million.

Rep. Marty Seifert (R-Marshall) and Sen. Sheila M. Kiscaden (IP-Rochester) are the sponsors of the measure.

The following are highlights of the law, effective July 1, 2005, unless otherwise noted.

HF1481\*/SF1285/CH156

### Appropriations

The law represents a 2.5 percent reduction from the 2004-05 biennium for most state departments and constitutional offices, compared to 10 percent to 15 percent in the previous biennium.

Among the reductions is the elimination of the Commission on the Economic Status of Women with its duties transferred to the Legislative Coordination Commission. (Art. 1, Sec. 2)

Some areas will see funding increases: Department of Veterans Affairs for special programs, Department of Revenue for additional tax compliance, Office of the State Auditor for the restoration of audit practice staff and the Gambling Control Board for



PHOTO BY ANDREW VONBANK

**A state-owned building less than two blocks from the Capitol can be leased to a private tenant for the purpose of a child-care and after-school facility.**

additional staffing. (Art. 1, Secs. 4, 11, 15-18)

### **New policies**

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

The Legislative Coordinating Commission must coordinate efforts between the House and the Senate to provide wireless Internet service in the Capitol and State Office Building. (Art. 1, Sec. 2)

Local governments can file a written resolution in protest of state mandates to the state auditor. The auditor's Web site is to list the mandates with the names of the entity filing the resolution.

The law establishes an application procedure for local governments to request a waiver or exemption from state mandates. School districts "may not seek a waiver of rules under this section if the commissioner of education has authority to grant a variance."

Applications can be dismissed if they violate federal law, the federal or state constitution or the loss of services to people who are entitled to them. (Art. 2, Secs. 3-4)

The State Board of Investment is responsible for administering and directing the investment of state funds and the pension assets of the statewide public pension systems. Certain information monitored by the State Board of Investment is made "nonpublic," including all financial, business or proprietary data collected, created, received, or maintained by the state board in connection with its venture capital and real estate investments. (Art. 2, Sec. 7)

Public employers are prohibited from preventing a peace officer or firefighter from wearing a United States of America flag patch or pin that does not exceed 3 inches by 5 inches in size. If an employer does not comply, the state's attorney general can bring an action in district court. (Art. 2, Sec. 12)

State contracts of \$50 million or greater must get approval under a "cost-benefit analysis" to be done by the administration commissioner or other executive agency official. An analysis must show benefit to the public and applies to contracts for goods or services expected to have a useful life of more than three years. (Art. 2, Sec. 22)

The law authorizes the Administration Department to use forward pricing mechanisms to buy energy for state facilities up to two years in advance. (Art. 2, Sec. 23)

The law calls for the sale of at least \$6.1 million worth of state lands by June 30, 2007. The governor is instructed to reduce the Administration Department's General Fund budget by the amount of the difference, if the target is not reached. (Art. 2, Sec. 45)

A city or county with a population of more than 15,000 must annually notify residents

of the base salaries and positions of the three highest paid employees. The information can be either on the entity's Web site for at least 90 consecutive days, in a publication that is distributed to all residents, or as part of the yearly notice of proposed property taxes. (Art. 2, Sec. 39)

An Office of Enterprise Technology is established to replace the current technology office under the Administration Department. As part of the governor's Drive to Excellence campaign to create efficiencies in government, the office will be independent and be overseen by a chief information officer appointed by the governor. The officer will have oversight of the direction for information and telecommunications technology policy, and the management, delivery and security of information and telecommunications technology systems and services in the state. (Art. 5)

### **Public information and media**

The House may receive sponsorships for broadcast and print media in an effort to help pay the costs of legislative television and publications. (Art. 1, Sec. 3)

Another provision defines public Web sites and publications, in addition to prescribing what information can be included. The law applies to counties, cities, towns, school districts, municipalities, the Metropolitan Council and metropolitan or regional agencies.

The purpose of the Web site or publication is to provide information about the duties or jurisdictions of a state agency, or to help with access to services and information.

Prohibited from display are pictures and material that could be attributed to an individual or group instead of the public office, state agency or political subdivision. The publication cannot use words "with the compliance of" or have letters of personal greeting that promote an elected or appointed official of a state agency or political subdivision.

A Web site cannot contain a link to a Weblog or site maintained by the candidate, a political campaign committee, a political party or party unit, a principal campaign committee or a state committee. (Art. 2, Sec. 6)

### **Military**

"Support Our Troops" license plates are established, at a cost of \$40 to an applicant, with \$10 for handling and manufacturing the plate and \$30 dedicated to the "Support Our Troops" account. The funds would be used to support grants for eligible individuals, grants to foundations and veterans' services. (Art. 2, Secs. 30-31)

Military personnel will receive added benefits, including 100 percent tuition reimbursement for National Guard and reserve

soldiers and re-enlistment incentives for retired members would be paid at a higher rank than when they retired based on special skills or experience of a person called back to duty. (Art. 4, Secs. 2, 4)

The Minnesota National Guard Youth Camp at Camp Ripley is appropriated \$60,000 to help maintain the campgrounds and continue the program. The camp serves children between the ages of 10 to 15 and supports activities such as soccer, biking, rifle safety, flag history and etiquette. The program attempts to help children cope with the stress and separation caused by the military duty or a parent, sibling or guardian. (Art. 1, Sec. 16)

The Department of Veterans Affairs will receive increased funding for grants to the Veterans of Foreign Wars, Military Order of the Purple Heart, Disabled American Veterans, Vietnam Veterans of America and Underserved Veterans Outreach Assistance. (Art. 1, Sec. 17)

A memorial plaque to honor Minnesota veterans who served in the Persian Gulf War is to be placed in the Court of Honor on the Capitol grounds. Rep. Judy Soderstrom (R-Mora), who sponsored the House provision, said the plaque is "to recognize the valiant service to our nation by thousands of brave men and women who served honorably as members of the United States armed forces during the Persian Gulf War." (Art. 4, Sec. 11)

### **Elections and campaign finance**

A bill that was Gov. Tim Pawlenty's first veto of the session was reworked and is part of this law. It specifies that if in a municipality or county there are no partisan or nonpartisan offices for which nominees must be selected, the governing body may decide that no primary will be held.

The vetoed language was not clear in defining a nominee. It referred only to a situation where one person was seeking the elected position. In his veto message, Pawlenty said that the need for a primary is not based on the number of people seeking an office, but whether the elective office requires the conducting of a primary to select nominees of the party. (Art. 6, Sec. 51)

The law adds a new alternative for how a political party can achieve and retain major party status in the state.

A party may put forward a slate of candidates for all constitutional offices, the four congressional offices, 23 Senate seats and 46 House seats. In the past, the only way to achieve major party status was for a candidate running for state or federal office to receive a certain percentage of the vote. (Art. 6, Sec. 11)

Voters with an ongoing reason for keeping them from going to the polls on Election Day



can apply for status as an ongoing absentee voter. This status would continue until the voter's death, the voter requests in writing to have the status changed, the absentee ballot is undeliverable or the voter loses eligibility. (Art. 6, Sec. 23)

Changes to the state's Electoral College are also addressed in the law. When presidential electors are selected at party delegate conventions, eight alternative members to the Electoral College must be named as well. If an elector does not vote for the appropriate candidate or abstains, the vote would be invalidated and an alternate elector would be chosen. Electors are required to speak loudly and publicly affirm their choice of a candidate in a way that can be heard and not mistaken. (Art. 6, Sec. 57)

## ★ HEALTH

### **Medicare drug coverage conforms**

Minnesota law now conforms to recent changes in federal law concerning Medicare prescription drug coverage, also known as Medicare Part D.

The new law makes technical changes in state law involving Medicare supplemental insurance and creates a procedure for licensing and solvency regulation of stand-alone prescription drug plans that could provide prescription drug coverage under Medicare Part D.

All 50 states have passed or are trying to pass legislation or amend regulations to conform to the federal Medicare Modernization Act of 2003.

The law, which has various effective dates, will bring Minnesota into federal compliance regarding the sale of policies with prescription drug coverage by Medigap carriers after Jan. 1, 2006. The coverage will be available only through private sector drug plans or as part of a Medicare Advantage plan.

Rep. Paul Gazelka (R-Brainerd) and Sen. Brian LeClair (R-Woodbury) sponsored the legislation.

HF925\*/SF880/CH17

### **Health plan billing, reporting**

Reporting and billing requirements for health plan companies will change under a new law.

Effective Aug. 1, 2005, the law will eliminate the exemption for health maintenance organizations from insurance fraud prevention account assessments and eliminate certain health plan company annual report content requirements under the Minnesota comprehensive insurance plan.

Other provisions will clarify the definition of a clean claim for prompt payment requirements, restrict the authority of health plan companies or third party administrators to require health care providers to bill for interest on the late payment of claims and regulate the filing of claims by health care providers and facilities.

Sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Brian LeClair (R-Woodbury), the legislation will also eliminate the requirement for third party payers of health claims to include with an annual certification of authority or licensure renewal documentation indicating compliance with the requirement that the third-party purchasers include the 2 percent Health Care Provider Tax in their payment to health care providers.

The law will repeal certain self-insurer identification and reporting requirements and a provision requiring health plans to maintain expanded provider networks.

HF2023/SF1998\*/CH77

### **Medical education funding modified**

A new law changes Medical Research and Education Cost grant application requirements.

The changes will eliminate the minimum trainee full-time equivalent requirement and grant the health commissioner discretion in requesting application information from clinical medical education programs.

Rep. Thomas Huntley (DFL-Duluth) and Sen. Sheila M. Kiscaden (IP-Rochester) sponsored the legislation.

The law, effective Aug. 1, 2005, will also expand the requirement for the human services commissioner to transfer money under the Medical Assistance prepayment demonstration project to the University of Minnesota Board of Regents for clinical graduate medical education.

HF1556/SF1378\*/CH84

### **Osteopathic group gets recognition**

The American Osteopathic Association, an accrediting agency for osteopathic medical colleges and health care facilities, will become a recognized accreditation organization for presumptive hospital licensure and inspection purposes.

Sponsored by Rep. Torrey Westrom (R-Elbow Lake) and Sen. Dallas C. Sams (DFL-Staples), the new law will authorize inspection and accreditation by the association to qualify Minnesota hospitals for state licensure in lieu of regular Health Department inspections.

Under former law, only the Joint Commis-

sion on Accreditation of Healthcare Organizations had presumptive licensure authority.

The law is effective Aug. 1, 2005.

HF681/SF718\*/CH85

### **Administrative changes**

A new law modifies the Minnesota Health Care Administrative Simplification Act of 1994, well and boring contractor provisions, and updates death record and disposition permit provisions.

The law modifies the health care administrative changes to conform to federal rules. It modifies certain references to the uniform billing form and delays the effective date of standards for the state uniform remittance advice report and the uniform explanation of benefits document.

Fee requirements relating to water supply and dewatering wells are clarified, under the law.

Other provisions in the law will clarify certain monitoring well contractor registrations, specific examination requirements and modifies renewal provisions. An additional topographic map for borings will be authorized.

Regulations for the issuance of death records and the transportation and disinterment of dead bodies will also be modified under the law to reflect new electronic procedures.

Rep. Matt Dean (R-Dellwood) and Sen. Betsy L. Wergin (R-Princeton) sponsored the law.

HF1619/SF1579\*/CH106

### **Students can possess medication**

When headaches, menstrual cramps or other pains strike, secondary students will be able to take pills like Tylenol® or Motrin® on their own.

A new law, effective Aug. 1, 2005, will allow older students to possess nonprescription pain relief drugs and use them according to label instructions without having to go to the nurse's office, as was previously required.

Parents or guardians will have to provide annual written authorization before their children will be able to take over-the-counter drugs on their own. The school district can revoke this privilege if a student abuses it.

Cold and allergy medications that contain ephedrine or pseudoephedrine, ingredients commonly used in the production of methamphetamine, are excluded from the provision.

Rep. Karen Klinzing (R-Woodbury) and Sen. Mady Reiter (R-Shoreview) sponsored the law.

HF615/SF232\*/CH126

### Drug tests for pro athletes

Random drug testing of professional athletes in Minnesota for the presence of anabolic steroids or other drugs is now authorized in statute.

Rep. Larry Hosch (DFL-St. Joseph) and Sen. Ann H. Rest (DFL-New Hope) sponsored the legislation that amends Minnesota statutes governing drug and alcohol testing in the workplace.

Effective June 2, 2005, the new law permits employers of professional athletes to request or require random drug testing, subject to conditions in collective bargaining agreements.

The law does not put Minnesota athletes under different drug testing requirements than players on teams in other states because the same collective bargaining agreements covering drug testing apply to all professional athletes in their respective sports. The legislation simply makes Minnesota law consistent with the bargaining agreements already in place.

Under former law, employers could only require drug or alcohol testing for employees on a random selection basis if the employees were working in safety-sensitive positions, where drug or alcohol impairment would threaten a person's health or safety. The law still allows those employees to be randomly tested.

HF1103/SF1780\*/CH133

### Omnibus health licensing law

Changes to health occupations licensing and regulation provisions were passed into law when the governor signed the omnibus health licensing law. It recodifies statutes and rules relating to health occupations.

Rep. Thomas Huntley (DFL-Duluth) and Sen. Sheila M. Kiscaden (IP-Rochester) sponsored the law, which has various effective dates.

HF1161/SF1204\*/CH147

#### Effective June 4, 2005

Psychological practitioner licensure provisions, including volunteer practice and consultation, are covered in the law. Requirements are provided for licensed psychological practitioners to convert to licensed psychologists, for licensure as a psychological practitioner. It also provides for the termination and the Dec. 31, 2011, elimination of licensure for psychological practitioners. (Art. 3, Secs. 3-6)

The law allows the Board of Psychology to grant licensure for volunteer practice if the applicant meets specified requirements. It also allows a nonresident of Minnesota who is not licensed by the state to serve as an organizational consultant. (Art. 3, Secs. 6-7)



PHOTO BY TOM OLMSCHIED

**A new law permits employers of professional athletes to request or require random drug testing, subject to conditions in collective bargaining agreements.**

#### Effective July 1, 2005

Provisions relating to licensed professional counselors will be modified and the voluntary licensure of alcohol and drug counselors will be allowed, under the law.

Individuals applying for professional counseling licensure will be allowed to complete certain requirements postdegree if certain requirements are met. The law will also extend from two years to four years the timetable for a licensee to provide evidence to the Board of Behavioral Therapy and Health of completion of 12 additional postgraduate semester credit hours in counseling.

Applicants for licensure will be exempt from meeting some requirements if they can document five years of full-time postdegree work experience within the practice of professional counseling. (Art. 5, Secs. 3-5)

The list of activities for which an applicant or licensee may be disciplined by the board or face temporary licensure suspension will be modified, according to the law. (Art. 5, Secs. 7-8)

The definition of mental health services will be expanded to include behavioral health care, spiritual counseling and hypnosis when not used for entertainment. (Art. 8, Sec. 1)

The Office of Mental Health Practice will be transferred from the Health Department to the mental health-related licensing boards. The law will also create the Mental Health Practices Committee and outlines its duties and responsibilities. (Art. 8, Sec. 2)

#### Effective Aug. 1, 2005

The information required on a prescription issued by a physician assistant will be modified. The law will allow for a respiratory therapist licensed or registered in another state to provide respiratory care in Minnesota in an

emergency or other specified situation.

Prior to this change, respiratory therapists were required to hold licenses in each state in which they practiced, requiring them to meet varying continuing education and licensure renewal requirements. (Art. 6, Sec. 3)

The law defines physical therapist assistants, aides, student therapists and assistants, and support personnel. It also provides provisions for supervision of these individuals. (Art. 2, Secs. 1-6)

The conditions for cancellation of licenses and credentials are detailed in the law, as are the circumstances for nonrenewal, denial, suspension or revocation of a license. (Art. 2, Secs. 7-10)

Requirements for hearing instrument dispensing will be added, under the law. It also adds reasons for disciplinary action and changes the composition of the Speech-Language Pathologist and Audiologist Advisory Council and the Hearing Instrument Dispenser Advisory Council.

The law will establish penalty fees for practicing speech language pathology or audiology, occupational therapy, alcohol or drug counseling, or acting as a hearing instrument dispenser without a current license. Penalty fees will also be assessed for failure to comply with continuing education requirements. (Art. 9, Secs. 1-6)

The law defines a faculty dentist as one who practices as a faculty member at a school of dentistry and requires a limited faculty licensed to be renewed annually and a full faculty license to be renewed biennially. The law establishes application and licensure fee amounts.

Dental hygienists will be allowed to administer certain anesthetic agents as delegated in



the collaborative agreement with a licensed dentist, according to the law. (Art. 4, Sec. 4)

Under the law, \$50,000 for fiscal year 2006 will be appropriated from the special revenue fund to the Board of Nursing Home Administrators for medical professional liability insurance.

The Medical Practice, Nursing and Dentistry boards will be assessed an apportioned amount equal to the amount expended on coverage for the providers regulated by the respective board. The appropriation will be available until expended. (Art. 9, Sec. 7)

#### **Effective Jan. 1, 2006**

Current social work statutes and administrative rules governing social work are combined and recodified, under the law. A person or entity that practices as a social worker or uses the title of social worker when not licensed, or violates the reporting requirements, will be guilty of a misdemeanor. (Art. 1, Secs. 1-63)

#### **Mental health services extended**

A new law addresses mental health services, civil commitment provisions and calls for a task force study of committed sexually dangerous or psychopathic people.

Sponsored by Rep. Tom Emmer (R-Delano) and Sen. Linda Berglin (DFL-Mpls), the legislation will allow individuals to continue providing integrated dual diagnosis treatment services and permit treatment of dually diagnosed people in those programs to continue, pending the development of state standards for treatment providers. The provision was set to expire July 1, 2005, but is now extended until July 1, 2007.

The human services commissioner can authorize stays beyond 45 days for people admitted for treatment in state contracted acute care hospitals. Rural counties will be granted greater flexibility in providing mobile mental health crisis intervention services.

Advance practice registered nurses will be allowed to serve as examiners and health officers under the Civil Commitment Act, except when the court orders evaluations. Only a physician or psychologist may be appointed by the court to complete those evaluations.

The law requests the Minnesota Supreme Court to establish a task force to study the use of the court system as an alternative to the administrative process for reductions in custody and discharge from commitment of sexually dangerous people or people with a sexual psychopathic personality. A report is due the Legislature by Feb. 1, 2006.

HF1816\*/SF1857/CH165

## **HIGHER EDUCATION**



### **Funding colleges, grants provided**

A new law provides a 9.9 percent increase in University of Minnesota funding and 8.5 percent for the Minnesota State Colleges and Universities (MnSCU) system. Each took a nearly \$200 million cut in 2003.

Combined, the \$2.76 billion bill is close to splitting the differences between the original \$2.79 billion Senate proposal and nearly \$2.74 billion House plan.

Rep. Bud Nornes (R-Fergus Falls) and Sen. Sandra L. Pappas (DFL-St. Paul) sponsored the legislation.

The following is a look at some of the specific provisions in the new law, effective July 1, 2005, unless otherwise noted.

HF1385\*/SF1174/CH107

### **University, MnSCU funding and policies**

The law allocates \$1.21 billion to the university and just over \$1.2 billion to MnSCU. In terms of new funding, MnSCU will receive \$107.5 million and the university \$105.6 million.

Adjustments for enrollment and inflation are eliminated from the determination of instructional services base for the university and MnSCU, effective June 30, 2007. (Art. 2, Sec. 1)

The university appropriation includes \$13 million for competitive compensation to attract and retain top faculty members. The MnSCU appropriation includes \$12 million for "competitive compensation to faculty or staff for initiatives that promote excellence in student learning." The money also includes funding "to strengthen and expand the Minnesota online program, increase the capacity for training nurses and teachers, provide for the management education needs of farm and small business owners, and provide services and outreach to underserved populations." (Art. 1, Secs. 3-4)

Also included in the MnSCU funding is \$5 million each year for the creation of three to eight Centers of Excellence. The law specifies 10 criteria for selecting a center, including a strong existing program upon which the center will build, the capacity to build multi-state regional or national program recognition within five years and a strong partnership between a four-year and at least one two-year institution that maximizes the leverage of academic training capacities. An advisory committee, comprised of local, statewide and national leaders, must be created at each center. The committee is to report on center activities annually to the governor and Legislature. After three years of a center's existence,

the report must include how the program is impacting the local economy. (Art. 1, Sec. 3 and Art. 2, Sec. 31)

MnSCU is permitted to offer applied doctoral degrees in audiology, business, education, nursing, physical therapy and psychology. Supporters said advanced degrees are needed in these fields to help meet the future needs of the state. (Art. 2, Sec. 3)

The process for selecting the university's Board of Regents is changed, under the law.

The Regent Candidate Advisory Council will now make recommendations to the governor, instead of the Legislature. The recommendation deadline is moved from March 15 to Jan. 15 of each odd-numbered year. In its selection process, the council must look at the needs of the board so that it represents diversity in experience, gender, geography, occupation and race. Term limits cannot be a consideration.

By Feb. 15, the governor must submit a slate of candidates to a 20-member joint legislative committee. The committee, whose makeup must include the chairs of the education and higher education committees or divisions, must meet by Feb. 28 to recommend the governor's choices to the full Legislature or reject them. If a candidate is rejected, the governor is to submit another name. (Art. 2, Secs. 47-50)

Students wanting to make recommendations to the governor for student representatives to the MnSCU Board of Trustees must do so by April 15 of the year in which its member's term expires. Previously, a recommendation had to be made by Jan. 2. The change coincides with the recommendation deadline for the Board of Trustees Advisory Council. (Art. 2, Sec. 30)

### **Mayo Medical Foundation**

The foundation is to receive \$2.78 million, the same amount as the 2004-05 biennium.

This level provides \$1.06 million for the Mayo Family Practice and Graduate Residency Program, nearly \$1.03 million for the Mayo Medical School and \$692,000 for the St. Cloud Hospital-Mayo Family Practice Residency Program. The goal for these programs is to train physicians to practice primary care medicine in rural areas. (Art. 1, Sec. 5)

### **Higher Education Services Office**

Overall funding for the office, which will be renamed the Minnesota Office of Higher Education, is \$349.31 million. Officials indicate the name change better reflects its role as the state agency responsible for financial aid, higher education policy, data collection, analysis and reporting.

Of its allocation, \$400,000 is designated to



PHOTO BY TOM OLMSCHIED

**The omnibus higher education law allocates just over \$1.2 billion to the Minnesota State Colleges and Universities system, including \$107.5 million in new funding to the 32-school system, including Invers Hills Community College.**

develop and implement an accountability reporting system for postsecondary institutions that will provide information, according to the office, “on the effectiveness of the higher education sector in meeting state goals.” A report is due to the Legislature by Jan. 15, 2006.

Further, the office is to study licensed or registered for-profit postsecondary institutions, and report back to the Legislature by Nov. 15, 2006. Among the issues to be addressed are: tuition, program offerings, student debt load, financial assistance and the impact of the tuition, and fee maximums set in law to this sector and its students.

Upon finance commissioner approval and notice to legislative higher education committee chairs, the office is permitted to transfer state appropriations to the state grant, tuition reciprocity, child-care or work study appropriations.

The office is to collect monthly data from institutions disbursing state financial aid and report quarterly to the Legislature on financial aid expenses and balances. By Nov. 1 and Feb. 15 of each year, the office must provide updated state grant spending projections. (Art. 1, Sec. 2)

Negotiations are to begin with Wisconsin officials on updating the current tuition reciprocity agreement with a goal of having Wisconsin students pay at least as much as Minnesota students at a Minnesota institution. In 2004-05, Wisconsin students attending one of the four University of Minnesota campuses paid an average of \$1,627 less than

Minnesota students. Officials are also directed to examine the feasibility of reinstating payments with South Dakota, which have not occurred since 1988. A report is due the Legislature by Jan. 15, 2006. (Art. 2, Sec. 56)

The office is to provide an annual reciprocity report to the Legislature. It is to include the number of students using the program, the reciprocity and resident tuition rates at each school and payment obligations for the states involved. (Art. 2, Sec. 15)

Furthermore, the office is to consider developing procedures and collection measures to monitor students from other states who attend school in Minnesota through reciprocity. Summary data would include graduates by institution, degrees granted annually, and employment and earnings in Minnesota following graduation. (Art. 2, Sec. 16)

A statutory grant program is to be established to provide outreach services to historically underserved students in grades six-12. One-year grants are to be awarded to programs that provide pre-college services such as academic counseling, mentoring, fostering and improving parental involvement, services for English as a second language students, financial aid counseling and assistance with high school course selection and information about college admission requirements. Applicants must match the grant dollar-for-dollar, and submit an annual report to the office detailing its program and student outcome goals. (Art. 2, Sec. 29)

A taskforce is to be convened to look at the

statutory funding of public postsecondary education and report back to the Legislature and governor by Jan. 15, 2006. (Art. 2, Sec. 57)

The office must convene a group, including representatives of publishers, private and public postsecondary schools or systems and the Minnesota State Services for the Blind, to “develop a network to make available postsecondary instructional material in an electronic format or to identify other solutions, such as a national system, to address the specified format needs of postsecondary students with disabilities.” Any network material must be made available to Minnesota institutions and postsecondary students with a disability that require a reading accommodation. A progress report is due to the Legislature by Jan. 15, 2006. (Art. 2, Sec. 58)

Another group is to develop recommendations and revise the regulation of private and out-of-state postsecondary institutions. Under the law, “the recommendations must address the provision of degrees, certificates, diplomas, and training offered by for-profit and nonprofit institutions in Minnesota and outside of Minnesota, in classrooms or online, and regulatory issues under federal law.” Preliminary recommendations are due the Legislature by Nov. 15, 2005. Final recommendations are due Jan. 15, 2006. (Art. 3, Sec. 20)

### State grant changes

Nearly \$136.4 million is allocated for state grants in fiscal year 2006 and nearly \$144.76 million in fiscal year 2007. If the appropriation is insufficient either year, the appropriation for the other year is available for use. (Art. 1, Secs. 1-2)

Although the overall numbers match the 2004-05 biennium, many students will see a slight increase in award amounts because of some other changes.

For students enrolled in four-year programs, the tuition and fee maximum will be \$9,208 for the first year and \$9,438 the second year, versus the previous \$8,983 each year. However, for students in two-year programs the numbers decrease from \$6,913 to \$6,567 and \$6,436, respectively. The living and miscellaneous expense allowance is increased from \$5,205 to \$5,350. All these numbers are used in determining a state grant award. (Art. 1, Sec. 2)

In the second year of the biennium, the higher education office is permitted to use any projected surplus in the state grant program to increase the living and miscellaneous allowance. Any increase does not carry forward to the subsequent biennium. This provision expires June 30, 2007. (Art. 2, Sec. 19)

The deadline for applying for a state grant is extended from 14 to 30 days after a term



begins. (Art. 2, Sec. 20)

The maximum child-care grant award is increased from \$2,200 to \$2,300 for each eligible child per academic year. (Art. 2, Sec. 24)

State statute is changed so that grant recipients must be current with child support obligations in conformance with Department of Human Services language. (Art. 2, Sec. 17)

The types of fees charged by institutions in calculating state grants are defined. According to the law, "Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees." (Art. 2, Sec. 18)

Students who withdraw from school for active military service will be eligible for an additional term of state and child-care grant eligibility. This is retroactive to Dec. 31, 2002. (Art. 2, Secs. 20, 23, 59)

Certain protections are expanded to a disabled military veteran whose medical condition prevents continued attendance. They are still eligible to withdraw from a course with full credit of tuition and fees, but the right to enroll without penalty or redetermination of eligibility is increased from one to two years following release from active service or following completion of the medical treatment or sufficient recovery from their medical condition. (Art. 2, Sec. 52)

A low-income nursing education account is to be created in the General Fund with the dollars designated to establish a loan repayment program for licensed practical or registered nurses agreeing to practice in a Minnesota nursing home or work as a nurse educator in the state full-time for at least three years in either area. Recipients are to receive annual disbursements "equivalent to 15 percent of the average educational debt for indebted nursing school graduates" upon notification of qualifying practice. Failure to comply will result in the participant repaying 100 percent of any payments made plus interest. (Art. 2, Sec. 51)

### Other policy issues

The United Family Medicine Residency Program is to receive \$360,000 each year to help support 18 resident physicians training to provide family care medicine in underserved parts of the state. (Art. 1, Sec. 2)

Qualifying deaf students will be able to attend a public postsecondary school for free, under the law. It requires the school to make up the difference of tuition and fees after subtracting all grants and scholarships a student has been awarded. To qualify, a student must receive either a federal Pell grant or state grant.

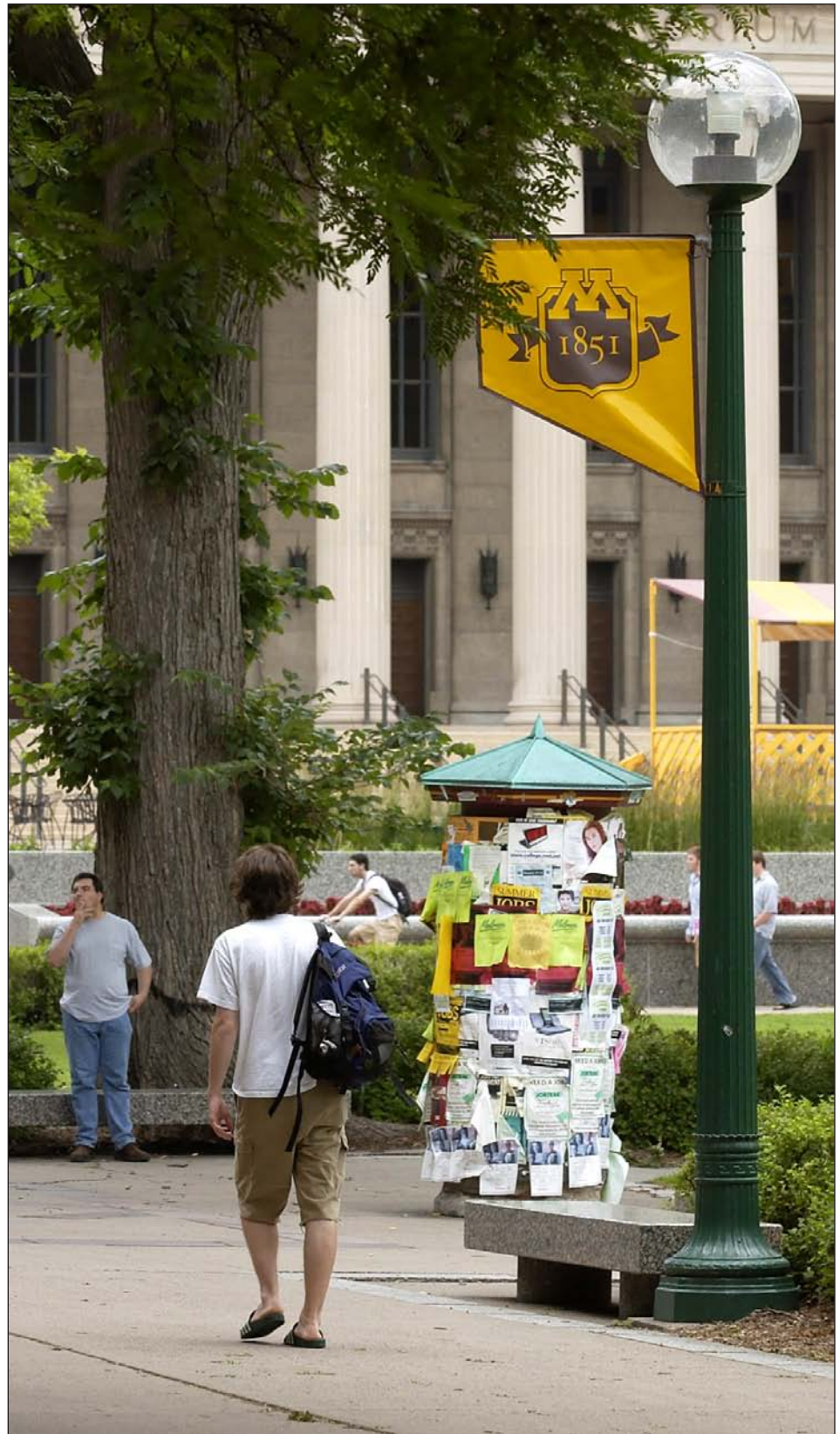


PHOTO BY TOM OLMSCHIED

**Nearly \$136.4 million is allocated for state grants in fiscal year 2006 and nearly \$144.76 million in fiscal year 2007. A new law also institutes a number of changes in the state grant program that will provide a slight increase in award amounts for many students.**

(Art. 2, Sec. 4)

Resident senior citizens are permitted to attend a class in any state-supported higher

education institution for free on a space-available basis. The law clarifies that a senior must pay any materials, personal property

or service charges for the course. They must also pay an administrative fee to cover course costs. Additionally, a senior citizen enrolled in a contract training or professional continuing education program is not eligible for the free enrollment benefit. (Art. 2, Secs. 8-9)

A number of the changes made to the Minnesota College Savings Plan are primarily clarifying or are made to conform to federal law. For example, it adds attendance at a U.S. military academy to the exemptions in the definition of nonqualified distribution, clarifies that state residency is required to receive a grant and specifies that a parent or guardian claiming the plan beneficiary as a dependent for tax purposes must be a Minnesota resident. (Art. 1, Secs. 34-46)

Fees are increased for private career schools seeking initial and renewal licensure. Application for a renewal must now be made 60 days before the expiration of the current license, instead of the previous 30 days. (Art. 3, Secs. 7-8)

A private career school that closes during a term is required to refund all tuition, and a student's outstanding obligations for the term are cancelled. (Art. 3, Sec. 14)

Effective May 27, 2005, a section of the law establishes an 11-member Rochester Higher Education Development Committee "to research and make recommendations to the governor and legislature on the creation of mission-driven postsecondary educational programs or institutions in the Rochester area that meet the educational needs of the region and the state and that capitalize on the unique opportunities for educational partnerships presented in the Rochester area." The committee is to specifically address the University of Minnesota. A report is due to the Legislature by Jan. 15, 2006. Funding for this initiative is \$3.2 million. (Art. 4, Secs. 1-3)

## ★ HOUSING

### **Manufactured homes exempted**

An exemption for certain manufactured homes will, under a new law, allow farmers to provide that type of housing for seasonal workers.

The legislation, sponsored by Rep. Mark Olson (R-Big Lake) and Sen. Gary W. Kubly (DFL-Granite Falls), exempts a cluster of one to four manufactured homes from the definition of "manufactured home park" for purposes of state regulation, if certain conditions are met. It is effective May 25, 2005.

To be eligible for the exemption, manufactured homes must be located on a farm, used exclusively to house people performing agricultural labor, have indoor plumbing,

meet state water and sanitation codes and have at least 80 square feet of floor space for each inhabitant.

The housing must also be properly installed on the site, have posted information about a shelter or evacuation plan in case of severe weather and be maintained in a clean, orderly and sanitary condition.

HF1585/SF1509\*/CH79

### **Earnest money arbitration**

A new law amends language in statute relating to foreclosure notification, and offers a provision for dealing with earnest money when a purchase agreement on residential property has been cancelled.

Sponsored by Rep. Paul Kohls (R-Victoria) and Sen. Thomas M. Neuville (R-Northfield) the language was brought forward by the Minnesota Bar Association, Real Property Section.

Of note is a provision allowing for arbitration between a buyer and seller on disposition of earnest money after a purchase agreement has been cancelled

In most cases, when a contract is terminated, earnest money is returned without a problem. But sometimes one of the parties won't sign the cancellation agreement or it is not clear who should receive the earnest money. In 2004, a statute was adopted addressing this situation. It allows for the buyer or the seller, whomever is aggrieved by the other party not signing the contract, to give a 15-day legal notice. If an agreement is not reached in that timeframe, the earnest money is refunded to whomever starts the process. The new language allows for the assigning of an arbitrator to determine who gets the earnest money in the event both parties give notice, creating a "dueling notice" situation.

These provisions apply to purchase agreements entered into on or after Aug. 1, 2005.

HF367\*/SF391/CH119

### **Buyers right to cancel extended**

The Minnesota Common Interest Ownership Act took effect in 1994, and a new law makes technical changes and adds consumer protections, most notably by increasing the number of days a common interest property purchaser has to opt out of the deal.

The legislation's sponsors, Rep. Paul Thisen (DFL-Mpls) and Sen. Thomas M. Neuville (R-Northfield), say the new law tightens statute language governing development and operation of condominiums, cooperatives, twin homes and townhouses.

Previous legislation changed the timeframe that a buyer of a new unit had to cancel the

purchase from 10 days to five days, as requested by the Minnesota Realtors Association. However, the law reverts back to 10 days because, according to supporters, five days is not enough time for proper review of all materials.

The law, effective Aug. 1, 2005, also calls for a developer of shore land to submit plans for any proposed subdivision or conversion of the property to the local unit of government for review to make sure the project complies with the local ordinances regulating shore land.

HF369\*/SF393/CH121

## HUMAN SERVICES



### **Death certificate request expanded**

A new law will permit siblings to request a death certificate for a brother or sister.

Under previous law, the state or local registrar could only issue a certified birth or death record or a statement of no vital record found to a person who has a "tangible interest in the requested record," which was limited to the person of the vital record and their children, spouse, parent, grandparent or grandchild. The law does not address birth certificates.

Sponsored by Rep. Neva Walker (DFL-Mpls) and Sen. Linda Berglin (DFL-Mpls), the law is effective Aug 1, 2005.

HF1268/SF271\*/CH23

### **Hospital cemetery renamed**

A cemetery located at Cambridge State Hospital will be renamed the Garden of Remembrance, under a new law.

One of about 15 state cemeteries that are often neglected and in out-of-the-way locations, the people buried at the Cambridge location primarily had developmental disabilities or mental illnesses. Their gravesites had no identification or had numbered markers.

Remembering With Dignity, a group that works to honor those who have lived and died in state institutions, worked with the Department of Human Services, the National Alliance for the Mentally Ill, the Minnesota Extended Treatment Options program in Cambridge and churches in the area to place named grave markers in the Cambridge cemetery.

Rep. Rob Eastlund (R-Isanti) and Sen. Sean R. Nienow (R-Cambridge) sponsored the new that is effective Aug. 1, 2005.

HF1820\*/SF1868/CH29



### County hospital board to expand

A new law permits the Yellow Medicine County Hospital District Board to expand.

Sponsored by Rep. Aaron Peterson (DFL-Madison) and Sen. Gary W. Kubly (DFL-Granite Falls), the legislation will allow the elected members of the hospital board to appoint three additional voting members who are not residents of the district.

Under the new law, effective Aug. 1, 2005, the terms of the appointed members must be designated by the board at the time of the appointment, but cannot exceed three years. They can be reappointed for successive terms.

Appointed members will have the same privileges as board members and can be removed from office or the board for good cause by a two-thirds majority vote of elected members.

Peterson said the legislation is designed specifically for Canby Hospital and Clinic, and Sioux Valley Hospital and Clinic in Sioux Falls, S.D. A clinic in Minneota would also like to have representation on the board, he said. Yellow Medicine County residents use all three facilities.

HF399/SF493\*/CH54

### Law changes disabled terminology

A new law changes terms in state law like "mental retardation," "mentally retarded" and "handicapped persons" to terminology more desirable to those with disabilities, such as "people with disabilities."

The law, sponsored by Rep. Joe Opatz (DFL-St. Cloud) and Sen. Sheila M. Kiscaden (IP-Rochester), is effective Aug. 1, 2005.

Opatz said the bill directs the Office of the Revisor of Statutes to replace certain words with more respectful terms.

The changes, of which there are nearly 400 in state law, will fall in line with a national campaign called "The People First," that advocates for changes in descriptions of people with disabilities.

HF487\*/SF525/CH56

### Long-term care provisions modified

A new law will clarify long-term care provisions and continuing care for the elderly.

It will allow the cost of new technology and depreciation equipment to be included in the cost of a nursing facility construction project, unless the facility makes a written election not to have it included. Formerly, a facility had to make a written election to include the costs.

Another provision will allow the human services commissioner to contract with tribal governments to manage the elderly waiver program. Under the former law, the commissioner was limited to contracting with the



PHOTO BY TOM OLMSCHIED

### A new law clarifies long-term care provisions and containing care for the elderly

White Earth Reservation.

The law clarifies that the county or tribe providing services to an alternative care or elderly waiver client is responsible for providing access to and arranging for case management services. The county is also responsible for assuring implementation of the care plan.

Sponsored by Rep. Fran Bradley (R-Rochester) and Sen. Linda Berglin (DFL-Mpls), the legislation is effective Aug. 1, 2005.

HF1951\*/SF1569/CH68

### Funding news service for blind

A new law continues funding for an electronic information service for the blind.

The legislation, sponsored by Rep. Jim Knobloch (R-St. Cloud) and Senate President James P. Metzen (DFL-South St. Paul), provides

money that allows visually impaired people to access the service by telephone, enabling them to listen to their choice of newspapers from around the country, including the *St. Paul Pioneer Press* and the *Duluth News Tribune*.

Provided by the National Federation for the Blind, the service was paid for the past two years by a grant from the state Department of Education. However, the grant has expired.

The law will also provide grants to television stations for "real-time" captioning of local news programs.

Both programs will be paid for through an existing surcharge on telephone bills of all Minnesota customers and deposited in the Telecommunications Access Minnesota Fund. The amount of the surcharge will be recommended annually to the Public Utilities Commission by the commerce, employment and economic development, and human services commissioners.

The law is effective May 25, 2005, except for the real-time captioning provision that is effective Aug. 1, 2005.

HF1214/SF1064\*/CH81

### Human services statutes modified

Technical modifications to existing statutes affecting children and family services, and health and continuing care programs governing a variety of Department of Human Services programs are part of a new law.

Sponsored by Rep. Fran Bradley (R-Rochester) and Sen. Becky Lourey (DFL-Kerrick), the law provides for the classification of data on individuals receiving services under certain community action and foodshelf programs



PHOTO BY TOM OLMSCHIED

### Grants to television stations for real-time captioning of local news programs are provided in a new law.

administered by the Human Services Department and transfers the classifications from the Department of Education. It will also modify a household income eligibility requirement for child-care assistance and increase the transitional standard and the food portion under the Minnesota Family Investment Program.

Other provisions in the law will specify the effect of rate changes under Medical Assistance, General Assistance and MinnesotaCare on volume purchase contract payments, and require the commissioner to annually adjust income standards or limits for each program by using the annual update of the federal poverty guidelines.

Certain restrictions on Medical Assistance coverage for organ and tissue transplants will be eliminated, under the law. Provisions providing for payment for long-term care consultation services relating to county accountability will be modified.

The law is effective Aug. 1, 2005.

HF1875/SF1720\*/CH98

### **Hospice care document revised**

The Hospice Bill of Rights will undergo technical changes that will make it easier to understand and improve service for patients, under a new law.

Sponsored by Rep. Char Samuelson (R-New Brighton) and Sen. Linda Higgins (DFL-Mpls), the legislation will require hospice providers to complete the National Hospice and Palliative Care Organization national data survey and submit it to Hospice Minnesota as a condition of licensure.

Hennepin County death report requirements will also be modified. When a patient is under the care of a licensed hospice provider and has not been seen by a physician within 180 days and the patient dies, a death report must be made to the Hennepin County medical examiner, according to the law.

Another provision will grant an individual who receives hospice care the right to receive, upon request, a good faith estimate of the reimbursement the provider expects to receive from the health plan company in which the person is enrolled.

People not enrolled in a health plan may also request a good faith estimate. The estimate is not legally binding.

The law is effective Aug. 1, 2005.

HF675\*/SF687/CH122

### **'Positive Alternatives Act' enacted**

The "Positive Alternatives Act" will award millions of dollars in grant money to programs that encourage and assist women in carrying their pregnancies to full term.

The law is intended to reduce the number of abortions by giving money to organizations that provide information, referrals and services to women to help them carry their pregnancies to term and care for their babies after birth.

Alternatives to abortion programs will support, encourage and assist women by offering services such as medical care, nutritional services, housing assistance, adoption services and assistance with education, employment and child care, under the law.

To qualify for a grant, organizations must be a private, nonprofit group, conduct the program under appropriate supervision, provide the services free of charge, provide counseling with accurate information and ensure that none of the money will be used to encourage or counsel a woman to have an abortion or directly refer women to an abortion provider. Organizations affiliated with groups that provide abortion services must demonstrate independence in order to be eligible.

Recipients must have a privacy policy in place to make sure the name, address, phone number or other information that could identify the woman seeking services is not made public or shared with other organizations without the woman's written consent.

The health commissioner is responsible for administering and monitoring the grants. A \$2.5 million appropriation from the General Fund will be made available for the program for the fiscal year ending June 30, 2007. The base funding for fiscal years 2008 and 2009 is \$2.5 million per year.

Rep. Brad Finstad (R-New Ulm) and Sen. Dallas C. Sams (DFL-Staples) sponsored the law, effective July 1, 2005.

HF952/SF917\*/CH124

### **Search services evaluation**

Benchmarks to evaluate post-adoption search services, and the creation of best practice guidelines for conducting those services are required for the Department of Human Services, under a new law.

Sponsored by Rep. Kathy Tingelstad (R-Andover) and Sen. Ann H. Rest (DFL-New Hope), the law directs data to be collected from all adoption agencies for six months so benchmarks can be established.

The data must include:

- the percentage of requests resulting in successful location of the other party,
- the percentage of requests resulting in successful completion of the commissioner's designated form for family medical and social history,
- the time from request for search to completion of the search, and

- the number and type of efforts used to complete the search.

Under the law, effective June 2, 2005, the commissioner must report to the Legislature by Feb. 1, 2006, with an assessment of the data collected, and is instructed to develop best practice guidelines.

HF2192\*/SF2042/CH129

### **Quarantine procedures detailed**

Provisions for the isolation and quarantine of people infected or exposed to communicable diseases are modified, under a new law.

The legislation, sponsored by Rep. Jim Abeler (R-Anoka) and Sen. Becky Lourey (DFL-Kerrick), is designed to give increased protection to Minnesotans in the event of an emergency, such as a bio-terrorism attack or an outbreak of a disease like Severe Acute Respiratory Syndrome (SARS).

The law will remove the sunset date for certain sections of the Emergency Health Powers Act and establish new sunsets for other provisions. This provision took effect June 3, 2005. All other provisions of the law are effective Aug. 1, 2005.

A peace officer will be required to enforce an order for isolation and quarantine, and could use force to apprehend, hold, transport, quarantine or isolate a person subject to the order if the person flees or resists the officer, according to the law.

This section expires Aug. 1, 2009, as does the provision allowing the peace officer to act on an order by telephone, fax or electronic notification from the court, health commissioner, local health board agent or public safety commissioner. (Sec. 2)

The health commissioner, when using a directive to isolate or quarantine without first obtaining a written order, will be required to specify the known or estimated period of incubation or communicability.

The commissioner will also be required to initiate the process of applying for a written, ex parte order authorizing the isolation or quarantine of an individual immediately after the directive has been executed. Previous law gave the commissioner 24 hours to apply for the order.

Individuals subject to isolation or quarantine who are not represented by counsel will be able to request the court appoint one at the expense of the Health Department or local public health board. (Sec. 3)

Counsel will be allowed to withdraw from representation and not pursue an appeal if the attorney feels there is insufficient basis for proceeding. The court could conduct a hearing by phone, interactive video or other electronic means to reduce the risk of spreading the disease. (Sec. 4)



The law provides employee protections by restricting employers from taking adverse action against an employee who has been in isolation or quarantine. (Sec. 5)

When a mayor, county board chair or legal successor to one of these officials declares a local emergency, the health commissioner will be able to authorize people to administer vaccinations or dispense drugs if it's necessary to protect the health and safety of the public. The authorization will need to be in writing and contain the categories of people included in the authorization, any training required, any supervision required and the duration of the authorization period.

The law waives criminal liability, administrative penalty, professional discipline and other administrative sanctions for authorized people for good faith performance. (Sec. 6)

HF1507\*/SF1482/CH149

### Therapist definition

Marriage and family therapy will be included in the definition of professional services, under a new law, and therapists will be allowed to practice services in combination.

The law will include marriage and family therapists in the list of professional services required to be furnished by a professional pursuant to a license.

The therapists join the ranks of other professions covered under the law, including dentistry, pharmacy, podiatric medicine, architecture and engineering.

Sponsored by Rep. Connie Ruth (R-Owatonna) and Senate Minority Leader Dick Day (R-Owatonna), the law is effective June 3, 2005.

HF1272\*/SF1198/CH153

### Forecast adjustments made

A new law makes forecast adjustments for human services and pre-kindergarten through grade 12 education programs.

Sponsored by Rep. Fran Bradley (R-Rochester), the legislation adjusts forecast numbers and provides for human services savings. The bill updates appropriations to match the February forecast numbers. The education provisions are effective June 4, 2005; the human services provisions are effective July 1, 2005. (Arts. 1-2)

The law calls for the formation of a 13-member Health Services Policy Committee to advise the human services commissioner on the administration of health care benefits covered under the Medical Assistance, General Assistance Medical Care and MinnesotaCare programs will be required. The committee is required to meet quarterly. (Art. 3, Sec. 2-4)

The law also contains other human services

savings provisions related to medical assistance causes of action (Art.1, Sec. 1 and 7), and recoveries, prescription drug reimbursement and prior authorization (Art. 1 Sec. 5-6); and home and community-based waivers. (Art. 1, Sec. 8)

HF2448\*/SFnone/CH155

## ★ INDUSTRY

### Study planned on biotech piping

A working group has been authorized to study procedures for the supervision of the installation of biotechnology piping systems from plan review through inspection. The new law is designed to help protect the biotechnology industry.

Under the law, effective Aug. 1, 2005, the labor and industry commissioner will be required to convene the working group, which will consist of representatives from the Administration, Employment and Economic Development, and Labor and Industry departments.

Mechanical contractors, piping system installers, biotechnology manufacturers and cities will also be represented in the group. A report is due to the Legislature by Feb. 1, 2006.

Currently, when a company submits biotechnology piping system installation plans to a city for review, its competitors can review them and learn the company's patented or proprietary processes. This gives a company access to another company's intellectual property.

The working group will study procedures for the supervision of the installation and decide how to keep the information private, according to the law.

Rep. Tim Mahoney (DFL-St. Paul) and Sen. Steve Kelley (DFL-Hopkins) sponsored the legislation.

HF1988/SF1861\*/CH96

### Crane operator certification

Crane operators will need to be certified through a nationally recognized and accredited certification program, under a new law effective July 1, 2007.

Sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. Dan Sparks (DFL-Austin), the legislation will require certification for operators of cranes with a lifting capacity of 5 tons or more on a construction site. The certification will need to be renewed every five years.

Mahoney said the law is needed because cranes are the most dangerous piece of equipment on construction sites.

An employer or general contractor could be fined up to \$7,000 per violation of the certification requirements. If the violation causes an employee's death, the fine could be up to \$25,000.



PHOTO BY TOM OLMSCHEID

**By July 1, 2007, crane operators will need to be certified through a nationally recognized and accredited certification program.**

Exceptions to the law will include people being trained by a certified crane operator, certain railroad employees, personal use on one's own land and emergency situations.

HF759/SF1485\*/CH87

## ★ INSURANCE

### New option added for handling FAIR claims

A third option for handling insurance claims under the Minnesota FAIR Plan is now law.

The purpose of the FAIR Plan (fair access to insurance requirements), created by the Legislature in 1968, is to provide limited property insurance when coverage is not available from the private market. It is intended to encourage the improvement of properties and help speed customers return to the private market for property insurance coverage.

Formerly, the plan either had to pay a claim in full, even if the property was over-insured, or deny the claim and pay nothing. Sponsored by Rep. Paul Gazelka (R-Brainerd) and Sen. Linda Scheid (DFL-Brooklyn Park), the law provides for the plan to pay a portion of the claim, eliminating the all-or-nothing proposal.

The law, effective May 24, 2005, exempts plan insurance policies from complying with the requirement that the full policy limit is paid in the case of a total loss and that a

partial loss is fully paid. It is intended to stop the problem of properties being over-insured, then the insured party being able to collect in full on a claim even though it's above fair market value.

If the plan claims that the value of the property is less than the whole amount set forth in the policy, the burden of proof is on the plan to prove the lesser amount.

HF667/SF314\*/CH66

### **Insurance regulation sees changes**

Miscellaneous changes in state insurance regulations will occur because of a new law.

Sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Linda Scheid (DFL-Brooklyn Park), the legislation will regulate certain fees, agency terminations, coverages, disclosures, premiums, rate filings and policy renewals.

The most significant change will allow expedited procedures for insurance companies to more quickly receive authority to offer new or revised insurance products or premium rates.

The law requires an insurance company to post its policy form on its Web site rather than issue a new policy every five years, provided the policy has been renewed continuously without any changes. An insurance company may instead annually inform its policyholders that a copy of the policy form is available upon request.

Provisions relating to the expediting form and rate filing are effective May 24, 2005. All other sections are effective Aug. 1, 2005.

HF1669\*/SF1462/CH74

### **Insurance regulation changes**

A series of changes to insurance regulations, most of them technical, are part of the 2005 omnibus insurance law.

Sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Linda Scheid (DFL-Brooklyn Park) at the behest of the Department of Commerce, portions of the law are effective on one of three dates.

HF1809\*/SF1783/CH132

#### **Effective June 2, 2005**

A corporation that is a member of an insurance holding company system is permitted to reimburse an officer, director or employee in advance for legal expenses related to litigation, for which the person certifies eligibility for indemnification. (Sec. 9)

The law clarifies 2004 legislation permitting the Minnesota Comprehensive Health Association to offer a high deductible health plan for use with a health savings account. (Sec. 14)

Requirements for selling small employer flexible benefits health plans are outlined in the law. These plans do not have to provide health coverage otherwise mandated by state law. The plan must be designed to enable employers to better manage costs and be approved by the commerce commissioner. (Sec. 15)

Insurance companies will be prohibited from including as a claim an insured person's inquiry about a hypothetical claim or an inquiry about a potential claim. (Sec. 18)

A provision taken from a bill, sponsored by Rep. Diane Loeffler (DFL-Mpls), will prohibit a homeowner's insurer from taking adverse underwriting action against a person whose home is vacant or occupied by a caretaker as a result of being called to active military duty. It is intended to protect armed services reserves or National Guard members since insurers do not like to insure vacant buildings. (Sec. 19)

Limitations will be placed on the use of credit information, under the law. Insurers will need to reevaluate a policyholder's credit score or insurance score upon request. Any resulting premium change will be required to be effective upon renewal. The insurers will not need to reevaluate more than twice a year for a policyholder. (Sec. 23)

The law eliminates a requirement that premiums charged to workers' compensation insurance companies for reinsurance by the Workers' Compensation Reinsurance Association be recognized as a cost for rate-making on the same basis as assessments for the special compensation fund. The requirement that those premiums be recognized for ratemaking remains in place. (Sec. 25)

#### **Effective July 1, 2005**

The law will increase from \$75 to \$90 the fee for filing insurance forms and premium rates that insurance companies pay to the department. A \$250 filing fee for a worker's compensation large risk alternative rating option plan that meets a \$250,000 threshold in annual premiums from a single employer will be eliminated. (Sec. 1)

Former law required these option plans to be filed with the commerce commissioner, but did not require certification by the insurer. The new law will allow an insurer to charge a premium without filing it with the commissioner if the insurer files a certification that the premium rate is being used only with a specified employer that generates at least \$250,000 in annual workers' compensation premiums. Violations could result in a fine of up to \$100 for each day the failure to file continues. (Secs. 26-27)

The initial and annual renewal licensing fee charged to data service organizations that de-

velop workers' compensation premium rates will increase from \$50 to \$1,000. Third party administrators' licensure will be changed from a \$1,000 fee for two years to \$1,500 for three years. (Secs. 3, 28)

Self-insurance policies will also change. State law allows the mandatory auto insurance requirement to be satisfied through self-insurance under certain conditions. The new law changes the initial application fee for motor vehicle self-insurance from \$1,500 to \$2,500 and the renewal period from annual to three years. The renewal fee for political subdivisions changes from \$400 per year to \$1,200 for three years, and for nongovernmental entities from \$500 annually to \$1,500 for three years. (Sec. 21)

#### **Effective Aug. 1, 2005**

If an insurance agency contract with an insurer is terminated, the insurance company will be required to notify the insured that the policy will not be renewed, under the law. If the agency cannot replace the coverage through another insurer, the insurer will need to allow the agency to renew the policy. (Sec. 2)

Current law regulating intermediaries in viatical settlements to include brokers is extended. A viatical settlement is the sale by a person who has life insurance of the right to collect that insurance benefit when the person dies. The sale allows the person to have immediate cash, while the purchase of a viatical settlement is seen as an investment.

The law will also change the required timing of disclosures that a viatical settlement provider or broker is required to make to the seller. The disclosures will need to be made when an application is given to the prospective seller, rather than when the agreement is being signed. (Secs. 4-5)

Insurance companies, agents and other insurance-related entities will be required to implement a comprehensive security program to protect customer information, according to the law. Not meeting the requirement will be a violation of the Unfair Insurance Trade Practices Act. (Secs. 6-8)

Under current law, if people enrolled in Medicare Part B drop the enrollment because they have health coverage through their employer, they get another six-month open enrollment period for Medicare supplement insurance. Open enrollment means a person cannot be turned down for Medicare supplement insurance for health reasons during that six-month period.

The new law grants another six-month period to people who drop Medicare Part B because they have coverage through an employer without becoming an employee, such as through a spouse's employer.



Coverage of preventive care in the Medicare supplement basic plan will change to conform to changes in Medicare's coverage of preventive care. (Secs. 11-13)

The prohibition on denials of health coverage because of suicide or attempted suicide will be extended to more types of health insurance. (Sec. 16)

High-deductible health plans used in conjunction with health savings accounts will be required to provide access to provider discounts that are available for use with the health plan for all care covered by the plan. (Sec. 17)

An insurance discount of at least 5 percent on snowmobiles having an auxiliary lighting system will be required. The requirement is from a bill sponsored by Rep. Tom Rukaniva (DFL-Virginia). (Sec. 20)

Insurers or insured employees will be permitted to request that a data service organization revise the rate on a workers' compensation insurance policy for certain closed claims. (Sec. 24)

The law will prohibit workers' compensation self-insurers from claiming credit against financial liability for reinsurance or excess insurance obtained from an insurance company that is owned by the company to whom it provides insurance. (Sec. 30)

A 1985 session law that permitted specific counties and political subdivisions within the counties, except Duluth, to offer group insurance jointly with a nonprofit organization will be amended, under the law.

A joint arrangement will be able to provide the same health insurance coverage under the same plan and premium rates to member employers who have 50 or fewer employees as it provides to employers with more than 50 employees. The permission is a pilot project that expires at the end of the third full plan year following enactment. The provision is from a bill sponsored by Rep. Loren Solberg (DFL-Grand Rapids). (Sec. 37)

### **No coercing allowed by auto insurers**

Auto insurers will be prohibited from coercing or inducing insured clients into having their vehicle repaired at a particular repair shop, under a new law.

The legislation, sponsored by Rep. Paul Gazelka (R-Brainerd) and Sen. Dan Sparks (DFL-Austin), expands the unfair insurance claim settlement practice act relating to the requirement to use certain repair shops with which the insurer has contracts. The law is similar to regulations the Legislature has previously enacted regarding auto glass shops.

Under the law, effective Aug. 1, 2005, insurers must use a script when talking to the

insured that says, "Minnesota law gives you the right to choose a repair shop to fix your vehicle. Your policy will cover the reasonable costs of repairing your vehicle to its pre-accident condition no matter where you have repairs made. Have you selected a repair shop or would you like a referral?"

Once the insured has indicated that a repair shop has been selected, all efforts to influence the choice of a shop must stop. The insurer will be permitted to recommend a repair shop only if the insured does not indicate a preference. This new law does not apply to auto glass shops, which are still covered instead by the separate law previously enacted.

HF1528\*/SF1380/CH14

## **LAW**



### **Obsolete language changed in**

A new law corrects ambiguous and omitted text, and obsolete references in state statute.

Some parts of the law, sponsored by Rep. Peter Nelson (R-Lindstrom) and Sen. Don Betzold (DFL-Fridley), reflect terminology changes that have happened over time.

For instance, constables and state marshals once performed peace officer and other minor governmental functions, but no longer are in existence, according to the nonpartisan House Research Department. The law repeals sections referring to those positions and their associated duties. References to peace officers and other governmental officials remain in statute.

Another change relates to the two tiered criminal penalty structure language that dates back to 1913.

At that time, a "gross misdemeanor" constituted an offense with a maximum term of incarceration of one year (the same as current law), and a "misdemeanor" offense was subject to a maximum term of incarceration of three months (the same as current law). The only difference between the nonfelony offenses of 1913 and the offenses of today is the maximum fine level.

This law, which has various effective dates, instructs the revisor's office to update language as it relates to statutory penalty provisions for misdemeanors and gross misdemeanors.

HF378\*/SF478/CH10

### **Judgments to be paid in dollars**

Monetary court judgments transferred to Minnesota will need to be paid in U.S. dollars and conform to state law as to the length of the judgment and the interest rate being charged, under a new law.

According to the nonpartisan House Research Department, if a party now has a judgment on a foreign money claim (money from another country), current law allows the party to choose between getting paid in U.S. dollars or the foreign currency.

Gary Larson, assistant chief judge for the Hennepin County Court, told a House committee that one person wanted their judgment entered in Euros. "Our computer doesn't even have a symbol for Euros let alone being able to enter a judgment in Euros. This just makes more sense," he said.

Rep. Ron Abrams (R-Minnetonka) and Sen. Ann H. Rest (DFL-New Hope) sponsor the law, which is effective Aug. 1, 2005.

HF1295/SF1210\*/CH14

### **Estate planning loophole addressed**

A new law makes minor changes to the state's probate law and addresses a loophole in how an estate can be divided among children and grandchildren.

The provisions deal with the statute that specifies how an estate can be divided among children listed in a will. According to statute, even if a child is born or adopted after the will is written, that child is entitled to an equal share of the estate as specified for the named children.

The new law, effective Aug. 1, 2005, clears up an oversight that did not provide for an inheritance to be passed on to the children of that later born or adopted child in the case of that child's death. This omission effectively wrote those children out of the original will.

Rep. Paul Thissen (DFL-Mpls) and Sen. John C. Hottinger (DFL-St. Peter) sponsored the law.

HF368/SF392\*/CH26

### **Commissioner returned to position**

The chief justice of the Minnesota Supreme Court may assign a retired court commissioner to his former position in Ramsey County District Court, under a new law.

The courts requested the law because they are short staffed and could benefit from this retired person's expertise, according to Rep. John Lesch (DFL-St. Paul), who sponsored the law with Sen. Richard J. Cohen (DFL-St. Paul). A change in law was needed to make this action possible.

The law is effective July 1, 2005, and expires Dec. 31, 2025.

HF314/SF379\*/CH111

### Some rings protected in bankruptcy

If you exchanged rings at the time of marriage, those rings may be kept off the hands of creditors in bankruptcy proceedings.

A new law, sponsored by Rep. Mark Olson (R-Big Lake) and Sen. Betsy Wergin (R-Princeton), protects from bankruptcy proceedings wedding rings in the possession of the debtor with a cumulative value of no more than \$1,225.

The intent is to "create a modest exemption" so that rings aren't taken as part of a settlement, said Olson.

The law, effective June 3, 2005, extends the current protection offered to debtors, which includes clothes and household furniture not to exceed \$4,500 in value.

HF473\*/SF288/CH137

### Public, private information clarified

From wireless directories to Social Security numbers, a new law makes certain information public and promises to keep other information private.

Rep. Mary Liz Holberg (R-Lakeville) and Sen. Wesley J. Skoglund (DFL-Mpls) sponsored the law, effective June 4, 2005, unless otherwise noted.

The following are some provisions in the law.

HF225\*/SF361/CH163

#### Wireless directories

Minnesotans owning wireless phones won't be seeing their numbers in a directory without their permission.

The new law prohibits a provider or agent from disclosing or selling a customer's wireless number for use in a wireless telephone directory without prior consent. That consent can't be tucked away in the fine print of a service contract. Consent would need to be obtained separately and the language needs to be "unambiguous." Furthermore, a customer cannot be charged for not wanting to be listed in a wireless directory.

Any "knowing" violation to this provision is punishable by a fine of up to \$500 for each violation, to a maximum of \$10,000 for a provider of which \$100 per violation will be paid to each victim of the violation. (Sec. 84)

#### Securing Social Security numbers

The new law also takes measures to secure Social Security numbers when used by private entities, the University of Minnesota and the Minnesota State Colleges and Universities system.

One provision states that a Social Security number may not be printed on any materials that are mailed to an individual, unless it is



PHOTO BY TOM OLMSCHEID

### Some wedding rings may now be kept off the hands of creditors in bankruptcy proceedings.

required on the document as a matter of state or federal law. Also, individuals would not be required to submit their numbers over a Web site, unless a password or other identifying device is also required to access the site. This provision is effective July 1, 2007. (Sec. 85)

#### Opting to opt out

When a person registers a vehicle, most information provided is considered public. Now, the individual may request, in writing, that his or her home address and name be classified as private data, if it is needed for the safety of the registered owner or their family. This provision could also apply to applicants of a driver's license, instructional permit or a Minnesota identification card.

Previously, a registered owner's personal information could have been rented or sold to organizations for bulk mail solicitations. The new law allows this dissemination of information only if authorized by the registered owner. (Sec. 58)

#### Day care information

The new law permits parents looking into day-care options access to information about centers that was not previously considered public.

Basic information about the licensee has been available; such as date of licensure, licensed capacity, type of dwelling, name and relationship of other family members and the existence and status of complaints. Parents will now have access to information about the number of serious injuries to, or death of, individuals in the licensed program that were reported to the human services commissioner, local social services agency or any

other county welfare agency.

Other facilities covered include foster care and day care services for adults. (Sec. 40)

#### Meeting electronically

Under previous law, some state boards and councils had the option of meeting electronically and still being in compliance with the state's Open Meeting Law. The new law extends that option to the Agricultural and Economic Development Board, the Small Business Development Center Advisory Board, Minnesota Job Skills Partnership Board, the Governor's Workforce Development Council, the Urban Initiative Board and the Explore Minnesota Tourism Council.

At least one member of the board must be at the regular meeting site, but the meeting can be held by telephone or other electronic means if interactive television is not available and if other specific requirements are met. (Secs. 52-57)

#### Keeping it private

When a company does business with the government, many times the information that would be private in the private sector becomes public.

Among the information classified as private under the new law is the nonpublic financial or proprietary data retained by the State Board of Investment in connection with its venture capital, real estate and resource investments. (Sec. 1)

Additionally, some design information gathered during the early stages of planning for state construction projects could be classified as private. (Sec. 47)



## Sharing crime data

Law enforcement officials could more easily share case information once the Comprehensive Incident Based Reporting System is up and running. But the system, to be operated by the Bureau of Criminal Apprehension and the Department of Public Safety, does create some data privacy issues.

System information will be classified as confidential until a law enforcement agency notifies the system that an investigation has become inactive or the information has not been updated for 120 days.

When one of these occurs, the information would be accessible to the subject of it through a participating agency or the BCA. Law enforcement personnel will need to be certified to access data in this system. (Sec. 81)

## ★ LOCAL GOVERNMENT

### Real estate filing, recording

Technical changes to provisions regarding local government filing and recording of real estate are made under a new law.

Sponsored by Rep. Connie Ruth (R-Owatonna) and Sen. Steve Murphy (DFL-Red Wing), the law, for example, changes “filed,” and “filing,” to “recorded,” and “recording” in state statutes to reflect current practices, and was prepared by the Minnesota County Records Association’s legislative committee, Minnesota Real Estate Services Association and Minnesota Land Title Association.

Other process changes in the law include:

- updates requirements for technological county support of a county recorders office;
- establishes requirements for the content of grantor/grantee indexes regardless of the format maintained;
- requires a tract index be maintained, and allows for use of electronic media to do so; and
- allows for manual or electronic means of maintaining a grantor/grantee index.

The new law is effective Aug. 1, 2005.  
HF357/SF262\*/CH4

### Commissioners to oversee library

The Washington County Board of Commissioners will oversee the Washington County Library system, under a new law.

The board will appoint seven members to the library board, which will be deemed an advisory board to the county board and library director.

Among the board’s duties, according to the law, is “the establishment of rules governing library operations, review of the annual op-

erating budget for submission to the county board, development of a long-range plan and acceptance of gift and trust funds. The library board shall determine the contents of the collections of the library system and shall be responsible for the use of library meeting rooms.”

Sponsored by Rep. Mike Charron (R-Woodbury) and Sen. Sharon Marko (DFL-Cottage Grove), the new law is effective upon local approval.

HF547/SF532\*/CH13

### Anoka County laws codified

A new law codifies Anoka County laws into a single chapter in Minnesota statutes.

The county has had 77 special laws enacted since 1955, and others that are no longer relevant or superceded by new laws. This law simply organizes them for an easy, accurate reference. Supporters said because the laws are spread out, they could be missed when legal research is conducted. Other counties such as Dakota, Hennepin, Ramsey and St. Louis have all codified their laws in the same way.

Rep. Char Samuelson (R-New Brighton) and Sen. Don Betzold (DFL-Fridley), sponsor the law that is effective April 27, 2005.

HF656/SF451\*/CH28

### Board meeting locations

Effective Aug. 1, 2005, a new law will give county boards the option of holding a meeting at any location within the county.

Rep. Jerry Dempsey (R-Red Wing), who sponsors the law with Sen. Steve Murphy (DFL-Red Wing), said the issue came to him as a request by the counties.

An example the law would address is in Goodhue County, where the board now holds meetings at the county fair, but cannot make the meetings official because of state law.

Current law states, “the board shall meet at the county seat for the transaction of business on the first Tuesday after the first Monday in January, and on other days it prescribes as necessary for the interests of the county.”

HF2318/SF2112\*/CH42

### Project Riverbend Board eliminated

A new law will eliminate a formal board with oversight of development along a stretch of the Minnesota River.

Effective Aug. 1, 2005, the Project Riverbend Board is dismantled, but proponents say protection efforts will not be diminished.

The board, consisting of representatives from Renville, Redwood, Brown, Nicollet, Blue Earth and Le Sueur counties, was created

in 1980. It has not met since 1994.

It was established to set standards for development, similar to the state Wild and Scenic River designation, for a stretch of the Minnesota River from Franklin in Renville County to Le Sueur in Le Sueur County.

County ordinances will continue to protect that portion of the river even without a formal arrangement.

Rep. Tony Cornish (R-Good Thunder) and Sen. John C. Hottinger (DFL-St. Peter) sponsored the legislation.

HF2042/SF1841\*/CH47

### Noxious weed appeal duties

Counties can reassign appeals duties related to laws controlling and eradicating noxious weeds to a county board of adjustment, under a new law.

Rep. Rick Hansen (DFL-South St. Paul), who sponsors the law with Sen. Pat Pariseau (R-Farmington), said it would streamline county government processes. The law is effective May 11, 2005.

Each county now has the ability to have a noxious weeds appeal board, but counties have to solicit members to join a rarely used board. Supporters said that counties could reduce their efforts in trying to find members by having an existing board handle appeals.

“At its option the county board of commissioners, by resolution, may delegate the duties of the appeal committee to its board of adjustment,” according to the law.

HF1084/SF1016\*/CH49

### Wabasha port authority

The city of Wabasha is permitted to establish a port authority commission, under a new law.

“The port authority statute will provide the city of Wabasha with expanded revenue generating sources to establish economic development. That, in simple regard, means jobs,” said Rep. Jerry Dempsey (R-Red Wing), who sponsored the law with Sen. Steve Murphy (DFL-Red Wing).

The law establishes a port authority commission that could exercise the same powers as a port authority and a municipal housing and redevelopment authority.

Effective upon local approval, Wabasha will have the same authority as a number of other cities, including Breckenridge, Detroit Lakes, Fergus Falls and North Mankato.

HF1333\*/SF1275/CH61

### Medical service contracts

Local governments are permitted to award contracts to more than one bidder for shared hospital and ambulance services, under a new law.

According to the law, sponsored by Rep. Frank Moe (DFL-Bemidji) and Sen. Sheila M. Kiscaden (IP-Rochester), "The shared services purchasing program may award contracts to more than one bidder if doing so does not decrease the service level or diminish the effects of competition."

State statute previously prohibited an ambulance service from buying a different model than the cooperative service provides. The change would allow for the differences and use of various vendors while maintaining the competitive bidding process.

The law is effective Aug. 1, 2005.

HF1994/SF1869\*/CH63

### Buried electric lines can be assessed

Local governments can enter into agreements with private electric or communications companies to bury distribution lines, under a new law.

Sponsored by Rep. Doug Meslow (R-White Bear Lake) and Sen. Mady Reiter (R-Shoreview), the law allows a municipal council to "assess affected property owners for all or a portion of the cost agreed to with an electric utility, telecommunications carrier, or cable

system operator to bury or alter a new or existing distribution system within the public right-of-way that exceeds the utility's design and construction standards."

The law, effective Aug. 1, 2005, stems from a group of homeowners in White Bear Lake who approached the city about burying some electric lines, but were told that current laws might prohibit the city from working with the utility company to bury the lines.

It is expected to help older communities, built before it was common practice to bury cables.

If the affected property owners petition the municipality to bury or alter a new or existing utility distribution system within the public right-of-way that exceeds the electric utility, telecommunications carrier or cable system operator's design and construction standards, or those set by law, tariff or franchise, the municipality may assess affected property owner for all or a portion of the costs agreed to.

HF732\*/SF527/CH67

### Appointed county officials

Pope, Nobles and Lac qui Parle counties will have the ability to make the offices of county recorder and auditor-treasurer appointive, rather than elected, under a new law.

Under the law, the county board can make the positions appointive if the plan is approved by at least 80 percent of board members. The board must also notify the public of its intent by having a resolution published in the official publication of the county once a week in the two weeks prior to a public meeting.

The resolution can be implemented without submitting the question to the voters unless, if within 30 days of the second publication, there is a petition signed by at least 10 percent of the registered voters requesting a referendum.

According to the nonpartisan House Research Department, 19 other counties have been given special legislation to change offices from elective to appointive.

However, opponents said the law circumvents state statute that permits counties to make the positions appointive if voters approve the plan.

The law, sponsored by Rep. Bud Heidgerken (R-Freeport) and Senate Majority Leader Dean E. Johnson (DFL-Willmar), is effective in each county upon local approval by that county.

HF2028\*/SF1929/CH75

### Public personnel 'interest' clarified

A potential conflict of interest for people serving on both a volunteer ambulance service and a city council has resulted in a new law.

Previously, people "authorized to take part

in any manner in making any sale, lease, or contract in official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially therefrom."

Sponsored by Rep. Aaron Peterson (DFL-Madison) and Sen. Gary W. Kubly (DFL-Granite Falls), the law adds an exemption for "a contract with a volunteer ambulance service for the payment of compensation to its members or for the payment of retirement benefits to these members."

According to the nonpartisan House Research Department, the same exemption is in state law regarding volunteer fire departments. The exemptions apply to a port authority, seaway port authority, economic development authority, watershed district, soil and water conservation district, town, school district, hospital district, county or city.

A constituent of Peterson's said that his services as an emergency medical technician while also serving on his city council became a potential violation worthy of a gross misdemeanor, according to his city attorney.

The new law is effective Aug. 1, 2005.

HF647/SF663\*/CH80

### Charter amendment hearing a must

City councils must hold a public hearing and vote on a charter amendment proposed by a charter commission, under a new law.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), the law states, "within one month of receiving a recommendation to amend the charter by ordinance, the city must publish a notice of a public hearing and the notice must contain the text of the proposed amendment."

A city council must hold the hearing at least two weeks, but not more than a month, after the notice. Within a month of the hearing, the council must vote on the matter.

Current law does not require a city council to act on a commission's recommendation.

The law is effective Aug. 1, 2005.

HF815/SF1945\*/CH9

### Alternative survey process

A new law provides for an alternative filing process for corner markers and monuments in counties without full-time county surveyors.

Sponsored by Rep. Sondra Erickson (R-Princeton) and Sen. Betsy L. Wergin (R-Princeton), the law will give a deadline of one year for the filing of corner marker certificates by land surveyors, eliminate the authority of the county recorder to charge a fee for the



PHOTO BY TOM OLMSCHIED

**Effective Aug. 1, 2005, local governments can enter into agreements with private electric or communications companies to bury distribution lines.**



filing of marker or monument certificates and clarifies the requirement of counties holding full-time county surveyor offices to transfer the certificates to the office of the county recorder if the surveyor office is to close.

Under current law there is no deadline for the filing of corner marker certificates by land surveyors.

Erickson said a problem in her district arose with filing and recording certificates establishing the location of corner markers, and that the problem could reappear as development occurs across the state. Her constituents were also concerned with access to filings and notes.

The law is effective Aug. 1, 2005.

HF478\*/SF615/CH99

### **Hospital is now a public corporation**

Hennepin County Medical Center will be a public corporation and subsidiary of the county, under a new law.

"This will not solve the problem of uncompensated care and the other problems that are associated with public hospitals," but the provision will allow the medical facility to be more nimble and provide better healthcare, said Rep. Ron Abrams (R-Minnetonka), who sponsored the law with Sen. Linda Berglin (DFL-Mpls).

The corporation will be named Hennepin Healthcare System, Inc., and will be governed by a board of 11 to 15 directors, two of which must be Hennepin County commissioners.

The law also defines all employees as essential, under the Public Employees Labor Relations Act. Most employees may be

represented by bargaining units, except managerial, supervisory and confidential employees.

Most of the law is effective the day following local approval, except that provisions relating to governance, corporate powers, establishing personnel policies and application of the open meeting law and data practices act are effective upon appointment of the initial board by the county board.

HF2187\*/SF1956/CH125

### **No rules against flag flying allowed**

People wanting to fly the American or state flag outside their common interest property, such as a town home, can do so without fear of violating homeowner association's covenants.

A new law, effective Aug. 1, 2005, makes unenforceable "any provision of any deed restriction, subdivision regulation, restrictive covenant, local ordinance, contract, rental agreement, or homeowners association document" that restricts the flying of the American or state flag.

Lynn Hauger, a veteran, wanted to fly an American flag outside his home, which is part of a homeowners' association. However, he learned that there are many homeowner associations across the nation that don't allow flags to be flown. He brought his concern to Rep. Joe Mullery (DFL-Mpls), who sponsored the legislation along with Sen. Don Betzold (DFL-Fridley).

The law does not prohibit an association from placing a size limitation on the flag to be flown, regulating where on the person's property it can be displayed and whether it

can be illuminated.

A residential property owner or tenant who is denied the right to install a flag in compliance with association regulations and has to bring a lawsuit, may be entitled to recover reasonable attorney fees and expenses. However, if the flag is installed in violation of association restrictions or limitations, the party enforcing the restrictions is entitled to recover, from the party displaying the flag, reasonable attorney fees and expenses.

HF1473/SF1231\*/CH168

### **Salary limits can be increased**

Salary compensation limits for local government employees can be increased and adjusted annually, under a new law.

Sponsored by Rep. Ron Erhardt (R-Edina) and Sen. Steve Kelley (DFL-Hopkins), the law raises the limit of which an employee of a political subdivision can be paid from 95 to 110 percent of the governor's salary of \$120,303.

Also, beginning in 2006, the salary limit is annually adjusted and "equal to the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all-urban consumers from October of the second prior year to October of the immediately prior year," under the new law.

The law is effective Aug. 1, 2005.

Local government officials said that they submitted requests to the employee relations commissioner for an increase, but those requests were denied or not acted upon. Under the new law, if the commissioner grants or granted an increase, "the new limitation shall be adjusted beginning in August 2005 and in each subsequent calendar year in January."

Erhardt said placing caps on employees' salaries makes it hard to keep quality workers and Minnesota is the only state with salary caps on local government employees and can't compete nationally for workers.

HF995/SF953\*/CH169

## **MILITARY**



### **Pay differential clarified**

A new law clarifies the terms and conditions of pay differential for state employees who incur earnings decrease as a result of being ordered to active duty in the National Guard or reserves.

Sponsored by Rep. Rob Eastlund (R-Isanti) and Sen. Steve Murphy (DFL-Red Wing), the law is effective May 6, 2005, and applies to state employees serving in active military service on or after May 29, 2003.



PHOTO BY TOM OLMSCHIED

**Hennepin County Medical Center will become a public corporation and subsidiary of the county, under a new law.**

The law plans to rectify situations such as that of two St. Cloud women, who told a House committee they had to fight for their husband's pay differential when their spouse was deployed.

The wives testified they had to file numerous papers each pay period during the month to get the pay differential they were already guaranteed by law.

Under the law, differential is calculated by taking, "the person's monthly total gross earnings as an active state employee, excluding any overtime pay received but including all other earnings, averaged over the last three full months of the person's active state employment prior to reporting to active military service."

Also, the "agency head must periodically inform in writing all agency personnel who are or may be members of the reserve component ... of the benefits provided." Both wives testified they were not initially informed of the benefit.

HF2126\*/SF1991/CH35

### Disenroll from MinnesotaCare

Active duty soldiers and their dependents can voluntarily disenroll from the state's health care program, MinnesotaCare, under a new law.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Gary W. Kubly (DFL-Granite Falls), the law allows for the suspension of coverage and premium payments without having to reapply upon return. Previously, a lapse in coverage would result in a four-month waiting period before being eligible to reapply.

Michael W. Vogt, a specialist in the Minnesota National Guard, said that before he was deployed he contacted MinnesotaCare to suspend his care, but was informed that there wasn't a process to do so. Instead, he remained on the plan and paid the premium even though he was covered under military health care, which created a convoluted set of issues once he was injured overseas.

The law, effective May 20, 2005, also provides that income and asset increases reported at the time of reenrollment be disregarded.

HF1761\*/SF1726/CH59

## RECREATION



### Camping on state fairgrounds

Camping on the state fairgrounds will be preserved, under a new law.

Effective Aug. 1, 2005, the new law cements a compromise between the Department of Health and fair officials regarding space



PHOTO BY TOM OLMSCHIED

**The terms and conditions of pay differential for state employees who incur an earnings decrease from being ordered to active duty in the National Guard or reserves are clarified, under a new law.**

between campsites and public safety vehicle access.

Under the new law, the fair must operate a camping area on the fairgrounds. Camping will be allowed under the following conditions:

- RVs and tents must be separated from each other and from other structures by at least 7 feet,
- a minimum area of 300 square feet per site must be provided and the total number of sites must not exceed one site for every 300 square feet of usable land, and
- each site must face a driveway at least 16 feet in width with unobstructed access to a public roadway.

Furthermore, the new law clarifies that livestock and Midway exhibitors, who need to stay close to their operation, will be able to catch a few winks in their cars. During the state fair, a person may sleep in a vehicle in a designated fairground parking lot if they have a valid exhibitor parking permit.

Rep. Marty Seifert (R-Marshall) and Sen. Paul E. Koering (R-Fort Ripley) sponsored the legislation.

HF1104/SF1031\*/CH15

### No lifeguards at certain pools

Lifeguard supervision is no longer needed for adults who swim in zero-depth entry public pools.

A new law exempts zero-depth pools, when access is limited to people 18 years of age or older, from lifeguard requirements. The law is effective May 11, 2005.

Sponsored by Rep. Sandra Peterson (DFL-

New Hope) and Sen. David Gaither (R-Plymouth), the legislation gives zero-depth pools a lifeguard exemption when children are not present or able to access the pool.

A zero-depth entry pool has a slope that begins at grade level and deepens in a uniform slope to a depth of 3 feet or more. The gradual slope makes it easier for some people to get in and out of the pool.

The law allows health clubs to hold aqua-aerobic classes for adults in zero-entry pools without the presence of a lifeguard. License requirements and inspections for pools do not change under the legislation.

HF604/SF284\*/CH50

### Lifejackets a must for kids

A new law aims to bridge a disconnect between state and federal lifejacket requirements and keeping Minnesota youth safer while boating.

Effective May 6, 2005, children under 10 years of age are required to wear a lifejacket while boating on state waters. The requirement does not apply while the child is below deck or in an enclosed cabin.

Previously, state law required readily accessible flotation devices for everyone on board. It did not state that the lifejackets must be worn.

Federal law requires that children under the age of 13 (who are not in the cabin or below deck) must wear a personal flotation device on waters under federal jurisdiction. This includes Lake Superior; Canadian border waters; the Mississippi and St. Croix rivers; and Cass, Leech and Winnibigoshish lakes.





PHOTO BY TOM OLMSCHIED

**Children under 10 years of age are now required to wear a lifejacket while boating on state waters.**

The new state law specifies that the first violation will result in a warning, until May 1, 2006; thereafter, the penalty is a petty misdemeanor.

The new law provides exemptions for commercial watercraft and boats that are anchored for swimming or diving.

The legislation is formally titled the Grant Allen Law, named after a 5-year-old boy who drowned when he fell from a boat on a Chisago County lake in 2003. He was not wearing a lifejacket.

Rep. Char Samuelson (R-New Brighton) and Sen. Satveer Chaudhary (DFL-Fridley) sponsored the legislation.

HF590/SF1116\*/CH31

### **Snowmobile traffic can be regulated**

Local governments, under certain conditions, can allow two-way traffic of snowmobiles on the same side of the road at night, under a new law.

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

Howes said the issues addressed in the law, are similar to those regarding a street in his district. "(On) one side we have sidewalks, the other side is unimproved, we'd like to keep the snowmobiles on the unimproved side and off the sidewalks."

Under the law, "the road authority may allow two-way operation of snowmobiles on either side of the right-of-way of a street or highway under the road authority's jurisdic-

tion, where the road authority determines that two-way operation will not endanger users of the street or highway or riders of the snowmobiles using the trail."

The law is effective Aug. 1, 2005.

Legislation passed in 2004 allows two-way snowmobiling along major state highways with approval from the transportation commissioner.

HF1293/SF1296\*/CH7

### **County Park Reserve name change**

The name of the Hennepin County Park Reserve District is changed in statute to Three Rivers Park District, under a new law.

"The name has been changed on all the signs, all of the many, many vehicles, everywhere in the parks. The only place it has not been changed is in statute," said Rep. Joe Hoppe (R-Chaska), who sponsored the law with Sen. Ann H. Rest (DFL-New Hope).

The park district superintendent would also be able to serve as the chief administrative officer of the park district for a term of up to five years, instead of the previous two. Supporters said this would lead to more quality candidates. This provision applies to any park district.

According to its Web site, "As a special park district, Three Rivers Park District is charged with the responsibilities of acquisition, development and maintenance of large park reserves, regional parks and regional trails for the benefit and use of the citizens of suburban Hennepin County, Scott County, the metropolitan areas, and the

State of Minnesota."

The law is effective Aug. 1, 2005.

HF1320\*/SF1267/CH82

### **Some shooting ranges get protection**

After several rounds at the Legislature, a measure that protects shooting ranges from encroaching developments without unnecessarily restricting local planning and zoning authorities is now law.

Effective May 28, 2005, the new law sets noise standards and directs the Department of Natural Resources to develop performance standards for shooting ranges. It is designed to protect those ranges that comply with the guidelines from nuisance lawsuits.

Under the new law, any development or structure approved after Oct. 1, 2005, within 750 feet of a shooting range's property line would not be allowed if that development would cause the range to fall out of compliance with the performance standards.

Furthermore, a shooting range operating in full compliance could not be permanently closed unless a range activity is determined to be "a clear and immediate safety hazard."

Shooting range representatives have testified over the years that the law is necessary because many ranges are feeling the effects of so-called urban sprawl.

Opponents questioned whether the new law would create an impossible standard to meet if someone had a legitimate safety concern over range operations.

Rep. Tom Hackbarth (R-Cedar) and Sen.

Satveer Chaudhary (DFL-Fridley) sponsored the legislation.

HF2006/SF1908\*/CH105

### Houseboat hot tub exemption

A hot water pool, including a hot tub or whirlpool, intended for seated recreational use on a houseboat that is rented to the public will no longer have to meet the requirements for public pools, under a new law.

Effective June 2, 2005, the law is intended to help houseboat owners. When the boats are rented, the owner does not have control over what happens on board.

Under former law, a hot water pool on a rental houseboat was considered a public pool and subject to review and inspection under the Minnesota Pool Code.

The new law requires a notice to renters to be conspicuously posted near the pool that reads, "NOTICE: This spa is exempt from state and local sanitary requirements that prevent disease transmission. USE AT YOUR OWN RISK."

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

HF423\*/SF520/CH130

### Cave explorers beware

People who go rock climbing or cave exploring on private property, even with the landowner's permission, will be held more responsible if there is an accident, under a new law.

Effective Aug. 1, 2005, the law adds rock climbing and cave exploration to the list of activities where a landowner making property available for recreational activities, without charge, has less responsibility to prevent individuals from harming themselves.

Rep. Gregory M. Davids (R-Preston) and Sen. Mady Reiter (R-Shoreview) are the sponsors.

Davids sponsored a similar law one year prior, but Gov. Tim Pawlenty vetoed the measure in the wake of the April 27, 2004, deaths of three teenagers from carbon monoxide poisoning in St. Paul caves near the Mississippi River. Pawlenty said at the time, "We've seen, first-hand, the dangers involved in cave exploration. This bill could decrease precautions to avoid tragedy in the future."

HF221\*/SF196/CH14

## SAFETY



### No traffic inspection quotas

Quotas for issuing traffic and vehicle inspection citations will further be prohibited, under a new law.

Effective Aug. 1, 2005, the new law expands current statute, which applies only to the Minnesota State Patrol. It would prohibit law enforcement agencies, in addition to the state patrol, from requiring troopers, commercial vehicle inspectors or law enforcement representatives to issue a certain number of citations over any given period of time.

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

HF998/SF1486\*/CH46

### Firefighter board is revived

The Board of Firefighter Training and Education will rise from the ashes, under a new law.

Created by the Legislature in 2000, the board was scheduled to end Dec. 31, 2003.

Since then the board has continued to meet, despite the sunset provision, according to the nonpartisan House Research Department.

Under the new law, the 2000 statute will be revived and reenacted. The bill also ratifies all board actions taken from Dec. 31, 2003, through May 27, 2005, the effective date of the new law.

The board establishes standards for educational programs for firefighting and fire service training instructors.

The board's membership includes repre-



PHOTO BY TOM OLMSCHIED

**The Board of Firefighter Training and Education, which establishes standards for educational programs for firefighting and fire service training instructors, is reenacted, under a new law.**

sentatives of volunteer and career firefighters, fire chiefs and citizens. The governor, who is to seek representation from all areas of the state, appoints most members.

Rep. Steve Smith (R-Mound) and Sen. Linda Higgins (DFL-Mpls) sponsored the law.

HF1109\*/SF1578/CH110

### Emergency health powers modified

The Minnesota Emergency Health Powers Act will be modified to provide protections for volunteers and employees, and to create an "all hazard approach" to emergency planning and response.

The law also removes language regarding public health emergencies, authorizes professionals from Canada and the District of Columbia to provide assistance during emergencies, and removes the sunset date for some sections.

A "declared emergency" is defined as a national security or peacetime emergency declared by the governor. The governor will be required to immediately notify leaders of the House and Senate when declaring a peacetime emergency, and the Legislature will be able to terminate a peacetime emergency that extends more than 30 days.

A requirement that the governor call a special legislative session when declaring a peacetime emergency is eliminated, under the new law. It also clarifies that nothing in the law limits the governor's authority command over the National Guard.

The law will allow the governor to issue an emergency executive order, during a national security or peacetime emergency, requiring care to be given in temporary care facilities. This will be permitted if the number of ill or injured people exceeds the emergency hospital or medical transport capacity of one or more regional hospital systems.

Civil damages or administrative sanctions will be waived for responders acting during an emergency executive order period. It does not apply to cases of malfeasance in office or willful or wanton actions.

Individuals who volunteer to assist the state or a local political subdivision during an emergency or disaster and register with the state or subdivision will be considered its employees for the purposes of workers' compensation, tort defense and indemnification.

Health care providers will be required to notify individuals, before performing examinations, of their right to refuse the exam, testing, treatment or vaccinations. The individuals must also be notified of the consequences of refusal, such as isolation and quarantine. Formerly, the law only required



providers to notify people “when feasible.”

Sponsored by Rep. Duke Powell (R-Burnsville) and Sen. Becky Lourey (DFL-Kerrick), the legislation is effective Aug. 1, 2005, except for sunset provisions, which took effect June 4, 2005.

HF1555\*/SF1483/CH150

### Safer baby cribs

New legislation is designed to prevent the injury and possible death of infants in unsafe baby cribs.

Approximately 240 Minnesota babies are injured annually as a result of unsafe cribs, with some of those injuries resulting in death. The law will prohibit the sale and commercial use, such as licensed day-care use, of unsafe cribs.

Licensed child-care providers will be required to maintain documentation of their cribs, including the brand name and model number, under the law. If the information is not available, the crib’s usage will be prohibited.

Each year, child-care providers must check this information against a U.S. Consumer Product Safety Commission Web site listing of unsafe cribs. Every month, day-care providers will be required to perform safety inspections of their cribs. If an inspection reveals an unsafe condition, the day-care provider must immediately remove the crib from use and make it inaccessible to children.

The human services commissioner will be required to maintain a link from the licensing

division Web site to that of the safety commission which provides crib safety information.

The commissioner will be allowed to issue a licensing action if a license holder does not comply with the new requirements.

Other provisions in the law will prohibit the sale of unsafe cribs by a commercial user, and lodging establishments will be prohibited from providing an unsafe crib to guests.

Sponsored by Rep. Katie Sieben (DFL-Newport) and Sen. Ellen R. Anderson (DFL-St. Paul), the law is effective Jan. 1, 2006.

HF987\*/SF899/CH139

### Peace officer vehicle authorization

Peace officers with a Class D driver’s license will be allowed to operate any vehicle or combination of vehicles while on duty, under a new law.

The legislation, sponsored by Rep. Ron Erhardt (R-Edina) and Sen. Steve Murphy (DFL-Red Wing), is effective June 3, 2005.

The new law is needed for emergency situations, supporters said. Peace officers might only have a Class D license — that allows people to operate a passenger car and a few other vehicles — but may come upon a heavy vehicle that’s blocking the road and need to move it. The new law would allow them to move the vehicle and stay within the law. Previously they would have needed the proper licensure.

Heavier vehicles, such as trucks and buses, require a Class A, B or C license.

HF974\*/SF1125/CH160

## TAXES



### Tsunami donation tax break

Taxpayers who made contributions in January 2005 to tsunami relief in Asia were permitted to deduct those contributions on their 2004 state income tax returns, under a new law.

A Dec. 26, 2004, earthquake in the Indian Ocean touched off a tsunami that heavily damaged coastal areas from Indonesia to Africa and killed more than 150,000 people with thousands more still missing and presumed dead. Relief money subsequently poured in from all over the world.

Ordinarily, people who make donations beginning Jan. 1, 2005, would not be permitted to deduct those donations until they complete their 2005 tax form in 2006. The law applies only to donations for tsunami relief. A similar federal law was also enacted.

The effect of the law is expected to be financially negligible. According to estimates from the Department of Revenue, the law will shift approximately \$35,000 from fiscal year 2005 to 2006. That will vary, depending on how many people make donations and how much they donate.

Rep. Ron Abrams (R-Minnetonka) and Sen. Ann Rest (DFL-New Hope) sponsored the law, which is effective Jan. 28, 2005.

HF166/SF218\*/CH1

### Aid calculation corrected

Questions concerning how to calculate local government aid to Minnesota cities were answered, under a new law.

During the 2003 special legislative session, a portion of local government aid was eliminated, but grants to specific cities for specific needs were retained. However, a drafting error made it unclear how to calculate the city aid base.

Local government aid distribution in 2004 and 2005 was calculated with the assumption that the error would be corrected in the 2004 omnibus tax bill, but that bill was never passed. This law makes the correction. The change means that the language of the law now conforms to 2003 legislative intent and how the aid was distributed in 2004 and 2005.

Sponsored by Rep. Ron Abrams (R-Minnetonka) and Sen. Mee Moua (DFL-St. Paul), the law is effective retroactively, with local government aid payable in 2004.

HF47\*/SF1087/CH38



PHOTO BY TOM OLMSCHIED

**A new law is designed to ensure added crib safety at day-cares and help take unsafe baby cribs off the market.**

## Tax recodification enacted

A new law makes minor changes to the tax code and includes some common elements of the omnibus tax bills that passed the House and Senate.

The omnibus bills failed to clear a conference committee before the regular legislative session ended, but the Senate took some elements of the omnibus bills and amended them into the recodification bill, sponsored by Rep. Ron Abrams (R-Minnetonka) and Sen. Lawrence J. Pogemiller (DFL-Mpls).

The law recodifies some administration and collection provisions, placing them in the same section of state statutes.

According to an analysis from the Department of Revenue, the changes will make it easier for everyone to use the tax code.

The law also includes several property tax exemptions for new or expanded electric generating plants, effective for taxes levied in tax year 2005 and payable in tax year 2006 and thereafter: a biomass generation facility in Benson, a hydroelectric generation facility in Minneapolis and electric generation facilities for personal property in Blooming Grove Township and Mankato.

Property tax exemptions, effective for taxes levied in 2006 and payable in 2007 and thereafter, are also provided for electric generation facilities for personal property in Cambridge, Cannon Falls and Faribault.

Other aspects of the new law, include:

- The Disabled Veterans Rest Camp, a recreation area for disabled veterans on Big Marine Lake in Washington County, will be granted a property tax exemption effective for taxes payable in 2005.
- Soldiers serving in combat zones will have an extra 180 days after they return from the combat zone or the hospital to appeal property valuation, effective for returns submitted after Dec. 31, 2005.
- Those falsely claiming a tax refund will be penalized equal to 50 percent of the supposed refund, effective with returns submitted after Dec. 31, 2005.
- Effective for sales after June 30, 2005, all medicine will be exempt from sales and use taxes. Now, only analgesics (painkillers) and prescribed medicine are exempt from sales and use taxes. The exemption would also extend to "mobility enhancing devices," such as wheelchairs and canes.
- Those selling items at a flea market or similar event will qualify for the occasional or isolated sales tax exemption, effective June 3, 2005, provided they are in only one event per year and make no more than \$500 during that year and provide a written statement to that effect to the organizer.

The new law also contains several provisions for tax preparers, effective Aug. 1, 2005.

For example, they no longer have to separately itemize their cost of electronic filing on their bills to clients.

The State Board of Accountancy and Lawyers Board of Professional Responsibility is directed to refer complaints about tax preparers not subject to their jurisdiction to the revenue commissioner.

If tax preparers are penalized, their name will be published by the Revenue Department. The department will include the names of those convicted of a criminal offense related to tax administration on or after Aug. 1, 2005.

Preparers will not be included on the list if they are contesting the penalty, if the reviewer is adjusting the penalty or if the preparer has died. The department must notify preparers 30 days before their name is published. Preparers will be removed from the list if they were included in error, if they've paid all their fines or after they've died.

HF2228\*/SF1675/CH151

## Public projects receive financing

A new public financing law recommended by the Minnesota Institute of Public Finance changes the authority of municipalities to incur debt, and allows for a variety of projects by local governments.

The institute is an association of public finance professionals that helps bring government entities and investors together, and tries to instruct government entities on the effective use of public finance.

Rep. Ron Abrams (R-Minnetonka) and Sen. Lawrence J. Pogemiller (DFL-Mpls) sponsored the law.

Among the provisions, effective June 3, 2005, unless otherwise noted, are:

- permits the city of St. Paul to create a non-profit corporation to own and operate the RiverCentre facilities, effective upon city council approval;
- allows the Metropolitan Council to issue \$64 million in bonds for capital spending under its regional transit master plan;
- increases the spending limit for appropriations to societies for the prevention of cruelty to animals from 50 cents per capita to \$1 per capita, effective with taxes levied in 2005, payable in 2006;
- authorizes the Iron Range Resources and Rehabilitation Board to issue \$15 million in revenue bonds for grants to Iron Range school districts for improvements;
- adds three additional years to the tax-increment financing (TIF) district in Brooklyn Center for the city to complete development activities, effective upon approval by the city; and

- authorizes the city of Richfield to establish a redevelopment TIF district in an area that is affected by noise from the new north-south runway at the Minneapolis-St. Paul International Airport, effective upon approval by the city. The district will have more than five years to continue development activities.

HF2498\*/SF2228/CH152

## ★ TRANSPORTATION

### Pipestone County reclaims highway

A section of Highway 268 in Pipestone County in southwestern Minnesota will no longer be a part of the state's trunk highway system, under a new law.

The legislation, sponsored by Rep. Doug Magnus (R-Slayton) and Sen. Jim Vickerman (DFL-Tracy), transfers jurisdiction of a section of the highway from Trosky to Edgerton. Maintenance will now be the county's responsibility, though it could be designated a County State Aid Highway. The county had requested that the highway be returned to the county, Magnus said.

The law takes effect when the transportation commissioner issues a notice of transfer and notifies the Office of the Revisor of Statutes.

HF124/SF225\*/CH5

### Kandiyohi County roadway

A 13.4-mile segment of Highway 104 between Sunburg and Highway 12 in Kandiyohi County has been eliminated from the state's trunk highway system and is now be part of the Kandiyohi County highway system.

The legislation, effective March 8, 2005, was sponsored by Rep. Bud Heidgerken (R-Freeport) and Senate Majority Leader Dean E. Johnson (DFL-Willmar).

That segment of the highway will be eligible for Department of Transportation "turnback" money, which will allow the county to reconstruct part of the road if necessary. The county will be responsible for future maintenance.

HF254/SF685\*/CH6

### Becker County reclaims highway

A section of Trunk Highway 224 in Becker County in northern Minnesota will no longer be a part of the state's trunk highway system, under a new law.

Sponsored by Rep. Kent Eken (DFL-Twin Valley) and Sen. Keith Langseth (DFL-Glyndon), the law transfers jurisdiction of a section of the highway from Ogema to White Earth. Maintenance will now be the responsibility of the county, though it could be designated



a County State Aid Highway. Eken said the county had asked for the highway back because of a building project.

The law is effective upon the transportation commissioner issuing a notice of transfer and notifies the Office of the Revisor of Statutes.  
HF277/SF234\*/CH7

### Utility vehicle exemption

Certain large utility vehicles can now travel on local asphalt and gravel roads with a spring axle-weight limit.

Utility vehicles needed to perform emergency work weighing up to 20,000 pounds per single axle, 36,000 pounds per two axles and 48,000 for three axles have been exempt from seasonal weight limits posted by local authorities. Effective April 15, 2005, the exemption is extended to a spring limit of 5 tons per axle for vehicles used to perform utility service restoration or to prevent the loss of service.

Members of the trucking industry said the law would make it easier to perform the necessary work.

Rep. Larry Howes (R-Walker) and Sen. Steve Murphy (DFL-Red Wing) sponsored the law.  
HF1508/SF1466\*/CH21

### Seasonal weight limit exemption

A law that allows recycling and garbage trucks to exceed certain seasonal weight limits was set to expire July 1, 2005, but that sunset date has been repealed.

Effective Aug. 1, 2005, the law allows vehicles collecting recycling and mixed solid waste to exceed seasonal weight limits if the

axle weight does not exceed 14,000 pounds.

The Department of Transportation and the University of Minnesota Center for Transportation Studies were to have finished a study on road wear and weight restrictions by July 1, 2005, but those studies aren't complete, so the law should remain in effect, said Rep. Ron Erhardt (R-Edina), who sponsored the law with Sen. William V. Belanger Jr. (R-Bloomington).

Garbage companies favor the law, but city engineers and county representatives oppose it, fearing the continued use could further damage roads.

HF1189\*/SF1259/CH34

### Aeronautics law revised

A new law makes several changes in the state's aeronautics law.

Sponsored by Rep. Michael Beard (R-Shakopee) and Sen. Ann H. Rest (DFL-New Hope), most of the law is effective Aug. 1, 2005.

Most notably, the new law regulates the repayment of state money used to buy airport land.

Other provisions include:

- if land bought by a city with state funds ceases to be used for aviation, the city using the land must pay the state back;
- classic or antique aircraft will no longer have to display special symbols;
- recreational aircraft can use registration certificates for identification instead of decals;
- Civil air patrol aircraft will no longer have to display tax-exempt number plates; and
- registered aircraft will no longer have to display number plates.

HF915\*/SF1037/CH41

### License plates from dealer

A new law will allow motorists to get their license plates straight from dealers when buying a new or used car.

Sponsored by Rep. Dan Severson (R-Sauk Rapids) and Sen. Mee Moua (DFL-St. Paul), the law is effective Aug. 1, 2005.

The law allows the Department of Public Safety to distribute license plates and stickers to automobile dealerships. Dealers will then issue plates and stickers at the time of purchase. The information would be electronically transmitted to the state and a deputy registrar would review the transaction before issuing the registration.

Cost to customers in other states averages \$20, but the cost has not been set here. The service would be optional.

Car dealers have asked for the law to provide another service for their customers, and car buyers want it because they'll get their license plates right away.

HF1134/SF1056\*/CH45

### Shoulder use expanded for buses

A new law permits more buses to use the shoulder of freeways while transporting passengers.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Steve Murphy (DFL-Red Wing), the law is effective May 11, 2005.

The law allows Metro Mobility buses and special transportation buses operated by the Metropolitan Council to use the shoulders of freeways in the Twin Cities metropolitan area. This privilege would also extend to public or private entities receiving financial assistance from the Metropolitan Council.

Previous law permitted transit buses to use the freeway shoulder in the seven-county Twin Cities metropolitan area when traffic speeds are less than 35 mph.

HF577/SF633\*/CH51

### Veterans road test waiver

Veterans permitted to drive certain classes of vehicles by a branch of the military might get a licensing break, under a new law.

The law, sponsored by Rep. Dan Severson (R-Sauk Rapids) and Sen. Michelle L. Fischbach (R-Paynesville), is effective May 17, 2005.

The new law will authorize, but not require, the commissioner of public safety to waive the requirement of military veterans to take a road test for a Minnesota driver's license under certain conditions; specifically, if the person is already licensed by a branch of the United States Armed Forces for that vehicle class, or has been licensed in the past year.



PHOTO BY TOM OLMSCHEID

**A sunset date has been repealed that allows recycling and garbage trucks to exceed certain seasonal weight limits.**

Veterans would still be required to take the written test.

HF1053/SF1095\*/CH53

### Disabled parking law updated

Several changes to the law relating to disabled people take effect Aug. 1, 2005.

Of particular note, the term “handicapped” will be changed to “disabled” in law governing state park fees and permits, and the Department of Public Safety will be allowed to issue more than one set of disability license plates if all the owner’s vehicles have been modified for and are used by disabled people. The owner could previously only get one disability plate.

The law changes the name of “temporary disability permits” to “temporary certificates,” and creates categories of disabled parking certificates. A “6-year certificate” will be good for six years, a “long-term certificate” will be issued for a period greater than 12 months up to 71 months, a “short-term” certificate” will be good for 6-12 months and a “temporary certificate” will be valid for up to six months. The categories are created for people who are disabled at one point, then recover from their disability.

The law also imposes new requirements for organizations that transport one or more disabled persons. Those organizations can apply for a certificate for all motor vehicles owned or operated by the organization, and they must have internal controls to prevent misuse. Those internal controls must be presented along with the application.



PHOTO BY ANDREW VONBANK

**Included in the changes to laws relating to disabled people are provisions about disability license plates and disabled parking spaces.**

Certificates can be canceled for fraudulent use and failure to comply with the law.

Parking in front of a disabled space, not just in a disabled parking space is forbidden, under the law. Property owners will also be required to keep disabled parking spaces free of obstruction.

Rep. Connie Ruth (R-Owatonna) and Sen. Claire A. Robling (R-Jordan) sponsored the law.

HF1461\*/SF1506/CH64

### Bridges to get new names

A bridge in northern Minnesota will be named after a longtime employee of the Minnesota Department of Transportation.

The bridge on Trunk Highway 6 crosses Lake Roosevelt near Outing in Cass County. Under legislation sponsored by Rep. Frank Moe (DFL-Bemidji) and Sen. Carrie L. Ruud (R-Breezy Point), it will be renamed “The Bradley Waage Memorial Bridge.”

Effective Aug. 1, 2005, the law directs the department to adopt a marking design that includes the words “Bradley Waage Memorial Bridge” and/or “aka ‘Brainerd Brad’” to mark this bridge and install signage.

A department engineer, Waage worked on the bridge, but died of a heart attack shortly after it was finished. His family asked for the bill, and has agreed to pay all costs associated with the name change.

The law also renames a bridge on Trunk Highway 10 between Moorhead and Fargo, N.D., the Veterans Memorial Bridge.

Rep. Morrie Lanning (R-Moorhead), who sponsored the provision with Sen. Keith Langseth (DFL-Glyndon), said veterans’ groups in the area asked for the change, and have agreed to pay all signage costs.

The cities of Fargo and Moorhead have approved the name change, as has the North Dakota Legislative Assembly.

HF626/SF735\*/CH73

### Transportation bill vetoed

An omnibus transportation finance bill that would have increased license tab fees, placed an annual tax on each car and increased the gas tax a dime a gallon was vetoed by Gov. Tim Pawlenty.

“I am disappointed the Legislature spent so much time advancing this bill simply to make a political point,” Pawlenty wrote in his veto message. “At a time when gasoline prices are at a historic high, it is particularly unwise to be increasing the gas tax burden on Minnesota families.” The bill would also have provided “disproportionate increases” to transit and not enough for roads, he wrote.

Legislative leaders did not bring a new bill forward by the end of the legislative session, nor was one completed in the special session.

HF2461\*/SFnone/CH88

### Paying more, dollar dedication

Each county could have imposed an annual vehicle, or wheelage, tax of up to \$20 to help pay for roads and bridges in that county. (Art. 3, Sec. 1)

The state’s gas tax would have increased from 20 cents to 25 cents on June 1, 2005, and then to 30 cents per gallon June 1, 2006. (Art. 3, Sec. 3)

The bill proposed that 3.85 percent of sales tax receipts in the seven-county Twin Cities metropolitan area and Chisago County be dedicated for transit – 3.08 percent in the metropolitan area and the rest for Greater Minnesota transit. (Art. 3, Sec. 5)

License tab fees would have increased an average of \$30 a year over the next 11 years, and the money would have gone to pay for public transportation projects. (Art. 3, Sec. 2)

Class A, B, C and D driver’s licenses would have all increased \$3. (Art. 2, Sec. 37.)

### Let the voters decide

The lone surviving part of a bill is a referendum that, if approved, will change the way the Motor Vehicle Sales Tax is allocated.

Voters will be asked in November 2006 if they want to change how the tax receipts are allocated. Now, 30 percent goes to pay for state and local highways, 21 percent goes to the Metropolitan Council for transit and other needs and most of the rest goes to the General Fund.

If approved, when fully implemented by July 1, 2011, 60 percent of the proceeds would pay for highways, 38 percent would pay for metro area transit and 2 percent would pay for Greater Minnesota transit. (Art. 3, Sec. 9)

### Department allocations

In addition to new money for the state’s highways, roads, bridges and transit, \$3.8 billion would have been designated to the Department of Transportation for its activities, which include overseeing state highways, infrastructure investment and planning. The bill also called for a study of incentives for non-subsidized regular route transit from outside to inside the Twin Cities metropolitan area. (Art. 1, Sec. 2)

The bill would have provided \$58.3 million in fiscal year 2006 and \$59.55 million in fiscal year 2007 for bus and light rail transit. The council would have been prohibited from reducing its Metro Mobility service area. (Art. 1, Sec. 3)

The Department of Public Safety would



have received \$267 million, including money for the State Patrol and driver and vehicle services. That would have included \$3.7 million in fiscal year 2006 to add patrol positions. The department would also have had to check the security on its online vehicle registration site, and alert anyone whose personal information had been compromised. (Art. 1, Sec. 4)

### Relating to driving

Passing on the right side shoulder would have been prohibited, whether the shoulder was paved or unpaved. (Art. 5, Sec. 36)

Farm machinery would have been able to move to the left of the centerline to avoid objects on the right. (Art. 5, Sec. 37)

Vehicles used to transport adults to and from day activity centers or sheltered workshops would have been able to use warning lights and a stop arm under these conditions: if the vehicle picked up and dropped off passengers at locations designated by the center; if the driver has a school bus license; if the vehicle is prominently marked as a day activity center bus or if the name, address and telephone number of the driver is on the front door. (Art. 5, Sec. 38)

Felony convictions involving the use of a motor vehicle, impaired driving convictions, impaired driving related to loss of license, failure to comply with accident reporting requirements and gross misdemeanor driving after license cancellation or denial would all have remained permanently on violators' records. Now they are purged after anywhere from five to 15 years. (Art. 5, Sec. 59)

Applicants for a driver's license renewal who have received a warning letter or who have attended a preliminary hearing as a habitual violator, would have had to pass a written test to have their license renewed. Applicants who have had their driver's license suspended as a habitual violator would have had to take a road test to regain their driving privileges. (Art. 5, Sec. 61)

Applicants for a commercial driver's license would have had to provide a 10-year driving history. (Art. 5, Sec. 62)

### For Veterans

New license plates with the message "Global War on Terrorism" would have been made available. The design could have displayed an Iraq campaign medal, an Afghanistan campaign medal or a global war on terrorism expeditionary medal. Qualified members of the National Guard and military reserves would have been eligible for the plates, which would have carried a \$5 surcharge.

Eligible veterans would have been able to request a personalized plate, for no fee. Veterans' plates would also have been issued for



PHOTO BY TOM OLMSCHIED

**Gov. Tim Pawlenty used his veto stamp on a transportation funding bill that in part, would have increased the state's gas tax.**

1-ton pickup trucks for a \$5 surcharge until \$2,000 was collected.

Veterans' motorcycle plates would have been available to Gulf War veterans.

"Support Our Troops" license plates would have been available to anyone for cars, pickup trucks, recreational vehicles and motorcycles for a \$30 contribution to the state's "Support Our Troops" account created by the bill. Money in the account would have been used

for financial support to Minnesota soldiers on active duty and their immediate families. (Art. 5, Secs. 23-29)

### Miscellaneous

Those who failed their written driver's test twice would have paid a \$10 fee for the third and any subsequent test, and those who failed their road test twice would have paid a \$20 fee for the third and any subsequent test. (Art. 2, Sec. 41)

The bill would have made various policy changes, including the creation of an account to pay for a highway sign program. (Art. 5, Sec. 1)

Counties would have been allowed to use part of their county state-aid funds to pay for new road signs, without subsequent reductions in money. (Art. 5, Sec. 7)

The collection of tolls on toll lanes, roads or bridges would have been prohibited after the construction costs had been paid and the operator (if it is a for-profit entity) has made a reasonable profit. (Art. 5, Sec. 2)

A speed limit of 30 mph would be have been posted for trains within the city limits in the northern Minnesota city of Orr. Proponents said trains regularly travel near the school at speeds of up to 60 mph. (Art. 5, Sec. 91)

### **Airbags not in repair estimates**

The cost of repairing or replacing an airbag will no longer be included in an estimate of repairs to a damaged vehicle, under a new law designed to make things easier on the car's owner.

The legislation, sponsored by Rep. Dan Severson (R-Sauk Rapids) and Sen. Linda Scheid (DFL-Brooklyn Park), is effective Aug. 1, 2005.

In a major traffic incident, an airbag deploys to keep passengers from hitting the dashboard. Repair or replacement of that airbag can cost \$3,000 to \$5,000, supporters said.

That can easily push the damage to 70 percent of the car's retail value, the point at which insurance companies usually declare the car a total loss and issue a check to the owner for the car. However, because the airbag was included in that assessment, the check might not be enough to pay off the car and/or buy another one.

HF1529/SF1379\*/CH94

### **Emergency vehicles get protection**

The shoulders of Minnesota roads should become safer for Minnesota law enforcement officers, under a new law.

Sponsored by Rep. Paul Gazelka (R-Brainerd) and Sen. Sheila Kiscaden (IP-Rochester), the law requires a vehicle approaching an emergency vehicle with its emergency lights flashing and stopped on a two-lane road, to move to the lane farthest away, if possible. Where the roadway has more than two lanes, the approaching vehicle must move over to allow a full lane between its lane and the lane where the emergency vehicle is stopped, if possible.

If a driver violates that law, a peace officer is allowed to issue a citation within four hours of the incident. Supporters said that officers are usually occupied at the time of the incident, so they don't have time to stop the driver. If

they get the license plate number, they can usually locate and cite the driver later.

Under the law, probable cause is also sufficient "when the person cited is operating a vehicle described by a member of the crew of an authorized emergency vehicle responding to an incident in a timely report."

Effective May 27, 2005, the law also addresses signs near freeway exit ramps directing motorists to restaurants.

Previous law required that in order to be included on the signs, restaurants must serve and prepare meals on the premises. That clause was taken out to accommodate businesses like Brooklyn Center-based Caribou Coffee, which asked for the clause.

HF1164\*/SF1388/CH120

### **No separate aviation plan needed**

The Metropolitan Airports Commission can reduce the number of taxicab permits at the Minneapolis-St. Paul International Airport, under a new law.

There has been a problem with the number of taxicabs versus customers, said Rep. Michael Beard (R-Shakopee), who sponsored the law with Sen. Linda Higgins (DFL-Mpls). Factors determining whether the commission will reduce the number of taxicabs include the number of permits issued in relation to the number of customers, the wait times for cab drivers and the impact to current permit holders. The law also creates a permit-reduction method.

The Metropolitan Council, under the law, is no longer required to develop an aviation plan and an annual air transportation assessment and instead incorporate those into its transportation policy plan.

The development of a separate aviation plan costs the Council \$85,000 to \$100,000 and the law is expected to save considerable resources.

The law repeals the requirement that the Metropolitan Council prepare an annual long-range assessment of air transportation trends and factors that may affect airport development in the Twin Cities metropolitan area.

The law is effective Aug. 1, 2005.

HF951/SF629\*/CH123

### **Scooter use now has rules**

Effective Aug. 1, 2005, a new law will regulate motorized foot scooters, vehicles that became popular in the 1990s.

Usually operated by children, they have handlebars, are powered by an electric or gasoline engine and either have wheels, not more than 10 inches in diameter, or an engine

with a maximum speed of 15 mph.

Because the devices are relatively new, there is no legislation to cover them and there have been some issues with local authorities who don't know if they should cite the operator or confiscate a scooter when it is used inappropriately, said Rep. Michael Beard (R-Shakopee), who sponsored the law with Sen. Steve Murphy (DFL-Red Wing).

The law makes operators of the scooters subject to the same rights and duties as bicyclists. Operators will be prohibited from driving the scooters on sidewalks and they may not carry passengers.

People under age 12 will not be able to operate the scooters and operators under age 18 will be required to wear helmets. Headlights and taillights will be required when operated at night. The scooters will have to be operated as close as possible to the right curb of the road unless the operator is passing or making a left turn. When turning, the operator must dismount at the right curb and cross on foot, subject to the same laws as a pedestrian.

Operators will be allowed to ride the scooters on bicycle paths, lanes or trails, unless specifically prohibited by local authorities.

HF912/SF808\*/CH135

## **VETERANS**



### **May is 'Hire a Veteran Month'**

A new law designates May as "Hire a Veteran Month."

Sponsored by Rep. Dan Severson (R-Sauk Rapids) and Sen. Betsy L. Wergin (R-Princeton), the law is "in honor of the more than 48 million citizen soldiers who, as of Jan. 1, 2005, have served in the United States Armed Forces, of whom over 1.5 million have been wounded and over 1 million more have made the ultimate sacrifice by giving their lives for their country."

Effective April 15, 2005, the law is designed to help those whom Severson said, "have given so much to our country." The legislation was prompted by a piece of correspondence from an educational organization that detailed how schools could keep from rehiring teachers who were called to active duty and returned.

Under the law, the governor is to annually issue a proclamation honoring this observance, in order to urge all public and private employers to give fair and appropriate consideration to veterans in their hiring decisions.

HF1240/SF1254\*/CH22



### **Zoning requirement exclusion**

A new law will exclude the Disabled Veterans Rest Camp on Big Marine Lake in Washington County from certain zoning controls.

Sponsored by Rep. Ray Vandever (R-Forest Lake) and Sen. Michele Bachmann (R-Stillwater), the law requires the camp to continue developing and promoting camp features for veterans who are disabled, prohibits the taking of land from the park by eminent domain, requires access to the park to not be restricted and excludes the camp from property taxes effective for taxes levied in 2005, payable in 2006, and thereafter.

Most provisions are effective the day following local approval.

The Disabled American Veterans said there have been numerous attempts by the Washington County Park Commission and members of the Washington County Board of Commissioners to acquire the land and make it part of the Big Marine Park Reserve.

Concerns have been raised about how the county would be able to purchase the land if the camp wanted to sell the land in the future.

According to the law, "The camp, by terms of separate agreements, must offer Washington County the right of first refusal to purchase the rest camp property if a sale is ever contemplated and provide an easement across the main Veterans Rest Camp Road in order to provide a connection of the north and south areas of the park."

HF34/SF467\*/CH43

### **Veteran's restrictions repealed**

Veterans receiving military retirement pay will be eligible for veterans preference in state and local government hiring, under a new law, just as other veterans have been for several decades.

Sponsored by Rep. Dan Severson (R-Sauk Rapids) and Sen. Michelle L. Fischbach (R-Paynesville), the law will repeal the veteran's preference restriction that says preference for state and local government employment cannot be used for those who receive or are eligible for veteran's pension based exclusively on length of service.

In making the change, legislators are telling soldiers looking for employment in the public sector, "We recognize your contribution to our country and to this state and we are willing to make an exception for your case and give you some extra credit," said Severson.

Veterans preference was originally enacted to help returning soldiers without retirement benefits find state employment, Severson said. Due to military downsizing, the restriction is no longer needed, he added.

The new law is effective Aug. 1, 2005.  
HF685/SF1268\*/CH95

## **TECHNOLOGY**



### **Company can tap the aquifer**

A new law lends Bushel Boy Farms in Owatonna legislative assistance to explore establishing a unique heating and cooling system modeled after technology used in the Netherlands.

Effective Aug. 1, 2005, the law will give the company the option of applying for annual water use permits to be issued for an aquifer storage and recovery system that returns all once-through water to the source aquifer. Other one-time industrial water uses are restricted under state law.

The permits would be issued by the Department of Natural Resources with approval from the Health Department and Pollution Control Agency.

Bushel Boy Farms is considering heating and cooling tomato greenhouses with a once-through system. The company hopes to save 35 percent to 45 percent in energy costs with this technology.

The legislation is not solely drafted toward Bushel Boy Farms and opponents criticized opening up the option of tapping aquifers for other companies and industrial uses.

Rep. Connie Ruth (R-Owatonna) and Senate Minority Leader Dick Day (R-Owatonna) sponsored the measure.

HF1839/SF1738\*/CH89

## ★ EDUCATION

### Increased funding highlights law

The \$12.65 billion omnibus education law includes \$800 million in new K-12 education funding and policy issues that include teacher performance pay and levy changes.

During floor debate, both Democrats and Republicans praised the law's increase in funding; however, some said it still doesn't make up for stagnant or reduced funding in recent years.

Rep. Barb Sykora (R-Excelsior) and Sen. LeRoy Stumpf (DFL-Plummer) sponsored the law.

The following are some provisions in the law, effective July 1, 2005, unless otherwise noted.

2005 Special Session: HF141\*/SFnone/CH2

### Funding

A 4 percent per-pupil formula funding increase is called for in each year of the biennium. The basic state aid has been \$4,601 per pupil unit since the last increase went into effect for the 2002-03 school year. Under the law, the numbers increase to \$4,783 for the 2005-06 school year and \$4,974 for the 2006-07 school year. Excluding roll-ins and roll-outs, the basic formula increases are the largest in 17 years. (Art. 1, Sec. 17)

Linked to the basic aid formula are categorical aids for things such as compensatory aid, for school districts with the highest concentration of low-income students, and transportation sparsity, which helps rural districts pay for transportation.

The law includes \$23.5 million in new money for special education, \$11 million for

gifted and talented funding, \$7.5 million for telecommunications access aid, \$5.5 million for early childhood family education, \$4 million for Head Start, \$1.3 million for health and development screening, and \$1 million each for community education and the Minnesota Early Learning Foundation. (Art. 1, Sec. 18; Art. 3, Sec. 18; Art. 7, Sec. 20)

Early childhood family education revenue for districts is increased from \$96 to \$104 times 150 or the number of district residents under age 5. It was \$120 in fiscal years 2003 and 2004. (Art. 7, Sec. 4)

The general community education revenue for a district is increased from \$5.23 to \$5.42 per capita beginning with fiscal year 2007. (Art. 8, Sec. 5)



PHOTO BY SARAH STACKE

Included in the omnibus education law is an increase in per-pupil formula funding, permission to increase local levies and the establishment of a merit-based alternative teacher compensation program to award teachers for student achievement.



### **Levy/referendum changes**

The law permits school districts to raise \$139 million for schools through increased local levies, which will require board and voter approval. Most school districts are authorized to receive an additional \$46 per student in equity revenue. This revenue is in equalized aid and levy. A district above the 95th percentile in referendum revenue per pupil unit can only levy one-half that amount. (Art. 1, Sec. 21)

The law also makes changes to a number of other levies, including those affecting alternative teacher compensation, building leases, unemployment insurance, judgments and abatement adjustments. (Art. 1, Secs. 24, 35, 36, 37, 41)

For safety purposes, a school district is permitted to levy up to \$30,000 times the number of Carpenter school buses in its fleet as of Jan. 1, 2003, that have been determined to have potentially defective welds and are subject to limitations imposed by the Department of Public Safety. According to the nonpartisan House Research Department, there are approximately 40 Minnesota school districts that have a total of 115 buses with potential roof defects. (Art. 1, Sec. 49)

The limit on the maximum amount of referendum aid that a district can receive is increased from 18.6 percent to 26 percent of the basic formula allowance. The law also adjusts the alternative maximum referendum allowance for districts that were capped in 1994 by \$200 per pupil unit. The amount of the first tier of equalization aid for districts with low property wealth is increased from \$500 to \$600 per pupil unit for fiscal year 2007 and another \$100 in the following year and beyond. (Art. 1, Secs. 29-31)

### **Alternative teacher compensation**

An initiative pushed for by Gov. Tim Pawlenty since he took office is included to the tune of \$86 million.

The so-called “QComp” — Quality Compensation for Teachers — is a merit-based alternative teacher compensation program to award teachers for student achievement, rather than just seniority and education credits beyond a bachelor’s degree.

“Any district that wishes to apply has the opportunity to do that,” Sykora said. “In the event they apply there would be a contract between the teachers’ union and the board and administration that would give teachers a chance to advance within their schools, and within their profession the opportunity for professional development and best practices in the way we teach children, evaluations of performance and student achievement. ... Sixty percent of a person’s pay would be based on performance.”

The law requires that districts or charter school sites wanting to participate must have a transitional planning year. However, that can be waived if the commissioner determines a site or charter school is ready to implement an alternative pay system.

Once teachers and district or charter school officials decide to pursue an alternative pay system, a letter of intent is sent to the education commissioner. With the letter, the district and teachers must commit to using up to 2 percent of basic revenue for staff development purposes for the planning process.

Districts and charter schools would be eligible on a first-come, first-served basis. Districts will be eligible to receive up to \$260 per pupil. Total charter school funding is capped at \$522,000 in fiscal year 2006 and \$3.37 million one year later. (Art. 1, Secs. 47-48; Art. 2, Secs. 39-42)

### **Get Ready, Get Credit**

The law provides \$11.6 million for the program that allows high school students to earn college credit in high school by taking college level classes. Students completing a class will be encouraged to take a College Level Examination Program test to receive immediate state higher education system credit. The state will pay for the test. Subjects in which students can earn credit include: composition, literature, mathematics, science, history, social sciences, foreign languages and business.

Also included is using the ACT Explore test in grade eight and the ACT Plan test two years later to, according to the Education Department, “determine student strengths and weaknesses and allow students, teachers, schools, and parents to determine college readiness earlier than the junior or senior year in high school.” There would be no costs to students or their families. (Art. 2, Secs. 12, 15)

Additionally, advanced placement and international baccalaureate exam fees for low-income public and nonpublic students, as defined by the education commissioner, are to be paid by the state. To the extent funds are available, the state shall also pay for other students. (Art. 2, Sec. 14)

### **Policy, other provisions**

An early childhood development grant program is to be implemented for low-income and other families that increases the effectiveness and expands the capacity of early childhood development programs that lead to improved early childhood parent education and children’s kindergarten readiness. (Art. 7, Sec. 15)

The law addresses a number of charter school issues. For example, the education commissioner cannot sponsor a school; what must be in a contract between a charter school

and its sponsor is clarified, as is the calculation of general education aid and transportation revenue paid to charter schools; a charter school is prohibited from receiving aid, grants or revenue that replace levy revenue; and the law clarifies that charter schools are eligible to provide American Indian education programs for which grants are available. Most of the sections are effective with the 2005-06 school year. (Art. 2, Secs. 58-64, 68)

Effective with the 2005-06 school year, school districts are permitted to identify students, develop programs, provide staff development and evaluate programs to provide challenging programs for gifted and talented students. Districts may also adopt guidelines for assessing and identifying students to participate in such programs. (Art. 2, Sec. 16)

School districts are encouraged to offer character education instruction by incorporating it into existing programs, curriculum or the school environment. Among the issues that can be addressed are: attentiveness, truthfulness, respect for authority and others, diligence, gratefulness, self-discipline, patience, forgiveness, peacemaking and resourcefulness. Federal funds are to first be used for these programs, but districts can accept funds from private and other public sources. This is effective July 15, 2005. (Art. 2, Sec. 18)

Districts are also permitted to allow grade-level instruction on America’s founding documents, such as the Bill of Rights and those that contribute to the foundation of America’s representative form of government, without censorship or restriction based on religious references in original source documents. (Art. 2, Sec. 19)

Self-protection can now be included as part of a violence prevention curriculum. (Art. 2, Sec. 17)

School boards are required to adopt anti-bullying and intimidation policies. (Art. 2, Sec. 27)

Boards are also permitted to establish an employee recognition program for district employees, but it must not include monetary awards. (Art. 1, Sec. 49)

A school board can offer a reward for information leading to the conviction of a person or persons that committed or conspired to commit a crime against students, school employees, volunteers or board members as a result of their affiliation with the district, or against district property. (Art. 2, Sec. 50)

Effective Aug. 1, 2005, a varsity head coach whose contract is not renewed can request that the school board provide, in writing, reasons for the non-renewal. Upon request, the board must also give the coach an opportunity to respond to the reasoning at a board meeting. (Art. 2, Sec. 35)

The board of the Perpich Center for Arts Education in Golden Valley can meet by telephone or other electronic means if certain criteria are met. (Art. 2, Sec. 76)

Districts may establish a pupil transportation safety committee to review and recommend changes to district policies and develop a plan for safe transportation of students facing hazardous transportation conditions, such as the types of roads students of varying ages must cross and the speed on those roads. (Art. 2, Sec. 55)

Administrators are authorized to provide one or more of three alternatives to out-of-school suspensions: strongly encourage a parent or guardian to attend school with the student for a day, assign the student to a Saturday program supervised by the principal or petition the juvenile court that the student is in need of services under child protection statutes. (Art. 2, Sec. 31)

The public safety commissioner is prohibited from linking or conditioning the issuance, suspension, or revocation of person's driver's license to attendance at a secondary school. (Art. 2, Sec. 78)

A Principals' Leadership Institute may be established to provide professional development for principals. The education commissioner may contract with the University of Minnesota to do this. A district can submit a principal's name for participation or a principal can submit his or her own application. (Art. 2, Sec. 47)

The education commissioner is directed to implement a value-added assessment program to assist school districts, public schools and charter schools in assessing and reporting growth in student academic achievement. The program must use assessments of individual students' academic achievement to make longitudinal comparisons of student growth over time. Districts, public schools and charter schools can apply to participate in the initial trial program, but participants must represent urban, suburban and rural areas of the state. (Art. 2, Sec. 23)

The Higher Education Advisory Council is to convene a working group to develop standards describing the skills and knowledge a high school graduate must have upon entering a postsecondary institution to successfully graduate from college. (Art. 2, Sec. 81)

A five-member advisory committee is to be appointed by the education commissioner to advise the Minnesota Library for the Blind and Physically Handicapped on long-range plans and library services. (Art. 3, Sec. 15)

To advise the commissioner, a 12-member online learning advisory council is established. Issues to be addressed include quality assurance, teacher qualifications, program

approval, special education, attendance, program design and requirements, and equal access. (Art. 4, Sec. 14)

A pilot project was also approved to allow five districts to allocate compensatory revenue on the basis of student performance measures, instead of just for the number of students eligible for free and reduced lunches. (Art. 1, Sec. 50)

The law includes a number of provisions on school nutrition programs, including an increase in the state aid lunch payment to school districts participating in the national school lunch program from 8 cents to 10 cents per lunch served, and an increase in the reimbursement rate for kindergarten milk from 9 cents to 14 cents for each half-pint served. (Art. 5, Secs. 2, 4)

If a pool used by a school for supervised high school diving, training or competition does not meet the requirements of state rules, the school must provide appropriate notice to parents and participants. (Art. 4, Sec. 2)

The Minnesota Humanities Commission is statutorily re-established as a nonprofit organization to advance the humanities and enhance the work of schools, colleges and cultural organizations throughout the state. (Art. 2, Sec. 77)

Included in the law is \$325,000 from the game and fish fund to the Department of Natural Resources for a grant for Let's Go Fishing of Minnesota, which the governor line-item vetoed from the omnibus environment, natural resources, agriculture and economic development law. (Art. 5, Sec. 16)

## ★ EMPLOYMENT

### Pensions law approved

A new law that modifies retirement and pension provisions almost did not happen.

The law was the last measure approved during the special session, even though it was not part of the global agreement and some members, including Rep. Mary Liz Holberg (R-Lakeville) did not believe it should be acted upon. Others such as Rep. Mary Murphy (DFL-Hermantown) said people affected by the law deserve the issue being addressed.

Ultimately, Rep. Steve Smith (R-Mound), the bill's sponsor, withdrew the bill before putting it back before the body.

Smith said issues included in the law relate to contribution rates for Public Employees Retirement Association (PERA) members; changes related to the Minnesota State Colleges and Universities (MnSCU) system; a buyback provision and service credit for strike periods; local issues in Aurora, Biwabik,

Bloomington, Eveleth, Hoyt Lakes, Hutchinson, Maplewood, Northfield and Oakdale; and volunteer firefighter provisions.

Among the provisions, effective July 26, 2005, unless otherwise noted, are:

- A public employee can purchase allowable service credit in a pension plan for up to one year when the employee was on strike. An employee may purchase the credit by making both the employee and employer contributions. (The employer has the option to pay the employee contribution.) (Art. 2, Sec. 1)
  - MnSCU employees are given a year, instead of 90 days, after starting employment to choose between membership in the higher education Individual Retirement Account Plan and the Teachers Retirement Association. (Art. 4, Sec. 7)
  - If a governmental subdivision not funded by property taxes fails to pay amounts due to PERA, the finance commissioner is to deduct the amount owed from future state aid or state appropriations. This is effective July 1, 2005. (Art. 5, Sec. 6)
  - Bridges Medical Services in Ada, Hutchinson Health Care and Northfield Hospital are added to state law that provides certain rights to people employed at public medical facilities that become privatized, and are subsequently excluded from PERA. (Art. 6, Sec. 1)
  - Effective July 1, 2005, first-class city teacher funds must publish a compilation of their articles of incorporation and bylaws either in print or online. This must be done by July 1, 2006, and within six months of any future amendments to the articles or bylaws. (Art. 7, Sec. 1)
  - An alternative is provided when volunteer fire relief associations consolidate. Effective July 1, 2005, consolidating funds may agree that service rendered before the consolidation will be paid in accordance with the bylaws of the fund at the time the service was rendered. (Art. 9, Sec. 15)
  - Pensions and retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth fire and trust funds are increased by \$100 per month, effective Jan. 1, 2005. Additional \$100 per month benefits can be granted every two years. (Art. 11, Sec. 17)
  - An agreement is authorized to transfer service credit liability and assets between the Maplewood Firefighters Relief Association and Oakdale Fire Department Relief Association to provide pension portability for firefighters with service in both groups. This is subject to compliance with state statutes. (Art. 11, Sec. 18)
- Not included in the law are provisions to



merge the Minneapolis Teachers Fund with the statewide teachers retirement association; a provision regarding the Minneapolis Employees Retirement Fund that would, in part, permit the investment of fund assets with the State Board of Investment; and a task force to study the creation of a statewide lump-sum volunteer firefighter retirement plan.

2005 Special Session: HF44\*/SFnone/CH8

## ★ HUMAN SERVICES

### Billions for health, human services

When Gov. Tim Pawlenty signed the health and human services omnibus bill into law, it marked the end to one of the session's hardest fought battles. The legislation sparked bitter debates among party members and proved to be a sticking point between leaders who were trying to reach an agreement on global budget targets.

The \$9.03 billion package is a 15.6 percent increase over the last biennium with \$401 million in new revenues coming from a controversial 75-cent per pack health impact fee on cigarettes.

Rep. Fran Bradley (R-Rochester) and Sen. Linda Berglin (DFL-Mpls) sponsored the legislation. Its provisions take effect Aug. 1, 2005, unless otherwise noted.

2005 Special Session: HF139\*/SF107/CH3.

### State programs

The original House proposal called for eliminating MinnesotaCare coverage for adults without children, and reducing the program income limit for parents and relative caretakers. This would have potentially cut health care coverage for more than 20,000 Minnesotans. The Senate objected and a compromise was reached that will not change eligibility requirements for those currently covered.

The program did undergo some changes, however. MinnesotaCare will be modified to add mental health telemedicine and psychiatric consultation to its list of covered services, effective Jan. 1, 2006. (Art. 2, Sec. 17)

The \$500 annual benefit cap on adult dental services in the Medical Assistance, MinnesotaCare and General Assistance medical care programs will be removed, which will restore services to those covered prior to 2003. The repeal of the cap is expected to cost \$2.3 million during the biennium. The provisions take effect Jan. 1, 2006. (Art. 8, Secs. 32, 53, 57)

The bill also eliminates the \$5,000 annual cap on benefits under the MinnesotaCare limited benefit set. (Art. 8, Sec. 60)

Medical Assistance and General Assistance medical care will be allowed to cover medication therapy management services for recipients taking four or more prescriptions to treat two or more chronic medical conditions. (Art. 8, Sec. 39)

The division of Medical Assistance costs for intermediate care facilities for persons with mental retardation not paid by federal funds was previously 80 percent state and 20 percent county. The new law shifts 90 percent of the cost to the state and 10 percent to the county, effective July 15, 2005. The change is expected to cost \$10 million over the biennium. (Art. 2, Sec. 14)

Intermediate care facilities for people with developmental disabilities will see rate increases in both years of the biennium. Beginning Oct. 1, 2005, and Oct. 1, 2006, total operating payment rates will be increased by 2.26 percent. Seventy-five percent of that money must be used for employee wages and benefits. The increase is expected to cost \$76 million over the biennium. (Art. 7, Sec. 58)

The bill also provides rate increases to nursing facilities, and community-based, long-term care providers (Art. 7, Secs. 33-55).

A new nursing facility reimbursement system is to be phased in beginning Oct. 1, 2007, and requires the commissioner of human services to provide recommendations to the Legislature by Feb. 15, 2007, on changes to the current system. (Art. 7, Secs. 43, 60)

The law creates an incentive for nursing facilities to establish single-bed rooms by increasing operating payment rates. Rate adjustments are for up to 3,000 new single-bed rooms per year.

Nursing facilities are prohibited from discharging residents to establish single-bed rooms. (Art. 7, Sec. 47)

An American Indian Child Welfare Project is established at a cost of \$2.4 million to provide for the safety and well being of American Indian children. Tribes with reservation land in Minnesota can qualify for participation in the project. (Art. 3, Sec. 8)

The so-called "Unborn Child Pain Prevention Act" will require a physician or physician's agent to inform a woman if an anesthetic would eliminate or alleviate pain to an unborn child caused by an abortion. The physician will be required to administer or arrange to have the anesthetic or analgesic administered, if the woman consents.

The law would apply to abortions performed after 20 weeks gestation. (Art. 6, Sec. 35)

The law forbids a social worker from engaging in or suggesting sexual contact with a former client for a period of two years following the end of the professional relationship. (Art. 5, Sec. 1)

### Health impact fee

Leaving MinnesotaCare coverage alone diverted one controversy, but how additional revenue will be raised to help fund the law created another. There was intense disagreement among members about the 75-cent per pack health impact fee on cigarettes that is expected to garner \$401 million in revenues.

According to the law, the purpose of the fee is to recover costs related to or caused by tobacco use and to reduce the use of tobacco, especially by youths.

All tobacco fee revenues will be credited to a health impact fund that will be created in the state treasury. The fee is imposed on distributors of cigarettes and tobacco products.

A stamp on the cigarettes will show that the fee has been paid. (Art. 4, Secs. 1-6)

### Rural programs

A rural pharmacy planning and transition grant program will be established under the law to assist communities with populations of fewer than 10,000 people. The provision originated from a bill sponsored by Rep. Brad Finstad (R-New Ulm).

The health commissioner will establish the program to award grants to eligible rural communities for planning, establishing, keeping in operation or providing health care services that preserve access to prescription medications and to a pharmacist. To be eligible for a grant, an applicant must develop a strategic plan for preserving or enhancing that access. Grants will be capped at \$50,000 annually. (Art. 6, Sec. 10)

Rural pharmacists are also among health care professionals who will be eligible for loan forgiveness.

The health professional educational loan forgiveness program is expanded to include rural pharmacists, dentists who deliver 25 percent of their patient visits to state public program enrollees or patients receiving sliding fee schedule discounts, medical residents specializing in pediatric psychiatry and midlevel practitioners who teach at least 20 hours in a postsecondary nursing program. (Art. 6, Sec. 14)

Effective July 15, 2005, the definition of an "eligible rural hospital" for the purposes of the rural hospital capital improvement grant program changes by increasing the population limit for an eligible hospital's community from fewer than 10,000 inhabitants to fewer than 15,000. (Art. 6, Sec. 11)

### Educational information

A bill sponsored by Rep. Joyce Peppin (R-Rogers) regarding shaken baby syndrome was included in the law. The provision requires



PHOTO BY TOM OLMSCHIED

### **Tobacco users will pay more because of the health impact fee that has been added to help recover costs related to or caused by tobacco use.**

hospitals to make a video available to new parents about the dangers of shaking infants and young children. The hospitals will request that both parents of each newborn baby watch the video. (Art. 6, Sec. 24)

Postpartum depression education is also covered under the law, stemming from a bill sponsored by Rep. Mindy Greiling (DFL-Roseville). Under the law, the health commissioner is required to work with health care facilities, licensed health and mental health

care professionals, advocates, consumers and families to develop materials and information about postpartum depression.

Doctors and midwives must make the information available to women and their families. Hospitals will be required to provide new mothers, fathers and family members with written information about postpartum depression, including its symptoms, coping with the illness and treatment resources. (Art. 6, Sec. 38)

The health commissioner is also charged

with developing a statewide, comprehensive plan for cervical cancer prevention. The plan will need to include methods for improving cervical cancer screening rates in the state. A report is due to the Legislature by Jan 15, 2006. (Art. 6, Sec. 52)

### **Containing costs**

The law also seeks to contain health care costs and, as a result, funding for some programs was discontinued. For example, Medical Assistance will not cover non-emergency visits to a hospital emergency room, starting Oct. 1, 2005. (Art. 8, Sec. 29)

State funded programs will no longer cover sex reassignment surgery, at a projected savings of \$30,000 over the biennium. The provision came from a bill sponsored by Rep. Duke Powell (R-Burnsville). (Art. 8, Sec. 30)

Newborn circumcisions will not be covered either, unless the procedure is medically necessary or part of an established religious practice. This provision, taken from a bill sponsored by Rep. Jim Abeler (R-Anoka), is to save \$625,000 over the biennium. It takes effect Sept. 1, 2005. (Art. 8, Sec. 31)

State-only funded Medical Assistance coverage will be eliminated for pregnant women who are undocumented or non-immigrants who have other health insurance. It is expected to save \$1.1 million over the biennium.

The law charges the Board of Pharmacy with establishing and maintaining a cancer drug repository program that will allow people to donate cancer drugs or supplies.

Minnesota residents who have been diagnosed with cancer are eligible to receive the drugs and supplies from the program. A licensed pharmacist must dispense the drugs and supplies.

Individuals who are uninsured or enrolled in public assistance health care will be given priority in receiving the drugs or supplies.

A cancer repository can charge people receiving the drugs or supplies a handling fee of no more than 250 percent of the dispensing fee. The donated drugs and supplies cannot be resold. Donor and recipient records must be kept for at least five years.

This provision came from a bill sponsored by Abeler. (Art. 5, Sec. 2)

### **Human services licensing**

Effective July 15, 2005, the Department of Human Services and the Department of Corrections can now exchange all not public data for the purposes of regulating services for which they have regulatory authority. (Art. 1, Sec. 1)

Although information obtained through the registration of predatory offenders is still considered private data, state-operated services



are authorized to access it. (Art. 1, Sec. 3)

Effective Jan. 1, 2006, the law allows first aid training for staff in child-care centers to be less than eight hours. At least one staff member must be present in the center who has been trained in cardiopulmonary resuscitation (CPR). The training must be repeated at least once every three years, but the training may be provided for less than four hours. (Art. 1, Secs. 17-18)

### Health boards appropriations

Appropriations for fiscal years 2008 and 2009 for the Board of Chiropractic Examiners will include a \$30,000 increase for the cost of board operations, excluding salaries. The Board of Dentistry will also receive a \$30,000 increase in those fiscal years.

The Board of Marriage and Family Therapy will see an appropriation increase of \$9,000 the first year of the 2006-07 biennium and \$13,000 the second year.

Appropriation increases for the Board of Medical Practice will include \$125,000 the first year and \$165,000 the second year of the 2006-07 biennium for the added costs of rent, legal and investigation services.

The base funding for the Board of Nursing will increase by \$141,000 in fiscal year 2008 and by \$216,000 the following fiscal year.

An annual appropriation of about \$3 million will go to the Emergency Medical Services Board.

The law allocates \$546,000 in fiscal years 2006 and 2007 from the state government special revenue fund for health professional services activity, including \$50,000 to hire an additional case manager and continue to employ a part-time student worker.

The State Council on Disability will receive \$500,000 in appropriations in each year of the 2006-07 biennium. An approximate \$1.5 million annual appropriation will go to the ombudsman for mental health and mental retardation, and \$245,000 each year will go to the ombudsman for families. (Art. 9, Secs. 5-9)

## TAXES



### Revenue increases included

An omnibus tax law passed with little controversy in the House and Senate, largely because the premier funding mechanism for the biennium — the 75-cent per pack cigarette health impact fee — was not included; rather it was in the health and human services law.

Rep. Ron Abrams (R-Minnetonka) sponsored the legislation with Sen. Lawrence J. Pogemiller (DFL-Mpls).

The new law includes about \$332 million in

revenue increases from the repeal of scheduled reductions in liquor and car rental taxes, and upfront payments of sales taxes on car leases.

Provisions in the law are effective July 1, 2005, unless otherwise noted.

2005 Special Session: HF138\*/SF106/CH3

### Giving credit

The new law eliminates the so-called “family cap” in the K-12 education credit by allowing parents to claim the credit for more than two children. The maximum credit per child will remain at \$1,000, but it can be applied to an unlimited number of children.

According to the nonpartisan House Research Department, the credit phases out at the rate of \$1 for each \$4 of household income over \$33,500 for families claiming the credit for one child, and at the rate of \$2 for each \$4 of household income for families claiming the credit for two or more children. (Art. 3, Sec. 10)

Those serving in the military will benefit from several provisions in the new law. Most notable, compensation paid to active duty members of the National Guard or reserves will not be subject to state income tax. This will also apply to state residents who are members of the military in active service outside Minnesota. This subtraction will not apply to compensation for drill pay or regular training.

Also, under the law, a living person making a qualifying donation of one or more organs to another person for transplant will be able to deduct certain expenses, not to exceed \$10,000, from federal taxable income. This provision also applies to the recipient. Qualifying deductions could include unreimbursed mileage lodging and lost wages.

These provisions are retroactive to Dec. 31, 2004. (Art. 3, Sec. 7)

### Local option sales tax

A select number of cities were granted authority to extend existing local sales taxes or impose new local sales taxes for specified purposes. A law enacted in 1981, prohibits local governments from imposing local sales tax unless authorized under special law. All cities granted extensions or new authority will need local voter approval.

Effective Jan. 1, 2006, the new law requires political subdivisions that impose a local option sales and use tax to inform residents via the local government’s Web page and annually through their utility bills of their duty to pay the tax.

Beginning with notices for levies payable in 2006, local property taxpayers may benefit from another portion of the law that gives local jurisdictions more flexibility to include supplemental information with the proposed property tax

statement. This could include information about the impact of state aid increases or decreases, how the level of services could be affected and the impact of inflation on the cities ability to provide services. (Art. 1, Sec. 22)

### No taxes on tickets

In the past, a sales tax was not placed on tickets for arts events at the University of Minnesota. However, ticket prices for similar events at Minnesota State Colleges and Universities included a sales tax. Under the new law a patron of an arts event at a state university or private, non-profit college or university will not have to pay a sales tax. This is effective for events held on or after Aug. 1, 2005, unless tickets for the event were sold before that date. (Art. 5, Sec. 13)

### Home value

Property taxes are based on limited market value that is calculated by each county assessor, according to uniform guidelines. At times this value is less than the actual value of the property if sold. It is being phased out and is scheduled to be completely eliminated for taxes payable in 2008.

Under the new law, the schedule of the limited market value criteria has been extended for two years. For taxes payable in 2006 and 2007, the increase in value is limited to 15 percent or 25 percent of the difference between the current value and the previous year’s limited value. The last year that limited market value will be available is in the assessment year 2008 for taxes payable in 2009. (Art. 1, Sec. 8)

Provisions for a licensed day care in the home were clarified. Effective with taxes payable in 2006, if a single family home, duplex or triplex classified as homestead is also used to provide licensed child care, the portion used for that purpose must be classified as a part of the homesteaded property. (Art. 1, Sec. 12)

Also under the new law, owners of property that has been contaminated by mold or lead could see a property tax reduction to help with mitigation costs.

Homeowners will be allowed a one-year valuation reduction equal to the cost of repairing damage due to mold contamination. The cost of repairing the damage must be at least \$20,000 to qualify for the valuation reduction.

If a city has authorized a valuation reduction in property because of lead contamination, the owner may receive a one-year valuation reduction equal to the cost mitigating the lead hazards. This would apply only to projects with at least \$3,000 in costs beginning after July 1, 2005, and completed before July 1, 2010. (Art. 1, Sec. 9)

Property used for the game of polo will

now, for real estate tax purposes, be treated similarly to other recreational grounds such as those used for golf, lawn bowling, croquet, archery or firearms ranges. (Art. 1, Sec. 11)

While more restrictive than before, the new law also reinstitutes class 4d property for qualifying low-income rental housing. (Art. 1, Sec. 16)

### Assessing confidence

In an effort to make the property tax assessment and classification more uniform across the state, the new law calls for the commissioner of revenue to develop and issue two reports to the chairs of the House and Senate tax committees which will include an analysis of existing practices and provide recommendations for any changes. The reports will each cover different property classifications with the first report to be issued by Feb. 1, 2006, and the second by Feb. 7, 2007. (Art. 1, Sec. 37)

To help ensure confidence in the assessment process, the commissioner is also directed to develop a code of conduct and ethics for state assessors, which must be adopted by the Minnesota State Board of Assessor by Jan. 1, 2006. (Art. 1, Sec. 38)

From now on, county assessors licensed by the state must attend and participate, once every four years, in a seminar that focuses on ethics, professional conduct and the need for standardized assessment practices. (Art. 1, Sec. 7)

### Money for municipalities

The state will be distributing about \$48 million in local government aid to certain cities, effective with aids payable in 2006. (Art. 2, Sec. 3)

This means that an additional \$6 per capita will be distributed to cities with a population of less than 5,000, effective with aids payable in 2006. When a city reaches the 5,000-population threshold, that aid would be eliminated and the city would then begin to receive a portion of municipal street aid instead. (Art. 2, Sec. 1)

Residents in Otter Tail County in west central Minnesota sustained significant damage to their property as a result of high winds in June 2005. A one-time \$500,000 appropriation from the General Fund has been made available for grants to local units of government for businesses and property owners affected by high winds. (Art. 11, Sec. 11)

### Reporting fees

Any government entity that imposes a fee must report by Jan. 15, 2006, to the commissioner of revenue on the types and amounts of fees imposed, the amounts and types of fee increases since Jan. 1, 2003, the revenues derived from each fee for each of the most recent

four fiscal years and the use of the revenues from the fees.

The information will be compiled into a report and be made available to the Senate and House tax committees by Feb. 15, 2006. (Art. 11, Sec. 7)

## ★ TRANSPORTATION

### Basic funding provided

It may have taken an unconventional route, but a new law appropriates \$3.89 billion in the 2006-07 biennium for the Department of Transportation, Metropolitan Council transit, and administration and transportation related activities of the Department of Public Safety.

Unlike other omnibus laws, the transportation law did not travel through a working group in the special session. And not like an earlier transportation bill vetoed by Gov. Tim Pawlenty, the latter version did not call for increases in gas taxes, license tabs or any other taxes

Rep. Mary Liz Holberg (R-Lakeville) and Sen. Steve Murphy (DFL-Red Wing) sponsored the legislation.

Appropriations are retroactive to July 1, 2005, and supercede the appropriations made under the previous "lights on" law and spending ordered by courts. Fee increases will take effect Aug. 1, 2005. All other provisions are effective July 15, 2005, unless otherwise noted.

2005 Special Session: HF140\*/SF105/CH6

### Money Matters

The law appropriates \$1.67 billion in fiscal year 2006 and \$1.8 billion in the following fiscal year to the Transportation Department. It authorizes transfers of up to \$15 million each year to the transportation revolving loan fund, and allows for expenditures of unappropriated balances in the county state-aid highway fund and municipal state-aid street funds, after notice to legislative committees.

Appropriations for airport development and assistance are made available for five years after the appropriation. Effective July 15, 2005, the law cancels \$1.9 million of the airport appropriation for fiscal years 2004-05. (Art. 1, Sec. 2)

Bus and light rail transit will receive appropriations of \$77.5 million in fiscal year 2006 and \$78.75 million in fiscal year 2007. Nearly \$10 million of those funds are intended to pay for 50 percent of Hiawatha light rail transit operations. (Art. 1, Sec. 3)

More than \$264 million is appropriated for public safety. The law specifies a transfer

of \$375,000 the first year and \$380,000 the second year of the biennium for public safety officer survivor benefit reimbursements. Transfers of \$314,000 each year are for continued health insurance for public safety officers or their survivors and \$508,000 each year is for soft body armor reimbursements.

Revenues from 2 a.m. bar permits will go toward the \$3.7 million needed for adding more state patrol positions. (Art. 1, Sec. 4)

### Driving penalties increased

Penalties for driving over the speed limit, especially driving more than 100 mph, will be increased. A driver's license will be revoked for six months for anyone convicted of driving in excess of 100 mph. The period could be longer if the person is driving under the influence of alcohol or is fleeing a police officer.

A minimum surcharge of \$25 will be added to speeding violations of 20 mph or more over the posted speed limit.

The law prohibiting passing vehicles on the right shoulder by driving off the pavement has been amended to prohibit passing on the shoulder regardless of whether the shoulder is paved or unpaved.

These three provisions are effective Aug. 1, 2005. (Art. 3, Secs. 41-43, 76)

Also amended is a law enacted in the 2005 regular session that requires drivers approaching a stopped emergency vehicle to, if possible, leave a full lane of traffic between their vehicle and the emergency vehicle. The new law makes this provision also apply to tow trucks stopped or next to the highway. (Art. 3, Sec. 45)

Drivers under the age of 18 will be prohibited from talking on a cell phone while driving, except in emergencies. The law applies to those with learner's permits and provisional licenses except in emergencies. The teenagers will not be allowed to use a wireless phone, handheld or hands free, when the vehicle is in motion, effective Jan. 1, 2006. (Art. 2, Secs. 64-65)

Driving records will be harder to purge, under the new law. Formerly, felony convictions involving the use of a motor vehicle were kept on a driving record for five years, and impaired driving convictions for 15 years. They will now be kept on the driving record permanently.

The law repeals a requirement that the Department of Public Safety remove any alcohol-related violations from a driving record if it is a first offense for an alcohol concentration between 0.08 and 0.10 and the driver did not incur any other violations in the 10-year period. (Art. 3, Sec. 68)



### **Specialized license plates**

The law makes a series of technical corrections and changes to license plates.

It deletes the requirement that classic motorcycle license plates be returned before the owner replaces the original ones.

Personalized veterans license plates will be able to have up to five numbers and letters, under the law. Other personalized plates have up to seven characters.

Special plates will be available for veterans who received the Iraq Campaign Medal, the Afghanistan Campaign Medal or the Global War on Terrorism Expeditionary Medal. The plates will be inscribed with a facsimile of the medal and bear certain inscriptions.

Medal of Honor recipients and former prisoners of war will be able to receive special

motorcycle plates with designated markings, as will Gulf War and Global War on Terrorism veterans.

Special motorcycle plates will also be available for firefighters. Previously, the firefighter plates were only available for cars and trucks. (Art. 2, Secs. 4-11)

For a \$20 service fee, an applicant can receive an expedited driver's license, driving instructional permit, Minnesota identification card or vehicle title transaction. When expedited service is requested, materials must be sent to the person within three days, excluding weekends and holidays.

A driver's license agent or deputy motor vehicle registrar is allowed to keep \$10 of the fee. (Art. 2, Sec. 24)

### **Name changes**

The law makes name changes to a highway and a bridge. Trunk Highway 371 from Little Falls to Cass Lake, except for the Brainerd bypass already named the C. Elmer Anderson Memorial Highway, will be designated the Purple Heart Memorial Highway.

The bridge on Trunk Highway 23 over the St. Louis River will be named the Biauxwah Bridge in Honor of Native American Veterans.

The Transportation Department is directed to erect signs marking the highway and bridge. The cost of the signs is to be paid from non-state sources. (Art. 3, Secs. 5-6)