

New Laws 2007



A Summary of the 2007 Regular and Special Session

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AGRICULTURE

Fund replenishment

A program that farmers, especially new farmers, look to for help in funding their operations will receive a fresh infusion of cash.

The Rural Finance Authority partners with local lenders to provide affordable credit to eligible farmers. During fiscal year 2006, more than \$14.7 million was loaned out through the program, effectively depleting its resources. As a result, the authority was unable to accept applications for five of its programs.

The new law allows for a \$30 million bond issuance to fund the program.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Jim Vickerman (DFL-Tracy), loan participants are charged interest along with the principal. A reserve is also built into the program to cover potential losses. The law, effective March 31, 2007, gives first priority to the beginning farmer loan program.

HF274*/SF227/CH16

Ag and vets programming

The omnibus agriculture and veterans affairs finance law provides about \$65 million for veterans and military programs, a nearly 70 percent increase from current funding. The Department of Agriculture will see a 20 percent increase in base funding, which translates to more than \$104 million for agriculture-related initiatives.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Jim Vickerman (DFL-Tracy), the law includes funding to form the Next Gen Energy Board, which will work to achieve the Legislature's goal of at least 25 percent of energy consumed in the state to come from renewable resources by 2025. (Art. 1, Sec. 48)

When the bill reached the governor's desk, two appropriations were line-item vetoed: a \$1 million loan program for purchases of farm equipment for biomass crops, which Pawlenty called "premature" and said should first be considered by the Next Gen Energy Board; and a \$350,000 grant to the Minnesota Institute for Sustainable Agriculture.

The law's effective date is July 1, 2007, unless otherwise noted.

HF2227*/SF1925/CH45

Bioenergy

To reach the goal of at least 25 percent of energy from renewable resources by 2025, the Agricultural Utilization Research Institute is charged with coordinating the state's next generation energy efforts. The organization will be responsible for conducting a Renewable Energy Roundtable quarterly, bringing experts together to identify bioenergy opportunities. More than \$1.4 million is allocated to the institute for technical assistance and technology needs to help meet its new responsibilities (Art. 1, Secs. 5, 57)

A Next Gen Energy Board will be created in the first year of the biennium to administer \$3 million in grants during the second year to assist locally owned facilities help move the state toward energy independence. Grants, up to \$500,000 each, will be available to help develop, test and research new materials for bioenergy. Priority will be given to a bioenergy facility that is at least 60 percent owned and controlled by farmers or people residing in the area where the facility is located. (Art. 1, Sec. 47)

Several proposals received funding for fiscal year 2008 as examples of projects that may be considered for future grants. They include:

- \$300,000 to the Bois Forte Band of Chippewa and \$300,000 to the White Earth Band of Chippewa for feasibility studies of renewable energy biofuels demonstration facilities;
- \$200,000 to the Minnesota TurfSeed Council for agronomic research on native plants;
- \$200,000 to the Elk River Economic Development Authority for engineering costs and a feasibility study for a fuels facility that would convert primarily cellulosic materials into biodiesel; and
- \$200,000 to Chisago County to study the viability of developing a multistream renewable energy biofuels demonstration facility using forest resources. (Art. 1, Sec. 3)

Veterans support

The portion of the law receiving the most accolades from legislators and the governor relates to military and Department of Veterans Affairs spending. This portion is of significant importance because of the expected return of more than 2,600 deployed National Guard members from overseas assignments, Juhnke said. "We want to be prepared."

Of the total department 2008-09 budget, more than \$5 million is allocated for communication and outreach programs to help inform returning veterans of available benefits. This includes:

- \$1.5 million for county veterans services offices, which are considered a local source for veterans to receive information;
- \$1.5 million for tribal veterans services offices;
- \$1.5 million to the Minnesota Assistance Council for Veterans;
- \$900,000 for expansion of offices at state postsecondary institutions; and
- \$400,000 for marketing veterans outreach programs.

The law expands the educational assistance benefit to include eligible spouses of deceased veterans. A one-time appropriation of \$52,000 will fund \$750 annual education assistance stipends for those attending a state postsecondary institution. Previously this stipend was only available to children of the deceased. (Art. 2, Sec. 2)

By Nov. 1, 2007, a report is due to the Legislature regarding the psychological status and needs of soldiers and veterans returning to the state after having served in Iraq and/or Afghanistan. The report is viewed as a first step toward opening a discussion on the resources available to soldiers, with emphasis on the possible role a new Willmar facility could play, which is in the planning stages. (Art 2, Sec. 6)

The law also provides \$100,000 each year for information and outreach regarding the availability of depleted uranium testing services provided by the federal government. (Art. 2, Sec. 2)

Military Affairs

The Department of Military Affairs receives \$40.2 million over the biennium, with about half of the appropriation, \$20.4 million, allocated for military enlistment incentives.

The law also allows for:

- payment to National Guard members participating in honor guards for military funerals;
- more than \$13.4 million for maintenance of training facilities; and
- \$1.5 million in 2008 for the Minnesota National Guard reintegration program. (Art. 3, Sec. 2)

The law addresses an unintended consequence

for this summer's returning baseball-playing Guard members, who would find themselves benched for playoff games. Rules of the amateur athletic association governing the sport state that players must participate in at least four games to be playoff-eligible. The new law states that a military person will be eligible for play. (Art. 3, Sec. 4)

Agriculture

There are several animal- and crop-related funding items in the new law, including \$15.2 million in each year for continuation of a program that began in the late-1980s where ethanol producers receive 20 cents for every gallon, up to 15 million gallons, of ethanol produced per year for a maximum of 10 years. (Art. 1, Sec. 3)

Organics are increasingly making a mark on the state's agricultural economy. To ensure the authenticity, farmers pay a fee to have their products certified "organic." In each year of the biennium, \$200,000 is allotted for a cost-share program to help pay for the annual certification. Eligible farmers could receive up to \$350 to help defray the cost in each of up to five years. (Art. 1, Sec. 3).

In an effort to promote organic products and other agricultural products produced in the state, \$372,000 during the biennium is allotted to the Minnesota Grown project for promotion activities. Growers and producers benefiting from Minnesota Grown promotions and materials asked that the annual \$5 participation fee be raised to \$20. The new law allows for the increase. (Art. 1, Secs. 3, 12)

The law also funds over the biennium:

- \$2 million for continuation of the dairy development and profitability enhancement and business planning grant program;
- \$2 million for mental health counseling support for farm families;
- \$811,000 to help eradicate bovine tuberculosis from state cattle herds; and
- compensation, up to \$20,000, to a livestock owner whose animal is crippled or destroyed by a gray wolf. (Art. 1 Secs. 3-6)

Ensuring proper use and disposal of chemicals and fertilizers used on the farm is also addressed in the new law.

Effective July 1, 2008, each county must provide a means of collection and designate a place for people to dispose of unused pesticides. The law calls for the commissioner to expend at least \$600,000 in fiscal year 2009 for the modifications to the existing program. (Art. 1, Sec. 23)

A fertilizer research and education council is established to select projects eligible for grants related to the production and application of fertilizer. There is \$600,000 appropriation to fund this provision and a check-off fee

is recommended as an additional funding mechanism. This provision is effective Jan. 1, 2008, and sunsets Jan. 8, 2017. (Art. 1, Sec. 29)

A food safety and defense task force is created to recommend action to the federal and state government regarding the need to improve food safety in the state. The task force will also serve as an information and referral source for the public. (Art. 1, Sec. 39)

Food shelves will also benefit from the law. Second Harvest Heartland will be the recipient of a \$1 million grant to purchase milk from state producers and processors for its six food banks. (Art. 1, Sec. 3)

BANKING

Regulation changes

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Dan Sparks (DFL-Austin), a new law makes changes to regulations regarding credit service organizations. These include:

- raising a state chartered bank's limit on borrowing from the Federal Home Loan Bank System from 25 percent to 35 percent of its total assets (Sec. 1);
- prohibiting civil penalties related to the bad check law from being assessed to customers on payday loan transactions (Secs. 2 and 3);
- removing the requirement that financial institutions notify the commerce commissioner when establishing ATM machines in Minnesota (Secs. 4 and 9);
- allowing commercial banks, savings banks, savings associations and others to invest health savings account funds in transaction accounts (Sec. 5); and
- increasing registration fees for credit service organizations from \$100 to \$1,000 (Sec. 8).

The first three changes take effect Aug. 1, 2007; the health savings account language is effective May 5, 2007; and the fee increase takes effect July 1, 2007.

Kevin Murphy, deputy commerce commissioner, told a House committee that the department has uncovered cases of defaulted loans where lenders could get a judgment double the amount of the loan. The change will prevent this from happening in the future.

The registration fee increase is needed for the department to break even on costs associated with reviewing and approving credit service organization applications, he added. Credit service organizations assist consumers who want to correct or improve their credit history.

HF2056/SF1920*/CH44

BONDING

Fund usage

The Asian Pacific Cultural Center can now access \$400,000 that had been made available in last year's bonding law.

The new law, sponsored by Rep. Cy Thao (DFL-St. Paul) and Sen. Mee Moua (DFL-St. Paul), inserts the word "predesign" that had been omitted from the bonding proposal. Because of the omission, the center could not access funds approved for its building project.

The estimated \$6 million center is to be located at the former Hamm's Brewery site in St. Paul. Four contiguous buildings are to be retrofitted to create the center. Current plans call for a multi-level building of about 65,000-square feet with a gallery and library center, a banquet room that will accommodate up to 500 people, a 265-seat theater designed for performing arts and cinematic viewing, the center's administrative office, a commercial kitchen, a gift shop, 15-20 offices for tenants and 15-20 classrooms.

HF87*/SF257/CH4

Capital investment bill (VETO)

Gov. Tim Pawlenty vetoed the \$334 million capital investment bill saying it was four times larger than his recommendations—about \$71 million for emergency spending items. The bill was sponsored by Rep. Alice Hausman (DFL-St. Paul) and Sen. Keith Langseth (DFL-Glyndon).

In his veto message, the governor said he was disappointed that \$2 million for flood relief to Browns Valley, a city on the state's western edge fell victim to the veto pen. Pawlenty said the Browns Valley mayor "pleaded" with the Legislature to put the appropriation in a separate bill. Relief dollars were not in the governor's bonding recommendations because the issue came forth after his plan was put together. But the money was later appropriated in a stand-alone bill which was signed into law.

The governor didn't agree with the use of one-time money proposed in the bonding bill. Hausman said spending on badly needed infrastructure is a wise use for one-time cash that shouldn't go toward balancing the state's operating budget, she added. "Waiting until next year on these projects adds an additional \$40 million of inflationary costs to these projects," she said.

Adding that she has "profound disappointment" in the governor's decision, Hausman said the state is far behind in its transportation investment. The bill would

have provided state matching funds for federal transit corridor projects totaling \$53.6 million.

All of the governor's recommendations — including one with a higher appropriation — were included in the bill, with the exception of money to buy three available parcels for parking next to the state-owned Stassen building in St. Paul.

Those projects were:

- \$37 million to pay half the construction cost of a new Duluth arena;
 - \$12.7 million for repairs to the Department of Transportation building in St. Paul;
 - \$3.9 million to provide upgrades to and replace fence, razor wire, security lighting and cameras, and \$2.2 million to replace the ventilation system that has mold infestation at Oak Park Heights prison;
 - \$1.5 million to reduce the flow of clear water into the wastewater system at the Minnesota Zoo; and
 - \$200,000 for phase three of the Stillwater flood control project.
- HF886*/SF2157/CH38

Disaster assistance

A western Minnesota city will receive a grant for flood cleanup, under a new law. Sponsored by Rep. Paul Marquart (DFL-Dilworth) and Sen. Keith Langseth (DFL-Glyndon), the law provides Browns Valley with a \$2 million public safety grant to be used for relief from damage caused by a March 2007 flood. The grant is available until June 30, 2009.

It also allows the Housing Finance Agency to use money from the disaster relief contingency fund to rehabilitate and rebuild homes in Browns Valley damaged by the flood, even though the area was never under a presidential designation as a major natural disaster area. The law, effective May 24, 2007, also amends the 2005 and 2006 bonding laws by adding Browns Valley to the list of cities or projects eligible for money from a pool of \$52 million set aside for flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage.

HF2433*/SF2236/CH122

BUDGET

Deficiency funding

Taking care of unexpected 2007 budget expenditures and unintended shortages is the intent of a new law.

Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Richard Cohen (DFL-St. Paul) sponsor the \$10.57 million supplemental

budget request from the governor.

More than \$7.8 million is targeted for the Metropolitan Council to fill a budgetary gap created because less than expected revenue is being generated from the motor vehicle sales tax from which the organization draws funding.

The law provides \$150,000 to the Campaign Finance and Public Disclosure Board to cover court-ordered payment of attorney's fees resulting from a First Amendment challenge regarding political activities relating to organizations.

While much of the case — Minnesota Citizens Concerned for Life vs. Kelly — was struck down in U.S. District Court, a portion of campaign law was ruled unconstitutional, and the state was required to pay attorney's fees relating to that finding, according to Jeanne Olson, executive director of the board.

Other appropriations include:

- \$1.1 million to match FEMA funds received for natural disaster assistance payments;
- \$522,000 for Greater Minnesota transit assistance;
- \$240,000 to replace funding lost to an inadvertent repeal of a state statute;
- \$200,000 to the Board on Judicial Standards for special hearing costs;
- \$200,000 to the Board of Public Defense for transcript costs;
- \$192,000 for parenting time centers;
- \$66,000 to the ombudsman for mental health and developmental disabilities; and
- \$47,000 for tax court deficiencies.

HF958/SF846*/CH32

BUSINESS

Trust company wording changes

A new law makes technical changes to statute relating to limited purpose trust companies, which are allowed to perform certain limited functions otherwise only relegated to full-fledged trust companies.

The law is effective Aug. 1, 2007.

"The only two examples here are that the terms 'executor' and 'administrator' are removed because they are no longer in use, and the term 'conservator' and 'personal representative' is substituted because that is what is used now," said Rep. Steve Simon (DFL-St. Louis Park), who sponsors the law with Sen. Linda Scheid (DFL-Brooklyn Park).

A trust company specializes in being a trustee of various kinds of trusts and managing estates.

HF1441*/SF792/CH12

CONSUMERS

Ticket resale

A new law repeals a 1963 law that made it a criminal offense to sell an event ticket for more than face-value. The law takes effect Aug. 1, 2007.

Rep. Chris DeLaForest (R-Andover), who sponsors the law with Sen. Chris Gerlach (R-Apple Valley), said that repealing the law would make Minnesota more attractive to those ticket reselling companies that want to move their businesses here, and consumers would win because the competition would bring down ticket prices.

This also brings to a close an effort by Rep. Phyllis Kahn (DFL-Mpls). She began to work on getting the old law repealed after watching police resources used to combat ticket resellers during the 1987 World Series.

HF189/SF372*/CH47

Full-value gift cards

A new law will make it unlawful for a business to sell a gift card that has an expiration date or a service fee of any kind, including for nonuse.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Katie Sieben (DFL-Newport), supporters said the law is needed because some card expiration dates are so short, and inactivity fees can make a gift card worthless in a matter of months.

The law applies to gift cards sold on or after the Aug. 1, 2007, effective date.

Exempted under the law are:

- those distributed for loyalty or promotional reasons without money given in exchange;
- cards distributed for employee recognition;
- cards sold below face value to employers or nonprofit organizations for fundraisers;
- prepaid calling cards;
- debit cards used to access a debit account; and
- cards issued by federally chartered or state-chartered financial institutions or their affiliates, which can be used at multiple sellers of goods and services provided any expiration date and associated fees are disclosed. These cards are subject to federal regulations.

HF512/SF69*/CH93

Piercing consent

A new law will require anyone under age 18 to have parental or legal guardian consent before having any body part pierced, excluding an earlobe.

Those providing piercing services must also witness the parent or legal guardian signing and dating the consent notice. Those providing piercing services found in violation of the new law will be guilty of a misdemeanor.

Sponsored by Rep. Mary Ellen Otremba (DFL-Long Prairie) and Sen. Rick Olseen (DFL-Harris), the law is effective Aug. 1, 2007.

Body piercing is defined in statute as "the perforation of any human body part other than an earlobe for the purpose of inserting jewelry or other decoration or for some other nonmedical purpose."

Otremba said current state law requires parental consent for tanning and tattoos, but not piercing. The issue came from a parent who was shocked there were no laws regarding the issue, she said.

HF1013/SF112*/CH98

Car buyer protection

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Ron Latz (DFL-St. Louis Park), the Car Buyer's Bill of Rights will give better information and protection to purchasers of vehicles.

The law is effective Jan. 1, 2008 and requires dealers to inform customers how much each add-on will cost and how it will affect monthly loan repayments.

The dealer must also disclose if it used a consumer credit report, and provide a toll-free number for the consumer to obtain a copy of the report. The law requires the dealer to ask the lender whether a "consumer report" was used. A specific form is prescribed for this purpose.

Further, the law creates a definition for "certified" motor vehicle to eliminate improper use of the term.

HF1675/SF1333*/CH99

Mortgage privacy

Sponsored by Rep. Kurt Zellers (R-Maple Grove) and Sen. Warren Limmer (R-Maple Grove), a new law prohibits consumer reporting agencies or any other business entity from selling or exchanging with a third party information that a person's credit history was requested in connection with a mortgage loan application, unless the third party holds an existing mortgage loan on the property. Most of the law takes effect Aug. 1, 2007.

The law also contains provisions for:

- increasing the dollar amount and other aspects of the homestead exemption from creditors, and provides for inflation adjustments;

- prohibiting real property from being subject to execution under certain conditions involving the homestead or other property rights of non-debtors, such as the spouse of the debtor;

- modifying provisions relating to the sale of homestead property; and

- building contractors to bring action against subcontractors for contribution or indemnity. This provision is retroactive to June 30, 2006.

HF211/SF241*/CH105

Credit, debit card protection

A new law is designed to offer protection to credit and debit card users' information.

Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Mary Olson (DFL-Bemidji), the law prohibits a business that accepts a credit or similar card for purchase from retaining an access code that permits use of the credit card more than 48 hours after transaction authorization. This can include a PIN verification code number, the three-digit number on the back of a credit card or the contents of a magnetic stripe. This is effective Aug. 1, 2007.

"This simply puts into law what already is the fact for retailers in the agreement they have already signed with VISA," Davnie said. "In that agreement they are responsible for the security of your data from your credit or debit card when it's in their immediate possession or when they transfer that data to a third-party processor."

A business that fails to abide by the law would be liable to a financial institution for costs resulting from a security breach and for the cost of any reasonable action it takes to protect itself or its customers, such as card cancellation, account closure or refund to the cardholder to cover the cost of any unauthorized transactions. This provision is effective Aug. 1, 2008, to allow retailers time to get educated on the new law, and install the proper safeguards to protect consumer credit and debit card data.

Bill Raker, president of US Federal Credit Union in Burnsville, told a House committee that one breach by the parent company of T.J. Maxx cost the financial institution \$22,700, not to mention customer fear that their data was being used illegally. More than 4,500 cards had to be replaced, sometimes taking up to two weeks. Card companies prohibit a financial institution from telling its members where the breach occurred.

HF1758*/SF1574/CH108

Mortuary science regulations

A new law provides changes to mortuary statutes.

Sponsored by Rep. Tina Liebling (DFL-Rochester) and Sen. Paul Koering (R-Fort Ripley), the law takes effect Aug. 1, 2007. It removes expired and outdated language, adds new requirements, clarifies information and establishes several consumer protections.

Some of the updated statutes include:

- in certain instances, non-compensated persons with the right to control the body may remove it from the place of death; transport the body; prepare the body for disposition, except embalming; or arrange for final disposition of the body;
- allowance for a licensee, assisted by a non-licensed employee, to be in the licensee's presence, when removing a body from the place of death and lifting of the body at the funeral establishment; and
- allowance for an unlicensed person to arrange for and direct or supervise a memorial service, provided they disclose that information to the person with the authority to make the funeral arrangements.

The new law does not apply to or interfere with the recognized customs or rites of any culture or recognized religion in the ceremonial washing, dressing and casketing of the dead, provided they are in compliance with existing statutes.

HF1072/SF802*/CH114

Less lead in jewelry

Effective Sept. 1, 2007, a new law restricts the manufacture and sale of jewelry, including body piercing jewelry, containing lead.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), the law uses federal guidelines regarding safe levels of lead content as a basis for restricting the sale of certain kinds of jewelry in the state.

Under the law, it is illegal to manufacture jewelry intended for sale in Minnesota, including body piercing jewelry, which contain unsafe levels of lead as specified by the law. It is also illegal to sell jewelry, including body piercing jewelry, which is advertised as having safe levels of lead unless it meets certain standards established by the law.

Tighter restrictions apply to jewelry intended for children under age 6. The restrictions do not apply to sales or free distribution of jewelry by a nonprofit organization. The law also spells out testing methods for determining compliance with the restrictions.

HF1656/SF1262*/CH132

Public defender language

A new law clarifies statutory public defense provisions.

Sponsored by Rep. Mary Murphy (DFL-Hermantown) and Sen. Linda Higgins (DFL-Mpls), the law changes the title of the deputy state public defender to the chief appellate public defender. It also updates a provision stating that full-time chief district public defenders may not engage in outside law practice. There is also a repeal of a \$40 per hour reimbursement rate for public defenders.

As a result of recent Minnesota Supreme Court decisions, the law also removes language regarding public defender co-payments and the right to decline representation in post-conviction cases. The law reinstates a \$28 co-payment that was previously in statute.

The law is effective Aug. 1, 2007.

HF455*/SF300/CH61

Do not disturb

A new law clarifies that anyone who intentionally destroys, mutilates or injures human burial sites or human burial grounds will be guilty of a felony. A person will also be guilty of a felony if they disturb human burial grounds or remove human remains without consent of the appropriate authority.

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Jim Vickerman (DFL-Tracy), the new law clarifies how to deal with remains found outside of recorded cemeteries.

State Archaeologist Scott Anfinson said there are around 12,500 known burial mounds and more than 6,000 known cemeteries in the state.

The law also clarifies that a person who, without the consent of the appropriate authority and the landowner, intentionally, willfully and knowingly does the following is guilty of a gross misdemeanor:

- removes any tombstone, monument or structure placed in any public or private cemetery or authenticated human burial ground;
- removes any fence, railing or other work erected for protection or ornament within the limits of a public or private cemetery or authenticated human burial ground; or
- discharges any firearm upon or over the grounds of any public or private cemetery or authenticated burial ground.

The law takes effect Aug. 1, 2007.

HF1710/SF2226*/CH115

Nuisance gangs

Beginning Aug. 1, 2007, law enforcement officials have a new tool to help rein in gang activity.

Sponsored by Rep. John Lesch (DFL-St. Paul) and Sen. Mee Moua (DFL-St. Paul), a new law classifies gang activity as a public nuisance, and allows a county or city attorney, or the attorney general, to seek an injunction against any person or group for the continuous or regular use of a place for these activities.

Violators will be subject to a fine of up to \$10,000. A person who knowingly violates an injunction may also be subject to a misdemeanor penalty.

The original House language placed additional responsibility on the owner of the place where gang members gathered. However, because of the possibility that landlords would be unfairly included in civil suits, a provision was added exempting property owners from liability if they can prove to have made reasonable efforts to stop the activities.

HF49/SF493*/CH150

DEVELOPMENT

Economic development bill (VETO)

The \$448.8 million omnibus economic development finance bill was approved 84-44 by the House and 42-22 by the Senate.

However, the governor had numerous problems with the proposed legislation.

"Without an agreement on the overall state budget, I am not able to sign this bill as it spends \$56 million more than my recommended budget in this area, lacks fairness in distribution of economic development funding, contains policy items that will have a detrimental impact on business, and negatively impacts efficient administration of state programs," he wrote in his veto message.

Among the areas addressed in the bill were funding for the Department of Employment and Economic Development, Department of Labor and Industry, Explore Minnesota Tourism, Minnesota Housing Finance Agency and the Minnesota Historical Society.

"This bill is about youth, jobs, housing, arts, tourism, and it is about Minnesota," said Sen. David Tomassoni (DFL-Chisholm). He co-chaired the conference committee with Rep. Mary Murphy (DFL-Hermantown). Proponents said the approximately \$41 million in new funding for housing issues was among the report's positives.

The bill included an additional \$7.5 million for family homeless prevention; \$7.49 million for the Housing Trust Fund, which provides no interest deferred loans to help low-income people finance affordable permanent and

supportive rental housing and limited equity cooperative housing; and an additional \$2 million in rental assistance to help families where at least one adult has a serious and persistent mental illness.

The bill also would have:

- increased funding for youth programs by \$13.5 million;
- created a small business growth acceleration program to help qualified companies implement technology and business improvements;
- required every licensed health care facility in the state to adopt a safe patient handling program;
- established restricted journeyman and restricted master plumber licenses; and
- created a packinghouse workers bill of rights.

The latter, which included a requirement of providing minimum information on employee rights in the employee's native language, was also frowned upon by the state's top official. "The meatpacker language is duplicative of current federal and state labor laws, and sends a negative signal to this industry that is very important to Greater Minnesota and our agricultural economy," Pawlenty wrote.

HFnone/SF2089*/CH55

Airport zoning regulations

Effective Aug. 1, 2007, a new law replaces an existing one regarding disclosure of airport zoning regulations.

Under the new provision, a property seller will be exempt from disclosing the regulations to prospective buyers of real estate if the seller gives timely written notice that a copy of the zoning regulations is available at the county recorder's office in the county in which the zoned area is located.

Rep. Mike Beard (R-Shakopee), who sponsors the law with Sen. Ann Rest (DFL-New Hope), said legislation passed in 2006 regarding real estate disclosures when a transaction takes place within 1 mile of an airport was modeled after language from a national organization. However, it turned out not to be the best language for Minnesota, so a number of groups, including builder and realtor associations, worked together to create the new language.

HF556/SF218*/CH64

Jobs, homes, tourism and history

The omnibus jobs and economic development law checks in at approximately \$415.98 million, with \$341.5 million in net General Fund money. It's about \$33 million less than SF2089, the first jobs and economic

development bill, which was vetoed by Gov. Tim Pawlenty.

Technically, the law is sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm). However, Rep. Mary Murphy (DFL-Hermantown) was the lead House negotiator and sponsor of the vetoed bill.

The total package is about an \$87.3 million increase in a combination of one-time and ongoing money over the 2006-07 biennium.

Among the changes between the vetoed bill and the new law are:

- a nearly \$16.5 million reduction to \$14.9 million for the 21st Century Minerals Fund, an Iron Range business development fund;
- \$500,000 less to \$2 million for Youthbuild programs, which help high-risk youth learn housing construction job skills and complete their high school education;
- a \$550,000 reduction to \$750,000 for the sesquicentennial commission to help prepare for the state's 150th birthday in 2008; and
- the elimination of \$250,000 for a nanotechnology development fund program.

However, the agreement calls for a \$5 million increase in the Minnesota Investment Fund, with \$3 million dedicated for a Thomson West expansion in Eagan; \$400,000 for Rogers tornado relief; and a \$350,000 increase in statewide redevelopment grants.

Murphy said the new law, which is effective July 1, 2007, unless otherwise noted, will help drive growth and economy throughout the state while supporting working Minnesotans. "It supports research and development in the biotechnical industry; it improves small business support services to rural Minnesota, to women, minority, small-business owners and youth. It enhances the marketing of Minnesota tourism, it reinvests in our cultural and historical assets, and it increases the vitality of arts organizations across the state by restoring many cuts that have been made since 2002."

The law was piggybacked on a bill, offered for years by Rukavina, to require that all American flags sold in the state be made in the United States. Included in the law, the provision is effective Jan. 1, 2008. (Art. 8, Sec. 2)

HF122*/SF62/CH135

Job training

Included in the law is nearly \$98.96 million in workforce development money, with \$65.96 million from the General Fund and the remainder from the Workforce Development Fund, which is revenue collected from a workforce development tax of 0.10 percent per year on all taxable wages paid by employers. A previous plan to lower the rate to 0.085 percent

on Jan. 1, 2008, was removed. (Art. 1, Sec. 3; Art. 2, Sec. 15)

Among the highlights are \$2 million for Youthbuild. The appropriation may be used to restore three programs that were eliminated due to budget cuts, plus an inflationary increase, and add seven additional sites to the current 10. It is hoped that the number of students served can increase to 500 per year, compared to 306 in 2006.

According to its annual report, the program received \$754,000 in state funds in 2006 and leveraged more than \$3 million in matching funds. A four-year study indicated the program generated \$7 million for the state from increased tax revenues and reduced corrections spending.

The law also allocates:

- \$18.04 million to the state's vocational rehabilitation program to assist with employment for people with significant disabilities;
- \$13.57 million for the Minnesota jobs skills partnership program;
- \$12.5 million for extended employment services for people with disabilities;
- \$11.88 million for state services for the blind activities;
- \$4.88 million for the eight centers for independent living, a nonprofit organization that supports individuals with disabilities in their personal efforts to pursue self-directed lives;
- \$3.3 million for employment support to people with mental illness;
- \$2.75 million for Opportunities Industrialization Center programs, which prepare traditionally hard-to-place individuals for sustainable employment;
- \$2.65 million to fund summer youth employment in Minneapolis;
- \$2 million to administer a statewide project of youth job skills development;
- \$1.2 million to fund summer youth employment in St. Paul;
- \$910,000 for training of hard-to-train individuals;
- \$750,000 for immigrant and refugee programs, including job seeking and workplace orientation; and
- \$700,000 to provide interpreters "for a regional transition program that specializes in providing culturally appropriate transition services leading to employment for deaf, hard-of-hearing, and deaf-blind students."

The law also provides \$10,000 to look at ways to promote minority employment opportunities, with a particular focus on blacks. A study is due the Legislature by Jan. 15, 2008, including a look at "how to significantly expand the job training available to minorities and promote substantial

increases in the wages paid to minorities, at least to a rate well above living wage, and within several years, to equality."

Labor and Industry

The Department of Labor and Industry is to receive \$45.58 million in the biennium.

Of the nearly \$21 million directed for workers' compensation, up to \$200,000 each year can be appropriated to the Vinland Center in Loretto, which, according to its Web site, "offers services in three distinct service areas: vocational rehabilitation; inclusive community programs; and, for people with cognitive disabilities, specially adapted chemical dependency treatment." (Art. 1, Sec. 6)

Prevailing wage enforcement, including outreach and survey participation improvements, is funded with \$660,000. (Art. 1, Sec. 6)

The law also creates the Packinghouse Workers Bill of Rights; prohibits employment of anyone under age 18 where liquor is served in any capacity, with certain exceptions; and enacts the Safe Patient Handling Act to prevent on-the-job injuries for nurses and nursing home and hospital workers through the proper use of the patient lift equipment. The latter is funded for \$500,000 for the first year, but second year funding was vetoed. (Art. 2, Secs. 19, 21, 25, 36-38)

"The workers' compensation special compensation fund has never been used for the purchase of safety equipment as this fund is used for workers compensation benefits and administration. There is a current safety grant fund that is available for assistance in purchasing safety equipment," Pawlenty wrote in his veto message. "The Department of Labor and Industry will be reporting back on January 15, 2008 with recommendations on the options and barriers for safe patient handling which will allow the 2008 legislature to determine a more appropriate funding source. I have not vetoed the first year funding for equipment so purchases can be made while we await the study."

People calling about unemployment benefits insurance must be given the option to speak to a person who can provide direct assistance or direct the caller to a person or office that can best meet their needs. Some people told a House committee of the woes of trying to speak to someone without having to first weave their way through an automated system. (Art. 2, Sec. 26)

Hair braiders, other than those who are licensed cosmetologists, must register with the Board of Barber and Cosmetology Examiners and pay a \$20 annual registration fee (Art. 3, Secs. 2, 3).

Effective July 1, 2008, the law requires independent residential and commercial construction contractors to get a certificate from the department, which would, in part, exempt them from having workers' compensation paid on them by an employer. The two-year certificate would cost \$150. (Art. 3, Sec. 15)

The law also increases protection for employee whistleblowers by prohibiting certain retaliatory tactics against a public employee who "communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official." (Art. 3, Secs. 16, 17)

A 13-member state plumbing board is established. Among its duties is to specify the plumbing code for the state; maintain a review process regarding complaints, code amendments, code compliance and code clarifications; and adopt necessary rules. (Art. 3, Secs. 19, 21, 40, 41)

Criteria for establishing restricted journeyman and master plumber licenses is established. Such plumbers can work only in cities or towns with less than 5,000 residents. (Art. 3, Sec. 25)

A 12-member Board of High Pressuring Piping is established. It will specify the high pressure piping code that must be followed in Minnesota; adopt industry regulating and licensing rules; and set fees for licenses and certifications and for all high pressure piping permits. (Art. 4, Sec. 3)

A 12-member Board of Electricity is established to adopt the electrical code, adopt rules that regulate the licensure or registration of the electrical industry and issue final interpretations of the electrical code. (Art. 6, Sec. 2)

Economic Development

Of the \$151.2 million for the Department of Employment and Economic Development, nearly \$46 million is destined for business and community development purposes, some of which is one-time money. (Art. 1, Sec. 3)

Among the one-time dollar recipients are:

- \$5 million for Minnesota Investment Fund grants, including up to \$3 million for the Thomson West expansion in Eagan;
- \$1.75 million for bioscience business development programs;
- \$1.1 million to retain minority business enterprises at the Global Market in Minneapolis;
- \$750,000 to establish a small business growth acceleration program to assist businesses with fewer than 100 full-time equivalent employees finance technology and other improvements (also Art. 2, Sec. 18);

- \$350,000 for industrial park infrastructure improvements in Thomson Township;
- \$325,000 to construct and furnish the Walker Area Community Center;
- \$300,000 to construct a municipal building in Northome to replace structures damaged by fire July 22, 2006;
- \$300,000 for an agricultural-based bioscience training and testing center in Worthington;
- \$151,000 to Faribault for handicapped accessibility needs at the Paradise Center for the Arts;
- \$125,000 to develop and operate a bioscience business marketing program;
- \$100,000 to extend utilities for a bioscience and research park and integrated medicine facility in Pine Island;
- \$75,000 for new public facilities in Warroad to replace those damaged or destroyed in a August 2006 tornado; and
- \$75,000 to remove debris in Le Sueur County lakes resulting from a tornado on Aug. 24, 2006.

Housing

The law calls for \$114.56 million in housing funding, including a \$12.1 million base increase and \$27.5 million in one-time funds.

"Increased funding for affordable housing will allow for construction and redevelopment of affordable housing units across the state," Murphysaid. "It will provide supportive housing for the homeless and prevent foreclosures by increasing prevention assistance."

The Challenge Grant Program, which provides deferred grants and loans to local governments and nonprofit developers to acquire housing units, will receive a \$15 million one-time bump in addition to its \$9.62 million base. The Housing Trust Fund, which provides no-interest deferred loans to local governments and public and private organizations to finance affordable permanent and supportive rental housing and limited equity cooperative housing, receives \$5 million in one-time money and a \$500,000 biennial base bump.

Also funded is a \$7.5 million base increase for family homelessness prevention; a \$2 million base increase for a program that provides rent assistance for households with an income below 50 percent of the area median level, where at least one adult has a persistent and serious mental illness; and a \$1.3 million one-time jolt and \$630,000 base increase for a program that provides deferred loans of up to \$15,000 to low-income homeowners that need to correct health and safety hazards in their home. (Art. 1, Sec. 5)

The authority of the Housing Finance Agency family rental housing assistance

program is expanded to include grant-making authority for public housing operational costs. (Art. 8, Sec. 6)

Disabled veterans and people with disabilities are added to those given preference for rental units operated by a housing and redevelopment authority. (Art. 8, Sec. 8)

Explore Minnesota

More than \$22.3 million is directed to Explore Minnesota Tourism.

To attract greater private sector investment in tourism, the law allocates \$500,000 each year that includes \$3 of nonstate match for every \$1 of state funds. Up to 50 percent of the match can be in-kind or soft match.

The Minnesota Film and TV Board is given \$650,000 each year for the Minnesota Snowbait program, which helps bring film and television production to the state, and \$325,000 each year for operating costs. The latter has a requirement that the money be made available only after \$1 of nonstate money or in-kind contributions is received for every \$3 provided.

One-time funding of \$150,000 is for a feasibility study and planning activities for the St. Louis County Heritage and Arts Center at the Duluth Depot. The study and planning activities must include establishment of a heritage tourism center, a look at the costs and benefits of relocating the Northeast Minnesota Office of Tourism to the depot, developing a multimodal operational plan to include rail and bus service, and a look at services needed to return the depot to a working railroad station and cultural getaway to the city and county. (Art. 1, Sec. 4)

Minnesota Historical Society

Nearly \$50.25 million is aimed at an organization that helps remember the past. In addition to operational funding, the law includes a \$750,000 one-time appropriation to the Minnesota State Sesquicentennial Commission to help prepare for the state's 150th birthday in 2008. Of the amount, \$325,000 is to plan and support statewide activities, \$325,000 is for matching grants to local events and projects, and \$100,000 is for administrative purposes.

The society is prohibited from charging fees for Capitol tours, but can charge for special programs in the building.

Other funding includes: \$250,000 for a conservation survey and for restoration, treatment, moving and storage of the 1905 historic furnishings and art in the State Capitol; \$150,000 of one-time money for preservation of battle flags; \$75,000 in one-time money for exhibit renovation of the

Treaty Site Historical Center in St. Peter; and \$75,000 for preservation of Hmong historical artifacts and documents at Concordia University in St. Paul.

To support the United States Hockey Hall of Fame, the law provides \$75,000 in the first year provided the hall continues to operate in Eveleth. However, similar funding in fiscal year 2009 was vetoed. The hall now receives money from the taconite tax, contingent on a city match. Pawlenty said the law isn't clear if the state allocation is for the city's match or if it is for extra dollars. "In the interest of sustaining the Hall and discussion regarding the Hall, I am willing to authorize this funding for one year," he wrote. Because of low attendance and financial woes, the hall closed in May 2006, and talk ensued about moving it to Bloomington or St. Paul. However, an agreement was reached in May 2007 to reopen the facility in Eveleth.

The society, Explore Minnesota Tourism and other state and local entities are to assemble a study group to develop a plan of coordinated activities to enhance and promote historic sites, and historical, scenic and natural features of the Minnesota River Valley including the Dakota Conflict of 1862 and preparations for the sesquicentennial of this event. A report is due to the Legislature by March 1, 2008. (Art. 1, Sec. 9)

Other components of the law include:

- \$3.77 million for the Bureau of Mediation Services, including \$150,000 each year for grants to area labor-management committees (Art. 1, Sec. 7);
- \$3.36 million for the Workers' Compensation Court of Appeals (Art. 1, Sec. 8);
- the Minnesota Boxing Commission is given \$50,000 in one-time money en route to becoming self-sustaining. The commission will increase from five to nine members, and it will oversee mixed martial arts competitions. A new schedule of fees for licenses issued by the commission is created. (Art. 1, Sec. 14; Art. 3, Secs. 30-37);
- retail stores must let people with certain medical conditions, such as Crohn's disease, ulcerative colitis or other bowel conditions, have access to nonpublic restrooms (Art. 2, Sec. 31);
- all urinals covered under the state plumbing code must have a water flush device with a volume of no more than 1 gallon per use (Art. 3, Sec. 20); and
- a 17-member working group is to develop recommendations for establishing policies and procedures regarding the state's role in federal trade policy and trade agreements. A report is due the governor and Legislature by Dec. 1, 2007. (Art. 2, Sec. 35)

Other vetoed items

Pawlenty vetoed nearly \$5.73 million in appropriations, including those previously noted. All the following vetoes are from Art. 1, Sec. 3, unless otherwise noted:

- \$2.5 million in debt relief funding for the RiverCentre in St. Paul;
- \$575,000 in one-time funds to the Iron Range Resources and Rehabilitation Board for five projects: \$225,000 in infrastructure for an Aitkin County peat project, \$150,000 for the Iron Range Youth In Action program; \$75,000 for B'nai Abraham Synagogue preservation, \$75,000 for infrastructure improvements at a Chisholm baseball field and \$50,000 to a retriever club for pond and field construction (Art. 5, Sec. 2);
- \$500,000 to improve the Upper Sioux community water system;
- \$350,000 to reduce community center debt in Inver Grove Heights;
- \$200,000 to HIRED, which helps disadvantaged people and other job seekers prepare for and obtain employment;
- \$150,000 to the Hennepin-Carver Workforce Investment Board; and
- \$100,000 for the Ramsey County Workforce Investment Board.

EDUCATION

Recovering student transfers

Students attending recovery-focused high schools are allowed to participate in Minnesota State High School League-sponsored activities in their resident school district, thanks to a new law sponsored by Rep. Mary Liz Holberg (R-Lakeville), and Sen. Terri Bonoff (DFL-Minnetonka).

The law allows students who have successfully completed a licensed treatment program to immediately participate in league activities in their home district even though they may be attending a recovery-focused school in another district.

Local school districts will still enforce penalties on those students for violating a league or district rules.

HF1425/SF1499*/CH7

Electronic bullying unplugged

Bullies are using the Internet and cell phones to intimidate students, and school boards will be required to address this growing problem.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul), a new law adds electronic means to an existing statute that each school board

must adopt a written policy prohibiting bullying.

The law takes effect Aug. 1, 2007.

Bullying takes place on Web sites that, for example, ask viewers to rank the least popular or ugliest student in school. Pictures and videos are posted on the Internet that can be embarrassing or made to look like the victim is doing something illegal.

Among those voting no was Rep. Randy Demmer (R-Hayfield), who said the Legislature should not do the work of a school board. "We have a rule in my school district banning cell phones from schools, and we didn't need a state law to do that."

HF504/SF646*/CH53

Funding for young learners

Sponsored by Rep. Mindy Greiling (DFL-Roseville), a new law includes \$13.7 billion in E-12 education funding over the next biennium.

"We have over an 8 percent increase for the biennium and \$794 million in new funding, and that is nothing to sneeze at," she said.

Gov. Tim Pawlenty signed the law. However, he said in his veto message, "This K-12 education bill failed to provide the level of general formula funding I proposed. It is also devoid of any real educational reform or accountability initiatives. Worse yet, this bill actually steps backward from the reform efforts from prior years." Nearly \$5.5 million in spending was red-lined.

Early childhood family education spending is increased 14 percent and Head Start funding is increased by 5 percent, said Rep. Nora Slawik (DFL-Maplewood), the House Early Childhood Learning Finance Division chairwoman. "Overall the early childhood package is very good. We're back to restoring the cuts in 2003 and moving forward from there."

The law is effective July 1, 2007, unless otherwise noted.

HF2245*/SFnone/CH146

General Education

The general basic formula amount increases by 2 percent or \$93.4 million in 2008, and 1 percent or \$150 million in 2009. It raises the base budget formula allowance from \$4,974 to \$5,074 in fiscal year 2008 and to \$5,124 for fiscal year 2009 and later. It also increases gifted and talented spending from \$9 per pupil unit to \$12 per pupil unit in fiscal year 2008 and later. (Art. 1, Secs. 6, 7)

A major priority in the original House omnibus bill was for voluntary all-day kindergarten programming. The new law

provides \$32.5 million for the biennium for the option.

The state figures funding for students using a weighted system based on their grade level. Kindergarten students previously were weighted at 0.557 of a pupil unit, and under the new law they are now weighted at 0.612 per pupil unit. This goes into effect for fiscal year 2008. (Art. 1, Sec. 5)

The safe school levy has been increased to \$3 per pupil unit for all school districts and an additional \$10 per pupil unit for districts that are members of intermediate school districts. The school district can now levy to pay the costs for licensed school counselors, nurses, psychologists and specified service providers. (Art. 1, Sec. 14)

A school finance reform task force is established to:

- create a standard and index to ensure that the education formula remains adequate over time;
- simplify the remaining formulas;
- analyze categorical funding formulas, including compensatory revenue and limited English proficiency revenue; and
- establish a schedule for implementing other new formulas.

The task force must submit its recommendations to the Legislature by Jan. 15, 2008. (Art. 1, Sec. 23)

The law increases the school lunch reimbursement aid from 10.5 cents to 12 cents per meal. (Art. 5, Sec. 5)

Education Excellence

An early childhood literacy program is established to increase skills of Head Start participants. The programs are to be based on "involved parents, ongoing professional staff development, and high quality early literacy program standards." (Art. 2, Sec. 1)

Students may enroll in full-time online learning programs or supplemental online learning programs. The law requires students and their parents to submit an application to the online learning provider and identify the reasons for enrolling. The provider is also given a set of notifying requirements. (Art. 2, Sec. 20)

Local school boards are encouraged to adopt and implement a parent and family involvement policy that promotes regular, two-way meaningful communication between home and school; parenting skills; and welcomes parents in the school by seeking their support and assistance. (Art. 2, Sec. 29)

A pilot program for world languages is established in the biennium to award five world language grants for interested school sites and school districts. The grants must be used to enhance, develop or implement

sustainable, high-quality world language programs for kindergarten through grade 12. (Art. 2, Sec. 38)

An advisory task force on Minnesota American Indian tribes and communities and K-12 standards-based reform is established to examine the impact of state and federal standards with particular attention to the impact of state education requirements on American Indian students enrolled in Minnesota schools. The task force is to submit their recommendations for change to the Legislature by Feb. 15, 2008. (Art. 2, Sec. 41)

Special Programs

The single biggest increase in funding is for special education, which will receive \$1.6 billion for the biennium. In fiscal year 2008, the statewide total capped amount of special education revenue will increase from \$529 million to \$694 million and to \$719 million in fiscal year 2009. Out-year caps are \$736 million in fiscal year 2010 and \$787 million in fiscal year 2011. (Art. 3, Sec. 13)

The law creates a special education task force to compare state and federal education requirements and see what, if any, state requirements exceed federal requirements. Those that do could be scaled back to meet the minimum federal requirements to save on funding. By Feb. 15, 2008, the task force must present its findings to the Legislature. (Art. 3, Sec. 23)

The parent of a child with a disability who is not yet enrolled in kindergarten and is not open enrolled in a nonresident district may require that the resident district enter into a tuition agreement if the child is enrolled in a Head Start program or a licensed child care setting in the nonresident district, or if the child can be served in the same setting as other children in the nonresident district with the same level of disability. (Art. 3, Sec. 5)

Early Childhood and Adult Programs

A phase in of full-day services in Head Start programs or licensed child care is required so that by fiscal year 2009 at least 25 percent of the total state funded enrollment throughout the state must be provided. The minimums increase to 40 percent in fiscal year 2011 and 50 percent in fiscal year 2013.

If a Head Start program or licensed child care center cannot meet the federal standards or choose not to participate, the program may request an exemption from the commissioner. (Art. 9, Sec. 3)

Early childhood family education programs must submit biennial plans to the commissioner, under the law. The plan should describe how the program provides parenting

education and ensures family participation. (Art. 9, Sec. 8)

Other funding provisions in the law include:

- \$90 million in one-time technology funding for all school districts;
- \$42.9 million to increase ECFE funding;
- \$40.2 million to restore Head Start funding to 2003 levels;
- \$20 million for school readiness programs;
- \$5.4 million for increased gifted and talented funding;
- \$5.3 million for after-school community grants;
- \$1.25 million in fiscal year 2008 for adult literacy grants for recent immigrants;
- \$500,000 for Mandarin Chinese Project Language grants; and
- \$200,000 to help with declining enrollment in Browns Valley.

ELECTIONS

Transferring HAVA funds

A new law allows the Office of the Secretary of State to reallocate Help America Vote Act appropriations.

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Linda Higgins (DFL-Mpls), the law allows unused appropriations designated for specific HAVA purposes to be transferred to other HAVA purposes. Under the law, the secretary of state is only allowed to transfer funds that remain from the appropriation for the current biennium. After June 30, 2007, this transfer authority no longer applies.

For example, the \$120,000 that was designated to process complaints received by the office went unused. The law allows for the funds to be transferred for the purpose of maintaining the statewide voter registration system and to develop the capacity to handle registration and election transactions at the polling place.

The law is effective March 15, 2007.

HF160*/SF103/CH5

EMPLOYMENT

Saying no to extra hours

Nurses employed at state facilities will have the same ability to say no to overtime as those in the private sector.

Because some nurses felt they were being forced into too many overtime hours through intimidation, a 2002 law permits a nurse

to refuse mandatory overtime without consequences from their employer if he or she feels tired or sick and believes it is in the best interest of the nurse and patients not to be in a caregiver role during those hours.

A new law, effective Aug. 1, 2007, adds state-employed nurses involved in resident or patient care, regardless of the type of facility. It does not supersede a valid collective bargaining agreement.

Corrections Department employees are not included in the law until July 1, 2008, because of a potential cost to the department.

However, the department is to develop a budget and plan for compliance and report to the Legislature by Feb. 1, 2008. The report must include department procedures for hiring and scheduling nurses; daily staffing, including the ratio of supervisors to nurses, and the rationale behind the ratio; the number of pool nurses used; and the average annual expenses on pool nurses and overtime at each facility.

Rep. Larry Howes (R-Walker) and Sen. Ellen Anderson (DFL-St. Paul) sponsor the law.

HF966*/SF817/CH46

State contracts ratified

State labor agreements and compensation plans approved during the 2006 interim by the Legislative Coordinating Commission Subcommittee on Employee Relations are now law.

Under the new law, labor agreements are ratified for the Minnesota Law Enforcement Association and Minnesota Nurses Association. Also included are amendments to the compensation plan for unrepresented employees of the Office of Higher Education and salary increases for the directors of the Gambling Control Board, Public Employees Retirement Association, Minnesota State Retirement System and Teachers Retirement Association.

The law, sponsored by Rep. Leon Lillie (DFL-North St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park), is effective May 11, 2007.

HF1598/SF1073*/CH63

Payroll card payments

A sunset of a law that permits employers to pay employees through a payroll debit-type card will be extended for one year.

When passed in 2005, the law contained a May 31, 2007, expiration date. A new law extends the date to May 31, 2008.

The law, effective May 19, 2007, is sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights)

and Sen. Dan Sparks (DFL-Austin).

Atkins said both employees and employers would like to continue the program, but there are some "modest changes" they'd like to make. He expects a bill on those changes to be before the Legislature next session.

In 2005, supporters said that an estimated 13 percent of Minnesota workers did not have a bank account and often used check-cashing stores that charged an average of 2.5 percent to cash checks. The cards, akin to a debit card, would eliminate the need for check cashing.

HF1554/SF1495*/CH87

Reviewing personnel records

A new law aims to ensure that employees know they can review their personnel file.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Tom Neuville (R-Northfield), the law requires employers with more than 20 employees to provide written notice to a newly hired employee concerning the rights and remedies regarding their employment record.

The law is effective Jan. 1, 2008.

As defined in statute, a personnel file "to the extent maintained by an employer, means: any application for employment; wage or salary history; notices of commendation, warning, discipline, or termination; authorization for a deduction or withholding of pay; fringe benefit information; leave records; and employment history with the employer, including salary and compensation history, job titles, dates of promotions, transfers, and other changes, attendance records, performance evaluations, and retirement record."

The law comes two years after legislative changes were made to statutes allowing for greater disclosure of employee information by an employer.

HF287/SF221*/CH119

Unemployment law changes

A new law makes a variety of changes to unemployment law.

While many of the changes are technical in nature, the law does provide an additional 13 weeks of benefits for workers laid off from the Ainsworth Lumber Company in Bemidji, Cook and Grand Rapids. To qualify, a worker must meet five eligibility conditions, including enrollment or recent completion of reemployment assistance training.

The law also includes up to 26 weeks of benefits for former Northwest Airlines mechanics who went on strike in August 2005 and were eligible to establish an unemployment benefit account with the Department of Employment and Economic Development,

but did not file a continued benefit request within the required time periods. This section is effective July 1, 2007.

The law does not include a 26-week benefit extension, as the House initially sought. Sponsored by Mahoney and Sen. Dan Sparks (DFL-Austin), the law also:

- increases the penalty assessed on applicants receiving overpayments due to fraud from 25 percent of the amount fraudulently obtained to 40 percent;
- shortens from 30 days to 20 days the period of time an applicant has to challenge their benefit eligibility;
- ensures there is no deduction from an applicant's weekly benefit amount for Social Security disability benefits in certain instances; and
- changes the part-time earnings deductibility for a worker receiving benefits from 100 percent to 55 percent. This is expected to have a positive impact on about 20,000 people.

HF648/SF167*/CH128

ENERGY

Renewable Energy Standard

Minnesota now has the most aggressive renewable energy standard in the United States, thanks to a new law sponsored by Rep. Aaron Peterson (DFL-Appleton) and Sen. Ellen Anderson (DFL-St. Paul).

The law gradually increases the percentage of the state's electricity coming from wind, solar, hydroelectric and other renewable sources to 25 percent by 2025. Xcel Energy, the state's biggest power company, faces a tougher requirement of 30 percent by 2020.

Peterson said the law not only mandates cleaner energy production, but serves as an economic engine for rural Minnesota by enticing wind turbine manufacturers to the state.

"Right now, Minnesota imports more electricity than any other state. We need to keep more of our money at home, with an industry that will bring jobs and economic benefits to rural areas," Peterson said.

The law grants authority to the Public Utilities Commission to enforce compliance, and also directs power companies to consult with the commission on a plan to make the necessary modifications to the state's electric transmission infrastructure. It also includes a provision for a flexible renewable energy credit system, whereby companies that cannot meet the standard can purchase credits from companies that exceed them.

The law is effective Aug. 1, 2007.

HF4/SF4*/CH3

Extra time to apply

A new law allows an individual whose application was lost in the mail to take advantage of a state renewable energy production incentive program.

Sponsored by Rep. Terry Morrow (DFL-St. Peter) and Sen. Kathleen Sheran (DFL-Mankato), the law is effective April 21, 2007. According to Morrow, the law was drafted for Dave Arnold, CEO of Arnold Wind Farm — which consists of a single 1.5 megawatt wind turbine in southwest Minnesota. Arnold said his turbine met all the necessary criteria to take advantage of the state's wind energy production incentive, but that his application for the program was lost by the U.S. Post Office and returned to him after the application deadline had expired.

The law applies only to someone who filed their original application prior to March 1, 2005, but has not received approval. The new deadline is July 31, 2007. Arnold is the only known person to whom the law applies.

HF472*/SF239/CH20

Future fuel purchasing

State agencies now use the practice of forward pricing when purchasing facility fuels.

This allows agencies to purchase a fuel block at current prices as a hedge against a rise in energy prices in the future. Fuel purchased in bulk includes natural gas, heating oil and propane, but does not include electricity. A new law adds diesel fuel to the list. It is effective Aug. 1, 2007.

"It's an opportunity for the state to save money with its fleets and other things," said Rep. Steve Simon (DFL-St. Louis Park), who sponsors the law with Sen. Rick Olseen (DFL-Harris).

HF1555/SF1902*/CH68

Renewable energy strategy

Effective May 22, 2007, a new law requires the state to develop a strategy to obtain the "maximum economic benefit" from the renewable energy standard.

Sponsored by Rep. David Bly (DFL-Northfield) and Sen. John Doll (DFL-Burnsville), the law requires the Department of Employment and Economic Development, in consultation with the Agriculture and Commerce departments and the Public Utilities Commission, to develop a plan and report to the Legislature by Nov. 15, 2007.

According to the law, the report must take into account "consideration of both short-term and long-term opportunities for economic benefit" in achieving the state's newly adopted standard of using 25 percent of

its power from renewable sources by 2025.

HF660/SF563*/CH107

Next Generation Energy Act

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Yvonne Prettner Solon (DFL-Duluth), a law represents the bulk of the governor's "Next Generation Energy Initiative," which aims to bolster investments in renewable power, increase energy conservation and decrease Minnesota's contribution to global warming.

In addition, the law establishes two overall energy goals for the state: to reduce per capita use of fossil fuels by 15 percent by 2015, and to derive 25 percent of the total energy used in the state from renewable power sources by 2025. (Art. 1, Sec. 2)

HF436/SF145*/CH136

Global warming mitigation

Effective Aug. 1, 2007, the law calls for cutting the state's greenhouse gas emissions to 15 percent below 2005 base levels by 2015, 30 percent by 2025 and 80 percent by 2050. (Art. 5, Sec. 2)

The law requires several state agencies and a wide array of stakeholders to work together to come up with a "climate change action plan" that will identify and evaluate a broad range of greenhouse gas reduction strategies, assess the potential costs and benefits of the various options, including the potential cost to consumers, and recommend a course of action to the Legislature by Feb. 1, 2008.

The plan must also make recommendations on a proposed cap-and-trade system, whereby a cap would be placed on overall greenhouse gas emissions and power companies assigned "allowances" of emissions that they could trade with one another. (Art. 5, Sec. 2)

In addition, the law prohibits the construction of any power plants that would produce a net increase in carbon emissions after Aug. 1, 2009. The law states that unless "a comprehensive state law or rule ... that directly limits and substantially reduces greenhouse gas emissions" is enacted and is in effect by that date:

- no large fossil fuel-fired powerplant can be built in Minnesota;
- no utility can import electricity from a large fossil fuel-fired powerplant built in another state that was not operating on Jan. 1, 2007; and
- no Minnesota utility can purchase electricity from an outstate utility under a contract that exceeds 50 megawatts for a term of five years.

Exceptions for this prohibition include facilities that offset any CO2 emissions they

emit; a new Iron Range steel or iron nugget production facility; and the Mesaba and Big Stone II plants. (Art. 5, Sec. 3)

Energy conservation

The conservation portion of the law, which takes effect July 1, 2007, aims to save Minnesotans money while reducing the environmental impacts of energy consumption. The law contains a five-part conservation and efficiency strategy:

- establishing a statewide energy conservation goal of 1.5 percent of annual retail electric and gas sales (Art. 2, Sec. 4);
- expanding and improving the state's conservation improvement program (Art. 2, Sec. 5);
- providing research and development and technical assistance to utility companies through the Department of Commerce (Art. 2, Sec. 5);
- increasing energy efficiency in state buildings (Art. 2, Sec. 5); and
- removing financial disincentives for utility companies to promote energy conservation by "decoupling" a utility's revenue from its changes in energy sales. (Art. 2, Sec. 6)

Community-based energy development

The law also overhauls the state's Community-Based Energy Development statutes by making a number of changes, including:

- expanding the types of projects that qualify for the program from wind only to include all renewable energy technologies, effective July 1, 2007 (Art. 4, Sec. 1);
- increasing the financial benefits for communities that invest in renewable power by stipulating that at least 51 percent of the gross revenues from any power purchase agreement flow to owners and qualifying local entities (Art. 4, Sec. 2);
- encouraging utilities to make use of C-BED projects in meeting the state's renewable energy standard (Art. 4, Sec. 5); and
- removing a 2.7 cents per kilowatt hour cap on the price utilities pay for energy from C-BED projects (Art. 4, Sec. 3).

Other changes made include a statewide study of dispersed generation potential, a study of wind development property agreements and the establishment of a C-BED Advisory Task Force to be appointed by the Legislative Electric Energy Task Force. (Art. 4, Secs. 17-19)

Except as noted, these provisions are all effective May 26, 2007.

Miscellaneous

Effective July 1, 2007, landlords are required to make sure residential for-rent properties are fitted with weather stripping, caulking, storm windows, and storm doors when any such measure "will result in energy procurement cost savings ... that will exceed the cost of implementing that measure." (Art. 3, Sec. 5) Also included in the law is a study to be conducted by the Legislative Electric Energy Task Force on the potential economic and environmental costs of constructing a new nuclear power plant in the state. The study must compare those costs with the costs of constructing a coal power plant fitted with state-of-the-art carbon capture and sequestration technology. A report is due to the Legislature by March 1, 2008. This provision of the law is effective July 1, 2007. (Art. 3, Sec. 6)

ENVIRONMENT

Great Lakes compact signed

A new law ratifies the Great Lakes - St. Lawrence River Basin Water Resources Compact, a proposed agreement between eight states and two Canadian provinces that would prohibit diversions of water outside of the Great Lakes basin. Such diversions can have significant environmental and economic impacts.

The compact is the result of years of negotiations through the Council of Great Lakes Governors, a nonpartisan partnership between the eight Great Lakes states — Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania and Wisconsin.

To become effective, it must be signed into law by the governors of the seven other states, ratified by the U.S. Congress, and then agreed to by Canadian authorities.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Ann Rest (DFL-New Hope), the compact also establishes that the states and provinces involved would implement conservation and efficiency programs and use consistent standards to evaluate the environmental and economic impacts of proposed uses of Great Lakes water.

Huntley noted that all of the restrictions placed on water usage by the compact would be less restrictive than what is currently in Minnesota law.

HF110*/SF38/CH2

Environment funding

A new law appropriates approximately \$23.4 million from the state's environmental trust funds for a variety of projects relating to land, water and air protection.

Sponsored by Rep. Kathy Tingelstad (R-Andover) and Sen. Ellen Anderson (DFL-St. Paul), the law represents the recommendations of the Legislative-Citizen Commission on Minnesota Resources, which makes recommendations to the Legislature on how to use money from the state's environmental trust funds — primarily, the Environment and Natural Resources Trust Fund, which derives funding mostly from state lottery proceeds.

In brief, the law appropriates:

- \$14.8 million for land projects, including forest legacy conservation easements, Minnesota habitat corridors partnership continuation, metro conservation corridors continuation, and land acquisitions for state, metro and regional parks and trails (Sec. 2);
- \$5.1 million for water resource projects, including local water management grants, protection of rare rock outcrop wetlands and numerous studies (Sec. 2);
- \$2 million for natural resource information projects, including continuation of the county biological survey and soil survey (Sec. 2); and
- \$160,000 to fund an "emerging issues" account. (Sec. 2)

The appropriations apply to fiscal year 2008. The commission is expected to recommend another set of appropriations for fiscal year 2009. The law is effective July 1, 2007.

Also included is a provision, effective Aug. 1, 2007, that ensures all commission meetings are open to the public. (Sec. 3)

HF293*/SF450/CH30

Firewood restricted on state lands

A new law forbids visitors to state parks and forests from bringing their own firewood unless it comes from a source approved by the Department of Natural Resources.

The law is designed to prevent the spread of emerald ash borer and other invasive tree pests. Rep. Rick Hansen (DFL-South St. Paul) and Sen. Tom Saxhaug (DFL-Grand Rapids) are the sponsors.

The law makes it illegal to possess firewood on DNR-administered lands unless the wood is obtained from a distribution facility within such lands or purchased from a dealer who has been approved by the department. Violators would be subject to a \$100 civil penalty.

Hansen called the bill "another tool in the toolbox" to help manage the threat of invasive

species like emerald ash borer, an Asian beetle that has devastated ash tree populations in Michigan and surrounding states.

Also included is a requirement that firewood sold or distributed across state boundaries, or more than 100 miles from its origin, include written information regarding the harvest locations of the wood by county and state. This portion of the law becomes effective Aug. 1, 2007; the rest on May 4, 2007.

HF1016/SF420*/CH36

Recycling e-waste

Nearly a year after a statewide ban on e-waste made it illegal to dump old TVs and other unwanted electronic devices in the trash, a new law aims to help Minnesotans recycle their electronics for free.

Sponsored by Rep. Brita Sailer (DFL-Park Rapids) and Sen. Linda Higgins (DFL-Mpls), the law takes a "manufacturers' responsibility" approach to recycling e-waste. Companies that produce consumer electronics will be required to collect and recycle an amount equal to 80 percent of the weight of the products they sold during the previous year.

The amount of e-waste manufacturers are required to collect is based on the weight of TVs and other video display devices they sell; however, items they can recycle to meet their requirement include a much wider variety of devices, including computers, DVD players, fax machines and others. For the first year of the program, the requirement is only 60 percent of the total weight sold. The law applies only to devices sold to households, not businesses.

Sailer said the state's 2006 ban on disposing e-waste through the normal solid waste stream has resulted in illegal dumping in many counties — a problem she hopes the law will largely solve.

Manufacturers must register with the Pollution Control Agency and pay a base fee of \$2,500 per year (\$5,000 in the first year). Additionally, those who fail to meet their recycling goals must pay a variable fee ranging from 30 cents to 50 cents for each pound of product they fall short. Revenues from those fees will be used to fund recycling programs outside the 11-county metropolitan area.

By Sept. 1 of each year, beginning in 2008, manufacturers must also report a variety of information to the PCA, including the types and amounts of devices sold. Manufacturers who exceed their recycling goal can earn "recycling credits" that they can sell to other companies or use at a later date.

As an incentive for companies to recycle e-waste from rural Minnesota, devices collected outside the 11-county metropolitan

area count for 1.5 times their actual weight.

The law is effective May 9, 2007.

HF854*/SF235/CH48

Funding for environment, energy

Cleaner waters and cleaner energy are two major goals of a new law that will pump \$120 million in new funding into the Department of Natural Resources, Pollution Control Agency, Board of Water and Soil Resources and other state agencies.

The law, which provides the bulk of Minnesota's environment and energy-related spending for fiscal years 2008-2009, appropriates \$444 million from the General Fund — an increase of nearly 37 percent over the previous biennium.

"We heard some priorities from folks, and I think it's fair to say the first priority was, 'Clean up our waters,'" said Rep. Jean Wagenius (DFL-Mpls), who sponsors the law with Sen. Ellen Anderson (DFL-St. Paul).

Renewable power also gets a boost, with nearly \$28 million for research and development of a wide range of renewable energy technologies, including wind, hydrogen, solar, geothermal and biofuels, including an expansion of the number of E85 ethanol pumps in the state.

Other notable increases include \$3.7 million in new funding to combat invasive species and a \$4.3 million increase for state and metro parks and trails. All agencies affected by the law also receive a 3 percent compensation increase, resulting in an \$8.8 million increase in base funding levels from the General Fund.

The law also includes a wide range of policy initiatives, including a venison donation program for deer hunters, new protections for wetlands and new restrictions on off-road vehicle usage on state lands.

Unless otherwise noted, the law is effective July 1, 2007.

HF2410/SF2096*/CH57

Lakes, rivers and wetlands

The largest chunk of new spending created by the law goes toward restoring impaired surface waters. A total of \$49.7 million is appropriated for Clean Water Legacy programs, with the goal of completing 10 percent of the necessary Total Maximum Daily Load studies per year.

As defined by statute, a Total Maximum Daily Load study, or TMDL, is a scientific study that contains "a calculation of the maximum amount of a pollutant that may be introduced into a surface water and still ensure that applicable water quality standards for that water are restored and maintained."

Under the law, \$31 million is appropriated

to the PCA, with at least \$12.6 million directed toward conducting TMDL studies and at least \$18 million toward developing TMDL implementation plans. Additionally, \$4.5 million is appropriated to the DNR and \$14.2 million to BWSR for various Clean Water Legacy programs. (Art. 1, Secs. 3-5)

New protections for wetlands are also included in the law, which tightens the requirements for land developers to replace wetlands in the 11-county Twin Cities metropolitan area, effective May 9, 2007. To that end, \$2.2 million in additional funding is appropriated to BWSR to assist local governments in enforcing wetland conservation laws. Another \$2.3 million (half from the General Fund and half from the game and fish fund) goes to the DNR for restoring and improving prairie wetlands. (Art. 1, Secs. 4, 5, 126)

The law also includes several provisions designed to increase BWSR's oversight of local water management entities. BWSR is authorized to issue administrative penalties of up to \$10,000 for water law violations, effective May 9, 2007. In addition, the board must evaluate the performance, finances and activities of local water management entities, and may reduce, withhold or redirect grant money based on the evaluations. (Art. 1, Secs. 103, 104)

Invasive species

Programs to combat aquatic and terrestrial invasive species are fortified with a funding boost and the creation of a new "invasive species account," under the law.

Watercraft license surcharges, nonresident fishing license surcharges and other fees that currently fund the DNR's invasive species programs will now be directed into the newly created invasive species account. Money in the account will be used solely for the purpose of dealing with invasive species. (Art. 1, Sec. 38)

Funding boosts for the DNR's invasive species programs include \$3.16 million from the General Fund for law enforcement and water access inspection, grants to manage invasive species in public waters, technical assistance for improving lake quality, and management of terrestrial invasive species on state-administered lands; additionally, \$573,000 is appropriated from the state's natural resources fund to focus specifically on combating terrestrial invasive species. (Art. 1, Sec. 4)

Several policy provisions in the law are also designed to strengthen the state's invasive species programs, including:

- allowing the DNR to contract for emergency invasive species prevention work (Art. 1, Sec. 32);
- directing the Department of Agriculture to

cooperate with the DNR in emergency control of invasive species (Art. 1, Sec. 32);

- directing the DNR to designate waters as infested when they are connected with another body of water that contains invasive species (Art. 1, Sec. 33);
- adding a \$2 surcharge onto nonresident hunting licenses, the proceeds of which will be deposited into the invasive species account, effective March 1, 2008 (Art. 1, Sec. 93); and
- directing the Forest Resources Council to establish a task force to develop a forest protection plan to control invasive tree pests. (Art. 1, Sec. 159)

ATV and off-highway vehicles

Several sections of the law deal with all-terrain vehicles and off-highway vehicle use on state lands, including an increase of \$2.4 million for the DNR for increased grant-in-aid trails, trail specialists, safety programs, law enforcement and ecological services.

A provision that would have restricted off-highway vehicle use on state lands to only those roads and trails that have been mapped by the DNR was modified by a subsequent law passed in the session.

Currently, the department is in the process of mapping all state forests in Minnesota. The law requires ATVs and other vehicles to be used only on mapped trails, if and when a particular forest had been mapped. (Art. 1, Sec. 24)

This was modified by a subsequent new law (HF1021/SF1131*/CH131), sponsored by Rep. David Dill (DFL-Crane Lake) and Sen. Tom M. Bakk (DFL-Cook), which delayed the effective date of the mapping provision until June 30, 2009, for state forests north of U.S. Highway 2, where the bulk of the state forests are located.

The law also created an exemption for forest access routes in that area. Forest access routes are routes that have not been designated as roads or trails by the department, and that will not be signed or maintained. For these routes, effective Aug. 1, 2007, the mapping requirement will not apply. (Art. 1, Sec. 3) Other changes to OHV statutes in the omnibus law include:

- a requirement that the DNR establish seasons for OHV use on state lands (Art. 1, Sec. 24);
- a ban on the use or development of off-road vehicle trails on DNR-administered lands in Cass, Crow Wing and Hubbard counties without legislative approval, effective May 9, 2007 (Art. 1, Sec. 26);
- a requirement for the DNR to develop a program to promote the safe, responsible and environmentally friendly operation of OHVs (Art. 1, Sec. 27);

- an exemption for vehicles that are 25 years old or older from the state's ATV registration requirement (Art. 1, Sec. 28); and
- a provision raising the three-year registration fee for public use of ATVs to \$45. (Art. 1, Sec. 29)

Venison donation program

A program designed to encourage deer hunters to donate their venison to the needy is established by the law.

The program, which would be administered by the Department of Agriculture, would allow meat processors to apply for a \$70 reimbursement for the cost of processing deer meat and delivering it to charities operating food assistance programs. The goal is to encourage hunters to donate their deer to food shelves by letting them do it for free. (Art. 1, Sec. 13)

To fund the program, hunters will be allowed to make a voluntary donation of \$1, \$3 or \$5 when they renew their deer licenses; also, beginning March 1, 2008, bonus licenses to take deer by firearms or archery will include an additional \$1 surcharge. A \$5 surcharge is also added to all nonresident hunting licenses to help pay for the program. (Art. 1, Secs. 91, 92)

Pollution and environmental health

The law includes a variety of new initiatives aimed at detecting, monitoring, analyzing and remediating chemicals with potentially adverse health effects.

Under its provisions, an environmental health tracking and biomonitoring program is established through the Department of Health in consultation with the PCA. The goal is to set up a system of monitoring chemicals and other substances that are known to have adverse effects on human health.

For this purpose, the law establishes a nine-member Environmental Health Tracking and Biomonitoring Advisory Panel made up of scientists, representatives of various state agencies and the University of Minnesota, and two citizen members to be appointed by the health commissioner. The panel will make recommendations to the Legislature and the health commissioner on various issues related to environmental health tracking and biomonitoring. (Art. 1, Sec. 146)

The program is divided into two parts. The environmental health tracking portion, which is to be run with the cooperation of the PCA, will collect, integrate, analyze and disseminate data on human exposure to chemicals in the environment as well as diseases potentially caused or aggravated by those chemicals. The biomonitoring portion will collect "biospecimens" — samples of

tissue or other biological materials taken from human beings — to identify and measure the presence of chemicals and substances. This will include a biomonitoring pilot program to be developed by the Health Department. (Art. 1, Secs. 143-145)

Also included in the law is a \$600,000 transfer from the state's Remediation Fund to the Health Department for evaluating point-of-use water treatment units on perfluorochemicals — PFOA, PFOS and PFBA — manufactured by 3M and that were discovered in drinking water supplies in the eastern Twin Cities metropolitan area. (Art. 1, Sec. 3)

Endocrine disruptors, pollutants that cause male fish to take on female characteristics, are addressed through a report to be conducted by the PCA and submitted to the Legislature by Jan. 15, 2008. The report shall include an evaluation of endocrine disruptors' potential health impacts on humans, fish and wildlife in Minnesota, and an evaluation on the practicability of prevention and remediation strategies. The law appropriates \$88,000 for the report. Additionally, the agency is directed to monitor and analyze endocrine disruptors in "at least 20 additional sites" around the state. (Art. 1, Secs. 3, 160)

Finally, a family of fire-retardant chemical compounds known as polybrominated diphenyl ethers, or PBDEs, is given special attention in the law, which bans two PBDE variants and directs the PCA to conduct a review of a third. As of Jan. 1, 2008, products containing more than one-tenth of 1 percent of pentabromodiphenyl ether (Penta-BDE) or octabromodiphenyl ether (Octa-BDE) are prohibited from being manufactured or sold in the state, with some exceptions. A PCA review of the uses, safety, health impacts and potential alternatives of decabromodiphenyl ether (Deca-BDE) is due to the Legislature by Jan. 15, 2008. (Art. 1, Secs. 150, 151)

Renewable energy development

The energy portion of the new law appropriates \$67.3 million from the General Fund to the Department of Commerce and the Public Utilities Commission, and includes nearly \$28 million in new funding for research and development of a wide variety of renewable energy technologies.

A total of \$15.3 million is appropriated from the Renewable Development Fund, which is administered by Xcel Energy, for a variety of renewable energy initiatives, including:

- \$4.25 million to the Department of Commerce for a renewable energy research cost-share grant program;
- \$3 million for the Initiative for Renewable Energy and the Environment at the University of Minnesota;

- \$2 million for plug-in hybrid electric vehicle projects, with an emphasis on identifying ways to employ laid-off automotive industry workers in the state;
- \$2 million for establishing a rural wind energy development revolving loan fund to develop community wind energy products;
- \$1.25 million for renewable energy technology technical assistance to communities via Clean Energy Resource Teams;
- \$1 million for on-farm biogas recovery (methane digester) projects;
- \$1 million for solar electric power rebates; and
- \$750,000 for preparing a "road map" for the development and employment of renewable hydrogen power in Minnesota. (Art. 2, Sec. 3)

The St. Paul Port Authority will receive \$4.5 million for a study and other preliminary work on a steam and electricity-producing facility to be connected to the Rock-Tenn paper recycling facility in St. Paul. The study will assess the economic and technical feasibility, potential environmental impacts and additional uses of various types of renewable technologies and fuels for the facility. A separate provision in the law allows the port authority to create a nonprofit organization to own and/or operate the facility. (Art. 2, Secs. 3, 37)

A \$3.3 million appropriation from the General Fund will go to fund the state's renewable hydrogen power initiative. Administered by the Commerce Department, the program will include development of a "renewable hydrogen road map," establishing goals, timelines and strategies for developing and employing hydrogen power in Minnesota. The funds are to be used for a competitive grant program to that end. (Art. 2, Secs. 3, 23)

The "E85 Everywhere" initiative, a program to expand the number of ethanol pumps at gas stations around the state, will receive \$3 million for cost-share grants to help offset the cost of installing ethanol tanks and fuel pump equipment. Up to 10 percent of the funds may be used for biodiesel pumps. The law also directs the port authority to create a citizens' advisory council that may develop its own independent set of recommendations regarding the facility. (Art. 2, Sec. 3)

The Center for Rural Policy and Development at Minnesota State University, Mankato will receive \$1 million for a wind energy development assistance program. The law would have appropriated \$2 million, but Gov. Tim Pawlenty line-item vetoed half of the appropriation. (Art. 2, Sec. 3)

Paving the way for new biofuels

A provision in the law aims to pave the way for the development of cellulosic biofuels in Minnesota by directing BWSR to acquire easements on lands to be used for growing biofuel crops. The easements must be for at least 20 years in duration and can only be purchased on lands that meet certain criteria specified in the law.

Under the law, the board must develop a tiered payments system that takes into account the benefits of bioenergy crop production for water quality, soil health, reduction in chemical inputs, soil carbon storage, biodiversity and wildlife habitat. The board will also establish a technical review committee to develop program guidelines and standards and consult with private sector organizations and University of Minnesota researchers. (Art. 1, Sec. 119)

A separate section of the law defines a number of terms relating to native prairie vegetation as a way to prepare for the eventual use of various native plant types as biomass for renewable energy production. (Art. 1, Sec. 17)

Miscellaneous energy policy

The Department of Administration is directed to implement a program to award cash bonuses to state employees who save the state money by making suggestions on how to conserve energy in state-owned buildings. Funding will come from the cost savings themselves. A report is due to the Legislature by Jan. 1, 2008, on the development of the program, and by Jan. 15 of every year thereafter on the results of its implementation. The provision will sunset on July 1, 2009. (Art. 2, Sec. 6)

The law appropriates \$1 million for low-income heating assistance in calendar year 2007 (Art. 2, Sec. 3), and also utilities are directed to develop an affordability program for low-income natural gas users. The program must:

- decrease the percentage of income that low-income households devote to energy bills;
- increase participating customer payments over time by increasing the frequency of payments;
- decrease or eliminate participating customer arrears;
- lower the costs associated with customer account collection activities; and
- coordinate with other low-income bill payment and assistance programs. (Art. 2, Sec. 19)

Two separate studies mandated by the law will assess the ability of Minnesota's terrestrial and geologic systems to help remove carbon

from the atmosphere by sequestering it in the earth. The first, to be conducted by the University of Minnesota, will determine the state's ability to capture carbon in various terrestrial systems around the state. The second, to be conducted by the Minnesota Geological Survey, will assess the state's potential for sequestering carbon in the mid-continent rift that runs through the state's southwest corner. (Art. 2, Secs. 35, 36)

Commerce policy

The law also contains a number of policy changes related to the Department of Commerce, with several provisions applying to vehicle protection products — devices intended to prevent damage due to theft or vandalism. The law exempts the vehicle protection products from all insurance laws except one that applies to settlement claims under service contracts. It also provides standards that must be met for a warranty reimbursement insurance policy issued in the state. (Art. 3, Secs. 23, 26)

Numerous changes to banking statutes are made in the law. State banks are permitted to borrow amounts from the Federal Home Loan Banking System of up to 35 percent of the bank's total assets. Civil penalty provisions of the bad check law are prohibited from being assessed with respect to pay day loan transactions. Banks, credit unions and certain other institutions are permitted to invest health savings account funds in transaction accounts. The credit services organization registration fee is raised from \$100 to \$1,000. (Art. 3, Secs. 7-9, 11, 12, 44)

Mortgage lending statutes are also overhauled. The law requires that mortgage originators be organized legally as a business entity and not simply be an individual. Lenders must be approved by the U.S. Department of Housing and Urban Development or Fannie Mae, or must have a minimum net worth of \$250,000 or a surety bond of at least \$50,000. Mortgage originator fees are increased by 250 percent. (Art. 3, Secs. 13, 18).

Line-item vetoes

Pawlenty line-item vetoed the following five appropriations from the bill:

- \$1 million (half of the total appropriation) for the Center for Rural Policy and Development to fund grants for a rural wind energy assistance program (Art. 2, Sec. 3);
- \$200,000 for the city of Gaylord for storm water and sewer reconstruction (Art. 1, Sec. 5);
- \$150,000 for a shade tree protection task force and grants (Art. 1, Sec. 4);

- \$45,000 for a grant to Linden Hills Power and Light for preliminary engineering and design work (Art. 2, Sec. 3); and
- \$10,000 for the Cuyuna Country State Recreation Area Citizens Advisory Council for a park development project. (Art. 1, Sec. 4)

Resort protection

Effective Aug. 1, 2007, a new law aims to protect resort owners from local ordinances that might prevent them from maintaining their buildings.

Sponsored by Rep. Frank Moe (DFL-Bemidji) and Sen. Dan Skogen (DFL-Hewitt), the law allows resort owners to conduct maintenance on existing structures and replace damaged or destroyed structures as long as their establishments continue to operate as resorts.

The law allows owners to "minimally" expand their building structures when necessary to bring them into compliance with new federal, state or local buildings codes — provided that such expansions do not bring the structures any closer to a shoreline. It also prevents a change in ownership of a resort from being construed by local governments as a conversion to a different use.

HF849/SF961*/CH92

Mercury product restriction

A new law restricts the sale, use and disposal of certain products containing mercury.

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. John Marty (DFL-Roseville), the law, most of which takes effect Aug. 1, 2007, would place a number of restrictions on products containing mercury, including:

- requiring that fluorescent light bulbs be recycled;
- requiring motor vehicle electric switches, fluorescent or high-intensity discharge lamps, laboratory chemicals, reagents, fixatives and electrodes to be clearly labeled by retailers if they contain mercury;
- banning the sale of certain medical devices, mercury switches and miscellaneous products containing mercury; and
- banning the purchase, storage or use of elemental mercury and mercury-containing instruments in schools.

Effective July 1, 2008, retailers who sell fluorescent light bulbs will be required to display signs that read: "Fluorescent bulbs save energy and reduce environmental pollution. Note: Fluorescent bulbs contain a small amount of mercury and must be recycled at the end of their use. Contact your county or utility for recycling options."

During testimony heard in committee, Hortman said that fluorescent lamps and light bulbs alone are estimated to contribute as much as 173 pounds per year of mercury pollution in Minnesota's environment.

HF1316/SF1085*/CH109

FAMILY

Sibling connection

Children separated from their genetic siblings because of their parents' rights having been terminated will have an easier time connecting with each other.

Under a new law, a person who was adopted or placed in Department of Human Services' guardianship, and is at least 19 years old, may have access to their siblings' contact information. The law specifies, however, that this release of contact information can be provided only upon mutual consent.

Sponsored by Rep. Kathy Tingelstad (R-Andover) and Sen. Mary Olson (DFL-Bemidji), the law, which takes effect Aug. 1, 2007, instructs agencies at all levels to assist and share information with siblings they have served or can serve. Agencies are permitted to charge a reasonable fee for the service.

HF1400/SF358*/CH49

Child support changes

A new law, with various effective dates, makes minor technical adjustments and two substantive changes to child support laws passed in 2005.

Currently, child support arrears are subject to an interest rate 2 percent above the interest rate placed on any other monetary judgment in Minnesota. The new law removes the increase, which will hopefully be an incentive for parents to stay current with child support payments, said Rep. Steve Smith (R-Mound), who sponsors the law together with Sen. Thomas Neuville (R-Northfield).

The law also states that a deviation in the amount of child support is permissible if the child has resided in a foreign country for more than one year, and that country has a substantially higher or lower cost of living.

HF1500/SF1271*/CH118

Commission on guardians

Sponsored by Rep. Shelley Madore (DFL-Apple Valley) and Sen. Mary Olson (DFL-Bemidji), a new law calls for a study group to make legislative recommendations concerning conservatorship and guardianship.

The group is to make recommendations

to the Legislature by March 15, 2008, about the rights of wards and protected persons, the powers and duties of conservators and guardians, the complaint process and training and financial auditing.

The group must include, but is not limited to, representatives from probate divisions of the district courts in the metropolitan area and Greater Minnesota, county adult protection services, the Minnesota Bar Association, Department of Veterans Affairs and the National Guardianship Association.

HF1396*/SF795/CH126

GAMBLING

Gambling law changes

A new law modifies gambling definitions and clarifies game requirements and prizes. Sponsored by Rep. Tom Anzelc (DFL-Balsam Township) and Sen. Ann Rest (DFL-New Hope), the new law:

- allows fraternal organizations to use gambling proceeds to pay taxes on leased facilities and certain utilities;
- allows linked bingo game prizes, not to exceed \$200, to be carried over from one occasion to another in a progressive linked bingo game;
- allows for \$5 pull tabs and tip boards; and
- requires the gambling board to not deny approval of games solely because they are similar to the name or image of a licensed commercial product.

The law has various effective dates.

The provisions relating to linked bingo are "necessary to improve the popularity of this form of gambling," Anzelc said.

HF1691/SF1966*/CH145

GAME & FISH

Game, fish, parks and more

Sponsored by Rep. David Dill (DFL-Crane Lake) and Sen. Tom Bakk (DFL-Cook), a new law includes the language of what was originally the omnibus game and fish bill, a state lands acquisitions bill and others. It takes effect Aug. 1, 2007, unless otherwise noted.

HF1021/SF1131*/CH131

Hunting

Some of the changes made to the state's hunting laws include:

- clarifying that active duty military personnel on leave may be issued a free, one-day vehicle permit to enter a state park (Art. 1, Sec. 18);

- allowing hunters who forget their licenses to avoid penalties for not being in possession of their licenses if they can prove in court that they were validly licensed at the time of arrest (Art. 1, Sec. 22);
- creating an apprentice hunter validation that will allow individuals age 12 or older who lack a firearms safety certificate to hunt small game and deer, for a period of one year, if accompanied by an adult with a valid hunting license (Art. 1, Sec. 28, 34, 35);
- increasing from two to three the number of deer a hunter may take with an all-season license (Art. 1, Sec. 29);
- eliminating a ban on transporting raccoon, beaver and rabbit meat out of state (Art. 1, Sec. 32);
- effective May 26, 2007, exempting military personnel and veterans from the range and shooting exercise portion of the state's firearm safety certification requirements (Art. 1, Sec. 33);
- adding 56-46 Spencer, 56-50 Spencer and 56-56 Spencer cartridges to the list of ammunition that may be used to take big game (Art. 1, Sec. 36);
- lowering the minimum draw weight for bows used for hunting to 30 pounds at or before full draw (Art. 1, Sec. 37);
- allowing crossbow hunting during the regular deer firearms season for any hunter with a valid firearms license (Art. 1, Sec. 38);
- allowing the use of remote-controlled animal noise callers for hunting crows and any fur-bearing or unprotected animal species (Art. 1, Sec. 40);
- banning the use of night vision goggles while hunting (Art. 1, Sec. 41);
- repealing a prohibition on the use of smokeless gunpowder during the state's muzzle-loader hunting season (Art. 1, Sec. 43); and
- prohibiting, in a variety of circumstances, the use of bait for hunting deer (Art. 1, Sec. 45).

Fishing

Changes to state laws on fishing include:

- allowing the Department of Natural Resources commissioner to prescribe restrictions on fishing seasons, limits or methods on specific bodies of water to preserve water quality (Art. 1, Sec. 47);
- allowing the use of lighted decoys to spear fish (Art. 1, Sec. 48);
- requiring anglers who catch any of three different invasive Asian carp species to report it to the DNR (Art. 1, Sec. 50);
- allowing for an expanded assessment harvest of lake trout in Lake Superior, effective

May 26, 2007 (Art. 1, Sec. 54); and

- allowing state and local government agencies to take action to recover any costs incurred while removing an ice house left on the ice after deadline (Art. 1, Sec. 49).

State lands

The state lands provisions included in the law allow for the addition, deletion, sale or other transfer of certain lands in Aitkin, Beltrami, Brown, Cass, Cook, Crow Wing, Dakota, Hennepin, Kittson, Lake, Nicollet, Red Lake, St. Louis, Washington and Winona counties. It also increases from \$5,000 to \$100,000 the maximum value of lands that the DNR can acquire without an appraisal. This portion of the law is effective May 26, 2007. (Art. 2, Secs. 1-40)

ATV and off-highway vehicle use

The law makes several changes to state laws restricting ATV and other off-highway vehicle use.

A requirement that OHV use on state lands be restricted to trails that have been mapped by the DNR (from HF2410/SF2096*/CH57) is delayed until June 30, 2009, for state forests north of U.S. Highway 2, where the bulk of the state forests are located. The law also creates an exemption for forest access routes in that area. Forest access routes are routes that have not been designated as roads or trails by the department, and that will not be signed or maintained. For these routes, effective Aug. 1, 2007, the mapped trails-only requirement will not apply. (Art. 1, Sec. 3)

A person under age 16 shall not operate, and a person shall not allow a person under age 16 to operate, an all-terrain vehicle, unless the parent or guardian of the person under age 16 authorizes the operation. The law also clarifies that when seat belts are available on an ATV, persons 18 years of age or younger must wear them. (Art. 1, Secs. 8, 9)

Miscellaneous

The law directs the Department of Administration to develop a model ordinance for municipalities to use to reduce light pollution. (Art. 1, Sec. 1)

The Uniform Environmental Covenants Act, which sets uniform terms and conditions for agreements to clean up environmentally contaminated lands, is included in the law. (Art. 1, Secs. 59-72)

Effective May 26, 2007, the law clarifies licensing requirements for installers of individual sewage treatment systems with flows of up to 10,000 gallons of water per day. (Art. 1, Sec. 73)

Beginning July 1, 2010, the law bans the sale of household dishwasher detergents containing more than 0.5 percent phosphorous. The law does not apply to commercial detergents. (Art. 1, Sec. 76)

Effective May 26, 2007, the law delays implementation of new limits on phosphorus discharges from wastewater treatment facilities until May 1, 2008. (Art. 1, Sec. 81)

The law requires the DNR to develop a program to encourage private landowners to make their land available for walk-in public hunting and fishing use. (Art. 1, Sec. 85)

Explore Minnesota Tourism is required to develop a "Minnesota Travel Green" program to recognize tourism businesses that have made a commitment "to reduce their environmental impact." (Art. 1, Sec. 93)

Effective May 26, 2007, the law exempts certain motor vehicle racetracks from statutory noise standards. (Art. 1, Sec. 75)

GOVERNMENT

E-filing for utilities

The Public Utilities Commission allows utility companies to file documents electronically, but, until recently, existing law was geared toward the paper-only system. A new law will correct the problem.

Speaking on the House floor, Rep. Sheldon Johnson (DFL-St. Paul), the House sponsor, said the law will amend language in state law governing the PUC's administrative practices. He called it a "technical bill," and said it was brought forth by the PUC. Sen. Rick Olseen (DFL-Harris) is the Senate sponsor.

"It's basically just a faster, easier and more efficient way of bringing us into the 21st century for Internet use of filings," Johnson said.

The law takes effect Aug. 1, 2007.
HF1678/SF1294*/CH10

Revising, updating statutes

The yearly version of what is commonly known as the Revisor's Law corrects errors, ambiguities, omissions, obsolete references and any other technical changes that need to be made to Minnesota Statutes.

This year's law is sponsored by Rep. Scott Kranz (DFL-Blaine) and Sen. Mee Moua (DFL-St. Paul).

According to Michele Timmons, the revisor of statutes, during the interim between sessions, substantial editing and proofreading is done to the Session Laws and Minnesota Statutes. These changes, together with

requests for additional changes from other state agencies, make up the law.

The law is effective Aug. 1, 2007.
HF1200*/SF983/CH13

Expert assistance

The Board of Animal Health consists of five members appointed by the governor, three of whom are livestock producers and two who are practicing veterinarians. A new law allows for the commissioners of agriculture, natural resources and health to serve as consultants to the board.

The board is the state's official animal disease control and eradication agency, and was created to protect the health of the state's domestic animals.

Sponsored by Rep. Al Doty (DFL-Royalton) and Sen. Joe Gimse (R-Willmar), the law takes effect Aug. 1, 2007.

HF878*/SF1263/CH19

Funding assistance

A commission organized to plan the state's 150th birthday party next year is authorized to accept donations to help fund the celebration, under a new law.

Sponsored by Rep. Diane Loeffler (DFL-Mpls) and Sen. Ann Rest (DFL-New Hope), the law authorizes the Minnesota Sesquicentennial Commission to directly accept gifts, grants and other donations to commemorate the sesquicentennial. It also permits the commission to enter into contracts and award grants. Previously, received donations were directed to the state's General Fund.

Under the new law, the commission is permitted to meet by telephone or other electronic means if certain conditions are met, such as all members being able to hear one another and the discussion when meeting.

The 17-member commission was created in 2005 by the Legislature to plan celebratory activities and public engagement in every county in the state of Minnesota. According to the commission's Web site, the goals of the group include:

- achieving broad participation of Minnesotans, visitors, local communities, institutions and organizations in activities;
- raising awareness and educating Minnesotans by telling the stories of our past, recognizing the indigenous people and ethnic groups of the state and learning from them; and
- developing a shared vision by engaging Minnesotans in dialogue.

The law is effective May 4, 2007.
HF2135/SF1949*/CH29

Sunset repealed

A new law eliminates the sunset date for the Minnesota State Council on Disability. Previously set to expire June 30, 2007, the change allows the council staff to work more productively without worrying about when the council might be eliminated, said Ken Rogers, one of the 15 appointed council members.

According to its Web site, the council "advises, provides technical assistance, collaborates and advocates to expand opportunities, improve the quality of life and empower all persons with disabilities."

The law, effective May 4, 2007, is sponsored by Rep. John Berns (R-Wayzata) and Sen. Tony Lourey (DFL-Kerrick).

HF1294/SF1483*/CH33

DOER housekeeping changes

Minor technical corrections to statutes relating to the Department of Employee Relations are now law.

Sponsored by Rep. Will Morgan (DFL-Burnsville) and Sen. Geoff Michel (R-Edina), the new law makes technical changes that include:

- removal of some references to the justification of non-affirmative hires that the department says will correctly reflect the intent of the original language;
- clarification language related to the State Employee Group Insurance Plan concerning "proposals" and not "bids" when entering into new vendor contracts; and
- extending effective dates of voluntary unpaid leave of absence provisions from June 30, 2007, to June 30, 2009.

Nathan Moracco, manager of the State Employee Group Insurance Plan, said that bids require contracting with the lowest costing vendor and are not subject to negotiations. Proposals "allow the contract to be negotiated resulting in the selection of the most qualified vendor."

The language relating to voluntary unpaid leave of absence is effective June 1, 2007. The remainder of the law is effective Aug. 1, 2007.

HF1267/SF1236*/CH35

Firefighter savings

Beginning Aug. 1, 2007, nonprofit firefighter corporations will be added to the list of governmental units able to purchase goods at set prices.

Sponsored by Rep. Scott Kranz (DFL-Blaine) and Sen. Don Betzold (DFL-Fridley), the new law will add "independent nonprofit firefighter corporations" to the list of already

designated groups that can enter into joint powers agreement with other governmental units to obtain equipment through a state bidding process that allows for the best possible price for purchasing goods. Designated state groups include every city, county, town, school district and political subdivision, the University of Minnesota and nonprofit hospitals.

There are between 80 and 100 nonprofit fire corporations in the state, with the majority in the Arrowhead Region, said Nyle Zikmund, Spring Lake Park-Blaine-Mounds View fire chief. "We're simply seeking that same latitude enjoyment of buying off those state contracts."

HF465/SF321*/CH43

State Government finance bill (VETO)

The omnibus state government finance bill fell victim to Gov. Tim Pawlenty's veto pen, just as he warned would happen if it contained certain controversial items.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Don Betzold (DFL-Fridley), it addressed state agency funding needs for staffing, operations and some special projects at a cost of \$551.8 million in the 2008-09 biennium.

In his veto message, Pawlenty wrote that the basic structure of the bill was flawed by relying on unrealistic revenue projections from tax compliance initiatives, which the bill would have used to increase spending. Opponents said the Department of Revenue is not staffed to fulfill the initiatives, nor are the tax monies attainable.

Both the House and Senate bills directed state employee collective bargaining agreements to offer health insurance to domestic partners if the same is offered to spouses of state employees, but the requirement was dropped in conference committee. Instead, a provision was added ordering the Department of Employee Relations to conduct a study on the costs associated with offering these health benefits.

The governor addressed this provision in his veto message. "Again, I am opposed to any legislation concerning domestic partner benefits, including the bill's study and definition of 'significant individual.'"

Elections provisions that would have allowed for easing voter registration procedures were a significant concern for Pawlenty. He said the changes were unnecessary and would undermine the overall integrity of the state's voter registration and election system.

He also opposed the two new commissions called for in the bill — the Minnesota Commission of Ethnic Heritage and New

Americans and the Legislative Commission on Terrorism and Disaster Preparedness. Pawlenty said they would duplicate activities already being addressed in state government.

Other contentious issues the governor noted included: funding increases for the Legislature, elimination of appointed employees in the governor's office and not enough funding for technology infrastructure projects, including Internet security.

HF953/SF1997*/CH56

More rulemaking authority

The Department of Administration commissioner will be able to adopt rules relating to surplus property acquisition, distribution and disposal.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Chris Gerlach (R-Apple Valley), the new law will add the surplus property to a list that already includes:

- solicitations and responses to solicitations, bid security, vendor errors, opening responses, award of contracts, tied bids and award protest process;
- contract performance and failure to perform;
- authority to debar or suspend vendors, and reinstatement of vendors;
- contract cancellations;
- procurement from rehabilitation facilities; and
- organizational conflicts of interest.

The law is effective Aug. 1, 2007.

HF1493/SF2030*/CH67

Recordkeeping update

All officers and agencies of the state must keep records preserving a full and accurate knowledge of their official activities.

A new law clarifies requirements for storing digital government records, and repeals a section of the law that deals with documents stored on non-erasable optical imaging systems.

Supporters said the law is needed because technology used by the state to archive records is becoming outdated.

"What looked exotic five years ago looks outdated now," State Archivist Robert Horton told a House committee. "Today much more effective and cost-effective storage technology exists."

The new law will encourage government entities to choose these better technologies, and it will help the government and the Minnesota Historical Society to do their job better, he said.

Sponsored by Rep. Jeanne Poppe (DFL-Austin) and Sen. Dan Larson (DFL-Bloomington), the law is effective Aug. 1, 2007.

HF1339/SF1557*/CH76

Heating and cooling state buildings

A new law will require the commissioner of the Department of Administration to study geothermal and solar thermal applications for use in heating and cooling of state buildings. The law is effective July 1, 2007.

Sponsored by Rep. Aaron Peterson (DFL-Appleton) and Sen. Gary Kubly (DFL-Granite Falls), the law requires all building projects subject to a predesign review or that receive state funding to consider installation of the systems when practical.

Solar thermal is defined as "a flat plate or evacuated tube with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy for heating and cooling."

"We're just missing an opportunity to have state buildings use less energy and invest in renewable energy," Peterson said. By requiring system considerations in the predesign there is greater chance of incorporating the systems into state developments, he said. Plus, he noted, several manufacturers of the systems are located in Minnesota.

HF1034/SF538*/CH77

Joint purchasing

Current law permits the commissioner of administration to enter into a cooperative purchasing agreement with governmental units and nonprofit organizations for goods, services and utilities. A new law extends this permission to charities that solicit state employees for charitable contributions and charitable organizations that are recipients of a state grant or contract.

Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Ann Rest (DFL-New Hope) sponsor the law, which takes effect Aug. 1, 2007.

Byron Laher, director of public policy for the Greater Twin Cities United Way, said that not only will the law provide purchasing power for additional charities; it will help the state save money.

HF1486/SF1755*/CH83

PUC technical change

A new law, effective Aug. 1, 2007, makes a minor technical change to a statute regarding Public Utilities Commission proceedings.

Sponsored by Rep. Sheldon Johnson (DFL-St. Paul) and Sen. Sandy Rummel

(DFL-White Bear Lake), the law makes a two-word clarification to a statute regarding communication rules.

Johnson said the bill "corrects an omission in statute."

HF1549/SF1019*/CH88

More CAAPB members

A House and a Senate member will be added to the Capitol Area Architectural and Planning Board, under a new law.

Sponsored by Rep. Carlos Mariani (DFL-St. Paul) and Sen. Sandy Pappas (DFL-St. Paul), the law increases to 12 the board's membership. The board already includes the lieutenant governor, four gubernatorial appointees, three St. Paul mayoral appointees and two legislators.

The board is responsible for preserving the architectural integrity of a 60-block area including the Capitol.

According to its Web site, the board has four purposes:

- (1) Preserve and enhance the dignity, beauty and architectural integrity of the capitol, the buildings immediately adjacent to it, the capitol grounds, and the capitol area;
- (2) Protect, enhance, and increase the open spaces within the capitol area when deemed necessary and desirable for the improvement of the public enjoyment thereof;
- (3) Develop proper approaches to the capitol area for pedestrian movement, the highway system, and mass transit system so that the area achieves its maximum importance and accessibility; and
- (4) Establish a flexible framework for growth of the capitol buildings which will be in keeping with the spirit of the original design."

The law is effective May 22, 2007.

HF203/SF118*/CH94

PFA technical changes

Effective Aug. 1, 2007, a new law establishes grant caps and makes technical and housekeeping changes to statutes concerning the Public Facilities Authority.

Sponsored by Rep. Frank Moe (DFL-Bemidji) and Sen. Dennis Frederickson (R-New Ulm), the law establishes a grant cap of \$3 million per municipality for Clean Water Legacy total maximum daily load studies, and a similar cap of \$500,000 for phosphorus wastewater treatment reduction grants.

The law also clarifies the role and responsibility of the PFA's executive director in reporting to the Department of Employment and Economic Development.

The PFA is responsible for the "administration and financial management of three revolving loan funds and other programs to assist local governments and others with the construction of public infrastructure," according to the DEED Web site.

HF790/SF1186*/CH96

Language modifications

Terminology changes for the Office of Enterprise Technology are included in a new law.

Effective Aug. 1, 2007, "intertechnologies" will be changed to "enterprise technology" and "voice, data, video" to "information technology."

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Dan Larson (DFL-Bloomington), the law is, in part, the result of converging technologies.

Jack Ries, project manager with the office, told a House committee that today's technologies combine video, data and voice; therefore, statute, as it reads now, is outdated.

HF1688/SF1556*/CH100

Charities campaign changes

A new law clarifies how state employees contribute to a combined charities campaign.

Sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Ann Rest (DFL-New Hope), the law defines "registered combined charitable organization" for the purpose of their participation in a yearly campaign in which state employees are encouraged to participate in donating to charities. The law still requires charities that participate in the campaign to apply to the commissioner of employee relations by March 1 to be eligible for that year.

The law is effective Aug. 1, 2007.

HF1957/SF1597*/CH101

Open meeting law

If there is a health pandemic or an emergency declared under the Minnesota Emergency Management Act, a new law authorizes meetings covered by the Open Meeting Law to be conducted by telephone or electronic means.

Sponsored by Rep. Andy Welti (DFL-Plainview) and Sen. Rick Olseen (DFL-Harris), the law allows for meetings to be conducted in this manner without being in violation of the Open Meeting Law if:

- the presiding officer, chief legal counsel or

chief administrative officer determines that meeting in person or by interactive television is not practical or prudent because of a health pandemic or an emergency declaration under the Emergency Management Act;

- all members of the body can hear one another, all discussion and testimony;
 - members of the public at the regular meeting location can hear all discussion, testimony and votes;
 - at least one member of the body, chief legal counsel or chief administrative officer is present at the regular meeting location, unless unfeasible due to the pandemic or emergency declaration; and
 - all votes are conducted by roll call.
- The law is effective May 22, 2007.
HF1303/SF1165*/CH110

Sudan divestment

A new law requires the state to remove any holdings from accounts that directly benefit companies that are found to contribute to genocide in the Darfur region of Sudan.

Sponsored by Rep. Karen Clark (DFL-Mpls) and Sen. Sandy Pappas (DFL-St. Paul), the new law directs the State Board of Investment to remove direct or indirect holdings from accounts that scrutinized companies are using to source actions contributing to genocide. It would effect somewhere between "\$80 million and \$90 million worth of international equity securities out of a \$15 billion portfolio," said Howard Bicker, the board's executive director.

Scrutinized companies include:

- those with business operations that involve contracts with, or provisions of, supplies or services to the government of Sudan, companies the government has direct or indirect equity share, government commissioned consortiums or projects or companies involved in those;
- those where more than 10 percent of the company's revenues are linked to Sudan, or less than 75 percent of the revenues are linked and involve oil-related activities, mineral extraction activities or power production activities; and
- one that is complicit with genocide or supplies military equipment to Sudan.

The board has 90 days after the Aug. 1, 2007, effective date to make its best efforts to identify all scrutinized companies. The law lays out a procedure in which the board will divest publicly traded securities of scrutinized companies.

The new law will expire if the president or Congress declares that Darfur genocide has been halted for at least 12 months, has removed sanctions on Sudan, declares the Sudan

government has honored commitments to cease attacks or has declared the divestments to be interfering with United States foreign policy.

HF1332/SF1075*/CH117

No notary fee increase (VETO)

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Don Betzold (DFL-Fridley), a bill that would have increased the notary fee up to 5 percent of the \$100 fee paid every five years by notaries for their license to perform the service. Currently, notaries can charge up to \$1. The last change in the fee occurred in 1983, when the maximum charge was increased from 25 cents to \$1.

Pawlenty, in his veto message thought that the increase was too much.

"I would support a more reasonable fee increase, but a 500 percent increase is too large," he wrote. "It could adversely impact businesses and individuals who require notarization of documents."

Supporters said the increase would have helped offset the increase to the notary-licensing fee made several years ago.

HF144/SF463*/CH127

Regulating data privacy

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Mary Olson (DFL-Bemidji), a new law makes adjustments to data practice regulations for the Department of Transportation and the Department of Corrections.

For instance, if someone's name is incorrectly associated with a criminal history, and this is proven through fingerprint verification, the identifying information must be removed from public history data. Also, law enforcement agencies and public defenders may access driver's license photos for certain investigative purposes.

House provisions not making it into the law include:

- an increase in the penalty for willful violation of the Data Practices Act by public employees;
- tighter restrictions on the sale of Social Security numbers by nongovernmental entities;
- permission for parole and probation authorities to access records regarding a weapon permit held by a defendant, parolee or probationer; and
- modifications to provisions and requirements for the testing of newborn infants for genetic and heritable diseases.

HF1360/SF596*/CH129

Indian Affairs Council membership

The composition of the Minnesota Indian Affairs Council will change, under a new law.

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Tony Lourey (DFL-Kerrick), the law allows certain bands and tribes to have one member designated by elected tribal presidents or chairpersons of their governing body to the council. The designees will be the only voting council members. Currently voting members are the elected tribal leaders of the individual bands and tribes.

The law takes effect Aug. 1, 2007.

According to its Web site, the council "serves as the official liaison of the Indian tribes and the state of Minnesota." Non-voting council members include specified state agency commissioners or their staff and two House and two Senate members.

The law will make the arrangement of tribal leaders parallel to that of commissioners appointed to the council by the governor, Hilty said. It will also update references to "Indian community" to "federally recognized tribes in Minnesota and the urban Indian communities."

HF1051/SF1048*/CH130

Statutory board changes

A new law repeals expired state task forces, boards and advisory groups.

Sponsored by Rep. Kathy Tingelstad (R-Andover) and Sen. Ann Rest (DFL-New Hope), the law removes from state statute dozens of groups that are no longer active, such as the Building Code Administration Oversight Committee and Listed Metals Advisory Council.

Certain advisory groups are to expire on June 30, 2009, under the law.

HF1340/SF1377*/CH133

Settling up

Effective May 25, 2007, a new law appropriates \$51,164 from the General Fund to settle claims made against the state by various individuals, mostly prison inmates. Sponsored by Rep. Dennis Ozment (R-Rosemount) and Sen. Ron Latz (DFL-St. Louis Park), the law appropriates \$49,954 to the Department of Corrections for payment of medical claims of inmates and those participating in sentence-to-service work programs.

Additionally, \$380 is appropriated to the Department of Public Safety to settle a claim regarding an unnecessarily large driver's license reinstatement fee, and the Department

of Revenue is directed to pay \$830 for a property tax refund check that was delivered late by the U.S. Post Office.

Ozment said the law represents the work of the Joint House-Senate Subcommittee on Claims, a division of the Legislative Coordinating Commission.

HF2293*/SF2044/CH137

Seeking a tenant

Sponsored by Rep. Mary Murphy (DFL-Hermantown) and Sen. Yvonne Prettner Solon (DFL-Duluth), a new law will allow the city of Duluth to sell or lease the maintenance facility that has not been used since 2005 when Northwest mechanics went on strike and the company filed for bankruptcy.

The law, effective Aug. 1, 2007, also states that the lease or sale is subject to approval of the finance commissioner if there are bonds outstanding for financing the facility. No approval is required if the bond trustee has taken control of the facility as a result of a default.

HF1175*/SF962/CH138

Code changes

A new law, sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park), makes technical and other changes to construction industry codes.

The law:

- asks the Department of Labor and Industry commissioner to adopt a state fire code and transfers various powers from several state agencies to the department;
- consolidates violation enforcements, including assessments, penalties, subpoena powers, notice timelines and license suspension and revocations; and
- modifies membership, composition, per diem rates, duties, sunset dates and other aspects of various boards; and
- creates the Construction Code Advisory Council, the Board of Electricity, the Plumbing Board and the Board of High Pressure Piping Systems.

Most provisions take effect Dec 1, 2007.

HF1208*/SF998/CH140

Financing state government

After a previous veto, the omnibus state government finance proposal received Gov. Tim Pawlenty's signature with one line-item veto.

The law appropriates \$551.8 million for fiscal years 2008-2009 to fund state agencies, \$61.5 million less than the governor's recommendation.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Don Betzold (DFL-Fridley), all provisions are effective July 1, 2007. Rep. Phyllis Kahn (DFL-Mpls) sponsored the original House bill (HF953), and was the lead House negotiator as the bill was conferred with the Senate.

HF548*/SF471/CH148

Technology updates

The law appropriates \$145.8 million to the Legislature, which includes the House, Senate and Legislative Coordinating Commission. Both the House and Senate are given additional one-time money for technology needs, which Kahn said would be used to update servers and equipment. Legislative offices are directed to "whenever possible, implement information technology systems that are compatible and work seamlessly across the legislature." House, Senate and LCC Information technology directors are to submit a report to the Legislature describing their efforts on Jan. 15, 2008, and Jan. 15, 2009. (Art. 1, Sec. 3)

Under the new law, the Office of Enterprise Technology is appropriated \$24.3 million to fund projects such as information technology security, the first phase of an electronic licensing system, and small agency technology infrastructure projects. (Art. 1, Sec. 10)

The Department of Administration is to receive \$58.6 million for the state architect, plant management, human resources, state demographer, Land Management Information Center, Environmental Quality Board, state archaeologist, Developmental Disabilities Council, public broadcasting and Minnesota Public Radio.

Special projects funded for the department include a real property Web-based management system to track state-owned and -leased property, the creation of an Office of Grants Management to standardize the state grant-making management policies, and a targeted group business study on minorities and female-owned businesses using state contracts. (Art. 1, Sec. 12)

The Department of Revenue is appropriated \$252.6 million, of which a portion is to be used to implement activities to gain \$42.5 million in additional revenue from individuals and businesses that currently do not pay all taxes owed. A report is due the Legislature by March 1, 2008, and Jan. 15, 2009, on performance indicators including the number of corporations, businesses and individuals noncompliant with the tax system. Money is designated to a health care access fund and an integrated tax software technology package to update the computerized systems that track tax processes. (Art. 1, Sec. 16)

Other departments and offices appropriated money include the governor's office, state auditor, attorney general, secretary of state, Capitol Area Architectural and Planning Board, Department of Finance, Minnesota Gambling Control Board, Minnesota Racing Commission, Minnesota Amateur Sports Commission, Council on Black Minnesotans, Chicano-Latino Affairs Council, Council on Asian-Pacific Minnesotans, Minnesota State Retirement System, Minneapolis Employees Retirement Fund, Minneapolis Teachers Retirement and St. Paul Teachers Retirement Fund Association.

The governor line-item vetoed \$80,000 for the acquisition of an Indian burial site in Becker County. Pawlenty wrote in his veto message that the state purchasing burial site property would set a precedent to purchase and maintain property that would initiate a long-term financial implication.

Policy provisions

Two new working groups are authorized under the law, and are to be facilitated by the Legislative Coordinating Commission. The working group on ethnic heritage and new Americans is to assist state government in fostering understanding of ethnic and cultural diversity in Minnesota. The working group on preparedness for terrorism and disasters is "to advise the Legislature and oversee executive activities on issues related to homeland security, emergency management, man-made and natural disasters, terrorism, bioterrorism, public health emergencies, and vulnerabilities in public and private infrastructures." (Art. 2, Sec. 1, 2)

The Minnesota Humanities Commission is to solicit nominations for a poet laureate and make those recommendations to the governor, under the new law. State agencies and officers are encouraged to use the services of the poet laureate for appropriate ceremonies and celebrations. (Art. 2., Sec. 4)

In response to a January 2007 legislative auditor's report on inconsistencies in how state agencies manage state grants, the law requires the commissioner of the Department of Administration to create general grants management policies and procedures. The commissioner is to: provide a central point of contact concerning statewide grants management policies and procedures; serve as a resource to executive agencies in such areas as training, evaluation, collaboration and best practices in grants management; and oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management activities. (Art. 2, Sec. 22)

A publicly searchable database containing state contracts or grants valued at more than \$25,000 is to be created by the commissioner. The database is to include: the name and address of the entity receiving the contract, whether the contract is for goods, professional or technical services, and the amount of the contract or grant. Information is to include grants and contracts from the beginning of fiscal year 2008 and be retained for 10 years. (Art. 2, Sec. 34)

Other policy provisions include:

- the Department of Employee Relations is abolished as of June 1, 2008, and most of its duties are transferred to the Department of Finance; however, the administration and health departments will also receive specific department duties. In consultation with four specific department directors, the governor may transfer duties to the most appropriate state agency to most effectively accomplish the reorganization. (Art. 2, Sec. 80),
- the cost of registering for a marriage license will rise from \$100 to \$110; those with premarital education will see a license increase from \$30 to \$40, (Art. 2, Sec. 71); and
- best value contracting for use in local government construction contracts is authorized. (Art. 3, Sec. 1)

HEALTH & HUMAN SERVICES

Spillage prevention

Beginning Aug. 1, 2007, campground owners will have a new option to prevent backflow spill into drinking water systems.

Called the "most important bill for campground owners this year" by one of its sponsors, Rep. John Ward (DFL-Brainerd), the law will permit use of a hose connection backflow preventer and vacuum breaker instead of the traditional dual check valve device required by the Department of Health.

The difference, according to Ward, is cost: a campground owner may spend \$4,000 to \$20,000 — depending on campground size — to install the dual device, which also must be taken out in the fall and reinstalled in spring. He said the alternative is cheaper and does not require the extra labor annually.

Sen. Paul Koering (R-Fort Ripley) is the Senate sponsor.

HF2090*/SF2111/CH24

Determining safe limits

Two chemicals manufactured and disposed of by 3M have been detected in eastern Twin Cities suburban water supplies and, most

recently, in fish tested from a Minneapolis lake.

A new law effective May 4, 2007, requires the health commissioner to develop health risk limits for the chemicals and report to the Legislature by Jan. 15, 2008, on the health effects. A status report is due Sept. 30, 2007.

Perfluorooctanoic acid and perfluorooctane sulfonate were produced at 3M's Cottage Grove plant and used in products like Scotchgard. They were disposed of in various waste sites throughout area landfills in the 1950s and 1960s.

"What we've learned is this chemical has probably been in our drinking water for decades, and contrary to what is being said by the industry, the long-term effects of constant exposure to people, to expecting women and children, are unknown," said Rep. Karla Bigham (DFL-Cottage Grove), who sponsored the law with Sen. Katie Sieben (DFL-Newport).

The law requires that, by Aug. 1, 2007, the commissioner determine the health risk limits based on toxicity and exposure data.

HF1444/SF1105*/CH37

Gas protection

Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Linda Higgins (DFL-Mpls), a new law requires the labor and industry commissioner to adopt rules for radon control as part of the State Building Code for all new residential buildings. It takes effect Aug. 1, 2007.

Having the protection system installed when a house is built will save homeowners up to \$5,000 from having to retrofit their home with the system, according to Norton. She said a system installed in a new home would cost roughly \$400.

Half of Minnesota counties are in the highest radon zones in the nation, and the remaining counties are in the second highest of the three radon zones, Norton said.

The danger from radon, according to the Environmental Protection Agency, is that the gas decays into radioactive particles that when breathed in, can get trapped in the lungs. Damage can occur to the lung tissue and can lead to lung cancer.

HF993/SF1735*/CH40

Reportable events listing expanded

A new law expands the list of reportable events under the Health Care Events Reporting Act of 2003.

Under the new law, health care facilities must also report to the health commissioner

events of artificial insemination with the wrong donor sperm or egg.

Sponsored by Rep. Maria Ruud (DFL-Minnetonka) and Sen. David Hann (R-Eden Prairie), the law takes effect Oct. 7, 2007.

Reportable events related to falls are also expanded to include not only those resulting in death, but those resulting in a serious disability.

Additionally, the provision relating to a death or serious disability in connection with a patient's disappearance is also addressed.

HF1990/SF1790*/CH41

Help for sexual assault victims

The Compassionate Care for Sexual Assault Victims Act sets a statewide standard of care for sexual assault victims.

Effective Aug. 1, 2007, the law requires hospitals to give unbiased information about emergency contraceptives and prophylactic antibiotics, which help prevent infection of sexually transmitted diseases. It also mandates that such drugs be provided should they be safe for, and requested by, the patient.

Sponsored by Rep. Nora Slawik (DFL-Maplewood) and Sen. Sandy Pappas (DFL-St. Paul), the law also states that emergency care for sexual assault victims must be provided for both male and female patients.

Supporters said that only 40 percent of emergency rooms in Minnesota provide emergency contraception on a consistent basis.

Slawik noted that in Greater Minnesota, where there is typically only one hospital, a patient may have nowhere to go if the hospital doesn't offer emergency contraception.

HF1442/SF1266*/CH42

Provider designation

Essential community providers, known as ECPs, coordinate services for some of Minnesota's neediest populations: people at-risk, the underserved and those with special needs.

A new law, effective Aug. 1, 2007, reinstates the health commissioner's authority to designate and renew the status of these providers.

Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Linda Berglin (DFL-Mpls), the measure also requires that providers reapply for ECP standing every five years and caps the application fee at \$60.

Currently, the health commissioner is not authorized to accredit essential community providers because statute assigning that authority has expired.

HF918/SF555*/CH50

Health and human services finance bill (VETO)

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), Gov. Tim Pawlenty vetoed the health and human services finance package, which would have provided health care coverage for more Minnesotans, increased nursing home funding, adjusted work requirements and repealed penalties for families on welfare and established dozens of housing, mental health and public health initiatives in the next biennium.

"This bill takes a giant step forward for health care and other programs," Berglin said at a press conference. "It reflects an honest budget that is affordable and well within the means we had."

But Republicans and the governor criticized the bill's price tag.

The package included several provisions that, while trimmed back, made it into the new health and human services bill (HF1078*/SF967/CH147) that was signed into law.

HF297/SF2171*/CH58

Hearing aid coverage

A new law requires insurance companies to cover hearing aids for all childhood hearing loss conditions.

Sponsored by House Majority Leader Tony Sertich (DFL-Chisholm) and Sen. David Tomassoni (DFL-Chisholm), the measure expands the mandate in current law, which requires that health plans cover the devices only if a child suffers from functional congenital malformation of the ear. It takes effect Aug. 1, 2007.

Some legislators worried that the law equates to another insurance mandate.

"The stacking effect of (these mandates) drives up cost for people privately insured," said Rep. Laura Brod (R-New Prague). "It pushes out people who are less able to afford insurance."

"This is not a new mandate," Sertich replied. "This is already in law; this just expands it." The law will not affect the self-insured market — those employers that assume the major cost of health insurance for their employees — which is exempt from state law and taxes.

HF633/SF805*/CH60

Preventative coverage

Minnesota now requires health insurance coverage of colorectal screening tests by insurance companies, under a new law.

Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Dan Sparks (DFL-Austin), the law is effective May 15, 2007.

These tests join a list of other routine cancer screening procedures, such as mammograms, pap smears and ovarian surveillance tests, that are currently under a coverage mandate by the state.

HF1287/SF1705*/CH66

No Smoking

A new law bans smoking in public places statewide.

Called the Freedom to Breathe Act of 2007, the law prohibits smoking in restaurants, bars, bingo halls and on public transit. It takes effect Oct. 1, 2007.

Minnesota is the 20th state to ban smoking indoors.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Kathleen Sheran (DFL-Mankato), the law exempts family farms, a disabled rest camp, commercial vehicles, hotel rooms and theatrical performances.

Debate over the bill focused on recurring issues over the ban: a worker's right to clean air, a person's right to smoke freely and the potential economic consequences for bar and restaurant owners.

The law allows local governments to impose stricter measures against smoking, and grants hospitality employees access to the Dislocated Worker Program until October 2009 should they become unemployed due to the ban.

HF305/SF238*/CH82

Radioactive material regulations

A new law modifies fees for possession of radioactive material and ionizing radiation-producing equipment, changes operating requirements for X-ray machines and extends the sunset date for a task force.

Under the law, sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Michelle Fischbach (R-Paynesville), licensees may no longer pay a fee for license renewal, and language no longer applicable to license expiration dates is removed.

In addition, facilities using ionizing radiation-producing equipment — medical and non-medical X-ray machines, accelerators and radiation therapy devices — will pay \$66 annually, instead of \$132 biennially, for registration fees.

The law, effective Aug. 1, 2007, also makes a technical change to X-ray operating requirements, and pushes back the expiration date from June 30, 2007, to June 30, 2011, of the Maternal and Child Health Advisory Task Force, which advises the health commissioner on the health care needs of mothers and children.

HF1582/SF1215*/CH85

Returning drugs

Instead of trashing unused drugs, county jails and juvenile correctional centers will be permitted to return them to pharmacies, under a new law sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Sharon Erickson Ropes (DFL-Winona).

The law allows medical supplies and unused drugs to be returned only if the medication is secured in locked storage and if facilities have a trained medication technician available around the clock.

Effective Aug. 1, 2007, the law modifies prescription certification requirements, stating that prescriptions do not need to be recertified prior to dispensing if they have already been certified by a licensed central service pharmacy. It also clarifies what prescriptions for legend drugs — which federal law stipulates can only be obtained by prescription — are valid.

The law states that prescriptions aren't valid if based solely on an online questionnaire, unless pharmacists can establish that the order is based on an adequate patient evaluation.

HF1984/SF1959*/CH103

Anatomical gifts

The Darlene Luther Revised Uniform Anatomical Gift Act will be law.

Sponsored by Rep. Maria Ruud (DFL-Minnetonka) and Sen. Linda Scheid (DFL-Brooklyn Park), the law, named after former DFL legislator Darlene Luther, replaces the current Uniform Anatomical Act and updates statute language.

It allows an anatomical gift of a donor's body or body part to be made during the life of the donor for the purpose of transplantation, therapy, research or for educational uses. In addition to adults, minors can donate if they are emancipated, at least 16 years old, or if the parent or legal guardian gives permission.

The law states that a person can be a donor by indicating the choice on a driver's license or identification card, in a will, or if a person has a terminal illness or injury and communicates with two adults that they want to be a donor, provided one of the adults is a disinterested witness.

It also contains provisions for revoking donor status.

The law takes effect April 1, 2008.

HF1074/SF883*/CH120

Professional regulations

A new law, sponsored by Rep. Cy Thao (DFL-St. Paul) and Sen. John Marty (DFL-Roseville), makes regulatory changes affecting

various health care professionals.

Effective Aug. 1, 2007, unless otherwise noted, it will:

- require that all X-ray operators take a national exam starting Jan. 1, 2008, and restrict what procedures an X-ray operator can perform;
- permit medical students from foreign countries more flexible exam requirements, effective immediately;
- remove expiration dates for the acupuncture, respirator care practitioners, traditional midwifery and the physician assistant advisory councils;
- increase education requirements for audiologist practitioners after Aug. 30, 2007;
- change supervisory, licensure, fees and board requirements for physical therapists;
- modify grounds for disciplinary action by health boards and what action may be taken; and
- change licensee requirements for professional clinical counselors, effective immediately, and social workers. Most provisions relating to social workers are effective Aug. 1, 2011.

HF57/SF26*/CH123

Reduced costs

Family planning clinics may pay less for supplies and drugs under a new law.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. John Marty (DFL-Roseville), the law will permit family planning clinics to enter into cooperative purchasing agreements to obtain pharmaceuticals and supplies at less cost.

Effective Aug. 1, 2007, the law will also allow registered nurses in a family planning agency to dispense oral contraceptives under the supervision of a physician or nurse practitioner to women ages 12 and older, and will ask the human services commissioner to propose medical assistance reimbursement rates that would more adequately cover service costs.

HF298/SF184*/CH139

Health care coverage for all kids

The \$11.4 billion omnibus health and human services finance law takes a step toward making sure that all children in the state have health coverage and provides funding for mental health initiatives — high priorities for the Legislature and the governor.

Overall, the Human Services and Health departments and several boards will see an approximate 18 percent increase in funding over the 2006-07 biennium for programming that includes nursing homes, health care, welfare, child care, housing, public health and mental health.

Gov. Tim Pawlenty trimmed about \$18.8 million before signing the bill into law. Of the total funding, approximately \$9.8 million will come from General Fund dollars. The rest comes from various state revenue funds and the federal government.

After the earlier bill (HF2171*/SF2285) was vetoed by Pawlenty, House and Senate leadership, including bill sponsors Sen. Linda Berglin (DFL-Mpls) and Rep. Thomas Huntley (DFL-Duluth), shaved more than \$100 million from the proposal.

The majority of the law is effective July 1, 2007.

HF1078*/SF967/CH147

Health care

A major portion of spending increases — \$95 million during the 2008-09 biennium and \$223 million in the 2010-11 biennium — is allocated to health care initiatives, a key priority of both parties and the administration.

Nearly \$5 million in the 2008-09 biennium and \$50 million in 2010-11 is provided for the Cover all Kids proposal.

Additionally, eligibility requirements will be streamlined to give children easier access to MinnesotaCare, the state's health insurance. For instance, children who become ineligible for Medical Assistance due to a change in family income requirements will see their eligibility extended for two months. Children moving from MA to Minnesota Care will automatically be eligible for the program and exempted from the income limits, until renewal. These and other eligibility changes are expected to provide nearly 37,000 children who are currently uninsured with health care.

The law calls for development of an application form for children's health programs that is understandable and does not exceed four pages in length. These provisions are effective Oct. 1, 2008, or upon federal approval. (Art. 13, Sec. 1-7, Art. 5, various sections)

Other health care provisions

- Within two years of return from active duty, eligible members of the military and their families can apply to have their MinnesotaCare premiums paid by the state for 12 months. (Art. 5, Sec. 32)
- A mandate to health insurance companies to retain coverage of dependents up to age 25 whether or not they are full-time students. This provision is effective Jan. 1, 2008. (Art. 12, Sec. 1)

Health Care Reform

The law also begins several health care reform efforts, including:

- \$14 million from the Health Care Access Fund in fiscal year 2008 to begin establishment of an interoperable, electronic records system in hospitals statewide by Jan. 1, 2015. The intent is to upgrade information technology and systems to improve patient care, reduce the cost of care, and enable remote monitoring of patients' conditions, especially those with chronic conditions (Art. 15, Sec. 2);
- \$500,000 in fiscal year 2008 to study the potential of a health insurance exchange, which would be a single source for residents to comparison shop for individual insurance coverage. A report is due to the Legislature by Feb. 1, 2008 (Art. 19, Sec. 3);
- \$300,000 over the 2008-09 biennium for planning grants for up to three community collaboratives to develop proposals to provide affordable health care to uninsured and underinsured people with chronic health conditions (Art. 14, Sec. 18);
- a one-time allocation of \$170,000 to fund a health care transformation task force to advise the governor regarding activities to transform the health care system, and to develop a statewide action plan (Art. 14, Sec. 21); and
- creation of a study group to make recommendation regarding the creation of a voluntary statewide health plan purchasing pool. (Art. 12, Sec. 15)

Nursing Homes

Nursing home funding remained at the forefront during most budget discussions. A share of the funding will go toward cost of living adjustments for employees at these facilities. The law provides for a facility rate increase of 1.87 percent for the rate year beginning Oct. 1, 2007. At least 75 percent of the money must be used for compensation-related increases for eligible employees. Nursing facilities could also see a rate increase in 2009 due to rebasing in that year. This formula determines reimbursements to facilities based on actual costs accrued and inflation. (Art. 7, Sec. 22)

The state also allocates \$2.5 million in fiscal year 2008 toward sprinkler updates in facilities statewide, many of which do not have systems that meet federal standards. (Art. 7, Sec. 21)

Payment boosts were also provided to two individual facilities: \$2,000 to Big Stone nursing facility and \$167,000 to the Waseca nursing home, which, in partnership with Mayo Health Systems, will provide beds for ventilator-dependent residents. (Art. 7, Secs. 19, 24)

Minnesota Family Investment Program

Welfare spending was also hotly debated. Of particular concern were new federal welfare requirements that could result in sanctions to states that do not meet the higher threshold of work participation.

Pawlenty vetoed several legislative attempts to reconfigure work requirements, including a provision that eliminated them for post-secondary students, and the second year of funding — \$7.3 million — for work support grants. “The manner in which this money is used is not optimal and there are more effective ways to accomplish goals in this area,” he wrote in his veto message.

Also vetoed was a \$3 million biennial appropriation for auto repairs, auto loans and auto purchase grants to individuals who are eligible for MFIP.

Provisions that remain include:

- \$5 million in ongoing biennial funding for integrated service projects, which will merge application requirements and other aspects of social services for families;
- \$12.7 million to repeal the \$125 Supplemental Security Income penalty, which was deducted from a family’s monthly MFIP grant starting in 2005 if the family receives federal SSI assistance; and
- \$327,000 in the 2008-09 biennium and \$10.3 million in the 2010-11 biennium for \$75-a-month bonuses to families that leave welfare. This provision is effective Feb. 1, 2009. (Art. 2, Sec. 38)

Mental Health

Mental health areas are to receive \$34.1 million during the 2008-09 biennium through more than two dozen funding initiatives, including:

- \$5.9 million in fiscal year 2008 and \$6.8 million in fiscal year 2009 for children’s mental health grants to available to counties, American Indian tribes and mental health service providers for services to children with emotional disturbances and for early intervention programming (Art. 8, Sec. 8);
- \$500,000 in each year of the biennium to fund a Regional Children’s Mental Health Initiative pilot project, involving several southern Minnesota counties working to develop a model for children’s mental health care delivery (Art. 8, Sec. 35);
- \$335,000 in the first year and \$145,000 in the second year to fund suicide prevention programs (Art. 19, Sec. 4);
- expansion of the model benefits for MinnesotaCare, General Assistance Medical Care and Medical Assistance, causing more mental health services to be eligible for reimbursement; and

- rate increases for a variety of mental health service professionals, including psychiatrists, community health centers, adult rehabilitative mental health service providers and children’s therapeutic services.

The law also asks the commissioner of human services to undertake a series of reforms to “address the underlying structural, financial and organizational problems in Minnesota’s mental health system with the goal of improving the availability, quality and accountability of mental health care in the state.” A report is due to the Legislature by Jan. 15, 2008. (Art. 8, Sec. 5)

Hearing Impaired

Children up to age 10 who are newly diagnosed with hearing loss could be eligible for new services from a statewide hearing aid and instrument loan bank, under the law.

The health commissioner is charged with establishing a Newborn Hearing Screening Advisory Committee to determine protocol and procedures for a mandatory hearing screening and reporting system for all newborns and a follow up intervention program for the babies when needed. Approximately \$8.9 million is targeted in the biennium for the effort. This provision is effective May 26, 2007. (Art. 16, Sec. 10)

Additionally:

- \$199,000 in fiscal year 2008 to provide family support and assistance to families with children who are deaf or have a hearing loss (Art. 19, Sec. 4);
- \$140,000 over the biennium will be used to support the administrative costs associated with a statewide hearing aid and instrument loan bank for families with children newly diagnosed with hearing loss. (Art. 19, Sec. 4)

Housing

Beyond funding provided for transitional housing under the mental health section, the law provides \$2.75 million for rate increases at several group residential housing facilities; \$1.5 million each year for programming to address long-term homelessness; and funding for runaway and homeless youth programming. (Art. 2, Sec. 49)

Child care

Advocates for child care reform will see some money for programming.

The 2008-09 biennial budget provides about \$5.5 million for helping to reduce child care co-payments from \$10 to \$5 for families who are between 75 percent and 100 percent of federal poverty guidelines. Co-payments for parents above that income level are also

reduced on a sliding-fee scale.

Grants are also made available for child care services including: family, friend and neighbor providers; and the early childhood professional development system, which provides training strategies and other services for practitioners serving young and school-age children. (Art. 18, Sec. 2)

The health and human services commissioners, along with input from county personnel, are to recommend to the Legislature by January 2008 a plan whereby each legally unlicensed child care provider receiving child care assistance funds would receive a one-time home visit to receive information on health, safety and school readiness. (Art. 2, Sec. 55)

The budget allows for \$500,000 during the biennium to promote child care staff training for practitioners serving young and school age children. A professional development training program will be phased in whereby all early childhood practitioners will receive a minimum of two hours of training. (Art. 2, Sec. 56)

An annual \$4,000 allowance is available to parents whose income does not top 185 percent of the federal poverty guidelines to pay for school readiness services. (Art. 1, Sec. 62)

In addition

- The commissioner of labor and industry is directed to adopt changes to the state building code to address the problem. Once the new code is adopted, by July 1, 2009, it would apply to all types of building occupancies. (Art. 16, Sec. 1)
- A veterans home employee who works a second shift that is consecutive with a regularly scheduled shift may be allowed one free meal at the home on the day of that extra shift. (Art. 16, Sec. 15)
- A working group will recommend an education campaign in Minneapolis public schools to inform students and parents of the potentially harmful effects of the use of fragrance products on students and school personnel having sensitivity. This section is effective May 26, 2007. (Art. 17, Sec. 4)
- Funding for the Veterans Home Board and more than a dozen other health related boards is provided. (Art. 19, Secs. 5-10)
- \$4.1 million for pandemic flu preparedness. (Art. 19, Sec. 4)
- \$200,000 in fiscal year 2009 for the Remembering with Dignity project to install headstones on the graves of former residents of state hospitals and regional treatment centers who are buried in state cemeteries. (Art. 19, Sec.3)

Higher Ed bill (VETO)

A first attempt to help current and future collegians was vetoed by Gov. Tim Pawlenty. The \$3.16 billion omnibus higher education bill included nearly \$361.5 million in new spending, including \$135.4 million for the Minnesota State Colleges and Universities system and nearly \$134.5 million for the University of Minnesota. It also included new money for the state grant program and \$10 million in new funding for the Minnesota GI Bill, with much of it going to help fund postsecondary educational opportunities for military personnel returning from Iraq. The bill was \$39.6 million below the governor's recommendation, but was \$96 million over the governor's target for fiscal years 2010-11. "It's underwhelming, uninspiring, spends too much in fiscal years 2010-11, and it ignores our requests for reforms," Pawlenty said.

Sen. Sandy Pappas (DFL-St. Paul), who sponsored the bill with Rep. Tom Rukavina (DFL-Virginia), said it was another effort at getting back to where higher education was funded before it took a 15 percent cut in 2003 to help manage the state's deficit. "It is a 13 percent increase, but we are still 6 percent below where we should have been if we had only been doing inflation."

Although no tuition caps were included, supporters indicated the bill would keep annual tuition increases to no more than 4 percent.

The bill contained an additional \$58 million for the state grant program, including an increase in child care grants; it addressed increasing textbook costs; and it included money to establish banded tuition at the university's Crookston, Duluth and Morris campuses that would allow students to pay for only 13 credits, even if they take more.

A provision that would have allowed children of illegal residents to pay in-state tuition — the Dream Act — was reluctantly absent because conferees knew the governor opposed the idea. Instead, the bill would have required six more MnSCU schools to offer a flat tuition rate.

Pawlenty also criticized the bill's lack of funding for an achievement-based scholarship program that would have allowed students to earn scholarship money and college credits while in high school. Dubbed ACHIEVE, the governor's plan came with a price tag estimated at \$112 million. The number in his budget recommendation was \$78.9 million.

Instead, the bill included \$4 million in a reformatted program called Achieve Success and Persistence through Innovative Rigorous

Education. It appropriated \$1 million to both MnSCU and the university to provide courses to students in remote and underserved areas where the district lacks resources to provide rigorous courses, such as Advanced Placement and International Baccalaureate programs. The remaining \$2 million was to increase Intervention for College Attendance Program grants that, according to statute, "foster postsecondary attendance by providing outreach services to historically underserved students in grades six through 12."

The bill also would have required each MnSCU institution to provide information on personal financial management to students, and requested the university do the same; prohibited the use of state money for costs related to the early termination of an athletic coach; altered the selection of the university's Board of Regents and MnSCU Board of Trustees; and placed a small surcharge on non-residential construction projects to help fund construction management programs at three schools.

HFnone/SF1989*/CH65

Funding public colleges, universities

A new law provides nearly \$3.17 billion in funding for the University of Minnesota, Minnesota State Colleges and Universities system, Mayo Foundation and the Office of Higher Education. The funding increase is approximately \$361.5 million, or 13 percent, over the November forecast base for the 2008-09 biennium and 14 percent higher in the base for fiscal years 2010-11. Included in the allocation are performance measures for the university and MnSCU.

The law is technically sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Sandy Pappas (DFL-St. Paul); however, Rep. Tom Rukavina (DFL-Virginia) sponsored the original House bill (HF797), and was the lead House negotiator.

"When the bill left the House it was an excellent bill; when it came back from conference committee, it was a great bill," Rukavina said. "Now that we've been forced to do a little more compromising, it's still a very, very fair and OK bill for students and the people of the state of Minnesota."

The following is a look at some specific provisions of the law, effective July 1, 2007, unless otherwise noted.
HF1063*/SF1051/CH144

MnSCU funding and policy

Of the dollars for the MnSCU system, nearly \$666.88 million is for fiscal year 2008 and \$689.3 million is for fiscal year 2009. This is about an 11.7 percent increase.

The appropriation specifies an expectation expressed by system leaders that tuition increases would stay below 4 percent per year. It also includes funding for initiatives to recruit and retain students from traditionally underrepresented areas; upgrades and investment in technology infrastructure; and a systemwide expansion of science, technology, engineering and math offerings.

Included is funding for:

- one-time money for technology infrastructure improvements to deliver more online programs and services to students;
- eliminating nonresident tuition rates through fiscal year 2009 at seven more MnSCU institutions, bringing the total to 19;
- for a clean room at St. Paul College for nanotechnology manufacturing instruction;
- improving textbook purchasing and pricing;
- studying higher education needs on the Mesabi Range;
- the Bemidji State University women's hockey program; and
- an for Cook County Higher Education, which provides services to residents in the state's Arrowhead Region, including interactive television and online training at a Grand Marais site. A person from the area wanting to physically attend a class would have to drive more than two hours to a campus.

One percent of system funding will be withheld until it can be demonstrated to the finance commissioner that three of five performance goals have been achieved: increasing by 3 percent the number of students taking science, technology, engineering and math offerings; increasing Centers of Excellence enrollment by 2 percent; increasing the number of students trained on electronic medical record technology by 700; a 10 percent increase in online learning; or a 10 percent increase in rewards to staff or institutions for innovative efficiency ideas.

As for policy, MnSCU is to adopt policies to let students add textbooks and other course materials purchased at a campus bookstore to existing waivers of payment plans for tuition and fees; students must be provided personal financial management information when they first register; a policy is to be adopted by Jan. 1, 2009, to set at 120 the number of semester credits required for a baccalaureate degree and 60 for an associate degree. A waiver can be granted for programs that require more credits for professional or industry accreditation standards. (Art. 1, Sec. 4 and Art. 2, Sec. 8)

In selecting appointees to the 15-member MnSCU Board of Trustees, the governor

must now consider the needs and balance of board membership "with respect to labor and business representation and racial, gender, geographic, and ethnic composition." (Art. 2, Sec. 36)

University of Minnesota funding and policy

The university will receive \$712.62 million from the General Fund in the first year of the biennium and \$706.3 million in the second, a 12.7 percent increase from the 2006-07 biennium. An additional \$2.16 million is allocated each year from the Health Care Access Fund.

Included in the funding is:

- \$105.35 million for the agriculture and extension service, including additional dollars to promote alternative livestock research and outreach, and for ongoing organic research and education;
- \$25 million to support a partnership with the Mayo Medical Foundation for biotechnology and medical genomics research; and money
- to match scholarships for families with an income of less than \$150,000;
- for Dakota language teacher training on the Minneapolis campus;
- for a greenhouse gas reduction study at the Center for Transportation Studies; and
- to establish an India Center on the Minneapolis campus. An equal nonstate match is required.

Like MnSCU, 1 percent of university funding will be withheld until it can be demonstrated to the finance commissioner that three of five performance goals have been achieved: increasing financial support for students demonstrating financial need; maintaining or improving the university rank in its national share of research and development expenditures; increasing by at least 5 percent the number of degrees awarded in science, technology, engineering, math and health sciences; increasing by at least 5 percent support for renewable energy research; and improving and increasing interaction and research activity beneficial to business and industry.

- The university is requested to provide personal financial management information to students when they first register. (Art. 2, Sec. 8)

The law requires that no state money can be used for costs related to the early termination of an athletic coach. (Art. 2, Sec. 47)

After a controversial 2007 selection to the university's Board of Regents, the process is changed for the second time in three years. No longer will the governor recommend a slate of candidates; rather an advisory council will make recommendations to a joint legislative

committee comprised of House and Senate higher education committee members. The committee can then nominate any candidates to a joint convention of the House and Senate, if certain conditions are met. (Art. 2, Sec. 46)

Mayo Medical Foundation

The law allocates \$2.45 million for the Mayo Medical Foundation over the biennium. By comparison, the foundation received \$2.78 million in each of the past two biennia.

Despite the perceived reduction, the law actually contains a foundation increase in fiscal years 2008-09 because the St. Cloud hospital residency program, with its \$692,000 base, was transferred from Mayo to the University of Minnesota.

By law the state is to pay a capitation each year to help offset tuition costs for Minnesota students attending the Mayo Medical School, which enrolls just 42 students per year. The law spends \$591,000 in fiscal year 2008 and \$615,000 in fiscal year 2009 for this. The amount is a combined \$178,000 above the 2006-07 biennium. According to foundation officials, the school attracts a national base of students, of which 46 percent enter practice in Minnesota upon graduation.

It also appropriates \$611,000 and \$635,000 respectively as a stipend to support 27 residents each year in the family practice and graduate residency programs, which are designed to help prepare family physicians to meet the needs of rural and medically underserved populations. The amount is a combined \$184,000 above the 2006-07 biennium. (Art. 1, Sec. 6)

More financial aid, other collegiate costs

The Office of Higher Education will receive \$188.29 million in fiscal year 2008 and about \$188.8 million in fiscal year 2009. The approximately 12.6 percent increase includes \$58.6 million in new financial aid monies. In the past five years, students have faced upwards of 75 percent tuition increases. Many testified that college costs are making it harder for them to attend school, especially when other living costs are factored into their budget. Others wondered if the debt they occurred in school would be worth it in the end.

Designed to help students, the law changes some of the factors used in calculating a grant award: a 5 percent reduction in the assigned family responsibility factor, an increase in the tuition and fee maximums and an increase in living and miscellaneous expense allowance. (Art. 1, Sec. 3 and Art. 2, Secs. 18, 19)

Additionally, the law calls for a \$2.5 million bump in child care grants, with an increase from \$2,300 to \$2,600 per eligible child per

academic year. (Art. 2, Sec. 22)

Banding tuition at the university's Crookston, Duluth and Morris campuses will allow students to pay for only 13 credits, even if they take more. When combined with other funding, it is expected to result in slight tuition increases at the Crookston and Duluth campuses, but an expected 10 percent decrease at Morris for a full-time Minnesota student from a family with income under \$150,000. (Art. 1, Sec. 5)

The law also increases by \$100 the matching grant in the college savings program for families with an annual income below \$50,000, and increases from 5 percent to 10 percent the contributions for program participants whose family income is between \$50,000 and \$80,000. (Art. 2, Sec. 44)

The Office of Higher Education is to have to the Legislature by Feb. 15, 2008, a preliminary evaluation of the financial aid programs related to occupations that are, or projected to be, in demand. The study is to include ways to provide incentives to students to pursue degrees in some of these careers. A final report is due Oct. 15, 2008. (Art. 1, Sec. 9)

Another office report, due to the Legislature Jan. 15, 2008, is to look at "participation in postsecondary education by income, and persistence and graduation rates of state grant recipients compared to students who did not receive state grants." (Art. 1, Sec. 10)

In an attempt to keeping textbook costs down, beginning Jan. 1, 2009, textbook publishers and distributors must disclose "in an easily accessible manner to faculty, bookstores, and postsecondary institutions" identifying information for all course materials, the undiscounted price, a summary of revisions between editions, return policies, and bundled and unbundled formats the materials are offered and the undiscounted price for each piece sold separately or together. Public schools are to provide educational strategies for faculty, students, administrators and other interested parties on ways to reduce course material costs. (Art. 2, Sec. 10)

One of two items vetoed by Gov. Tim Pawlenty was \$100,000 for loan repayment assistance to attorneys who enter "public interest law." The program has been funded for 15 years without taxpayer assistance and should continue to be funded by the state's legal community, he wrote in his veto message.

Minnesota GI Bill Program

The law appropriates \$6 million per year for a new Minnesota GI Bill for undergraduate and graduate students. The program will be administered by the Department of Veterans Affairs in cooperation with postsecondary institutions.

Eligibility criteria is based on military service since Sept. 11, 2001, including veterans with honorable active service; non-veterans with honorable service of at least five years in the National Guard or other reserves, with any part of that service after that date; a surviving spouse and children of a veteran that has died during that service; and a spouse or children of a veteran who has a total and permanent service-connected disability. To qualify, a person must have been a Minnesota resident within six months of their initial enlistment or any reenlistment.

Maximum assistance amounts are \$1,000 per semester for full-time enrollment and \$500 for part-time, \$2,000 per state fiscal year and \$10,000 during a person's lifetime. (Art. 1, Sec. 7 and Art. 2, Sec. 49)

Achieve program

The primary change from the first higher education bill that was vetoed by Pawlenty is a funding increase in the governor's Achieve plan to encourage low-income students to take rigorous high school courses in exchange for \$1,200 in first year college funding.

"The program is piggybacked on the federal Academic Competitiveness Grant program," Pappas said. "The eligibility requirements are almost the same, but the federal government will provide up to \$750 for the first year of undergraduate studies and up to \$1,300 the second year for full-time students."

The law calls for \$3 million of program funding in fiscal year 2008, \$7 million in fiscal year 2009 and \$10 million in each year of the 2010-11 biennium. The governor's initial biennial request was \$112 million, but was decreased to \$78.9 million in his January budget recommendations.

Conference committee members expressed concern that the outlined "rigorous" standards are no more than what a student needs to meet the state's graduation standards, but the final product requires a student to at least attain a C in the required classes. (Art. 1, Sec. 3 and Art. 2, Sec. 24)

Other provisions

Postsecondary institutions, including student and alumni organizations, are prohibited from providing contact information of an undergraduate student to credit card issuers or entering into an agreement to market credit cards to undergraduate students at a postsecondary educational institution. This applies to new agreements and extensions of current agreements that expire on or after July 1, 2007. (Art. 2, Sec. 9)

A Teacher Education and Compensation Helps program is established to provide

tuition scholarships and education incentives to early care and education providers. The \$500,000 allocation is to be transferred to a nonprofit organization licensed to administer the TEACH program. (Art. 2, Sec. 23)

The Higher Education Facilities Authority bond revenue limit is increased from \$800 million to \$950 million. The authority assists postsecondary institutions in capital financing needs. Eligible institutions are generally private nonprofits, but public community and technical colleges are eligible for funds to finance child-care and parking facilities. (Art. 2, Sec. 31)

A lease agreement of no more than 40 years can be entered into to construct a YMCA on land at the Minnesota West Community and Technical College in Worthington. (Art. 2, Sec. 50)

The law makes a number of mainly technical changes to the Office of Higher Education regulation of profit and nonprofit private institutions, including clarification that a school must not be registered or authorized to offer degrees unless it is accredited by a federally recognized agency. It also specifies business and academic information that must be provided to the state to register degrees and get name approval. (Art. 3, Sec. 8)

To meet new recordkeeping requirements, private institutions, including distance schools with Minnesota students, must keep certain student records for 50 years after the student leaves. (Art. 3, Sec. 13)

Not in the law

Not included in the law is the Dream Act, which would have allowed children of illegal immigrants, who have previously had to pay nonresident tuition, to pay the lower in-state rates.

A provision to assess a small surcharge on non-residential construction projects that would have gone towards helping fund construction management programs at three campuses was in the vetoed bill, but removed in the final law.

HOUSING

Mortgage broker regulations

Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), a new law prohibits a mortgage broker or lender from making or arranging a loan without verifying the borrower's ability to pay back the money, also taking into account insurance, taxes and interest. It also requires the lender to inform the borrower of a first-lien mortgage loan that the borrower will also have to pay taxes and insurance.

The law prohibits the practice of "churning," which is when a lender arranges or provides a new loan to finance an existing loan when the new loan does not benefit the borrower.

The law also prohibits "negative amortization loans," or mortgage loans in which the amount owed on the loan can increase rather than decrease over time, except for an increase that takes place over a short period.

The law takes effect Aug. 1, 2007.

HF1004*/SF809/CH18

Fighting mortgage fraud

A new law aims to stop rip-off mortgagors without hurting legitimate mortgage brokers.

For example, a lender or mortgage broker will be prohibited from making or arranging a new mortgage loan to refinance a so-called "special mortgage" unless the borrower has received qualified mortgage counseling on whether the move is a good idea.

Examples of special mortgages include one that a borrower obtained from a government or nonprofit entity and that contains favorable terms, such as payments that vary with income or that are forgivable.

The law also bans prepayment penalties on subprime loans, and gives Minnesotans the right to sue mortgage lenders, brokers and servicers for violation of certain laws.

Unscrupulous lenders could be convicted of residential mortgage fraud, and receive up to two years behind bars; however, harsher penalties could be imposed if the victim is deemed vulnerable based on age, physical condition or mental capacity.

Rep. Joe Mullery (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls) sponsor the law, which takes effect Aug. 1, 2007.

HF931/SF988*/CH74

No more exceptions

Equity stripping, or mortgage foreclosure rescue, is when someone approaches a homeowner facing foreclosure and convinces them to give up the equity in their home.

Typically, the targeted homeowner is told that they can keep the house if they turn over the deed to someone who can help with foreclosure costs. The house would then be sold back to the homeowner, they are told.

Once the exchange is made, the homeowner often discovers that the price to repurchase the house is much higher than expected. Forced to pay unexpected fees and a high rent to stay, most default on the agreement and face eviction.

In 2006, legislation was signed to protect these homeowners. Yet, a loophole allowed

for some creative equity strippers to evict the homeowners if they relocated to another property.

A new law, sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Sandy Pappas (DFL-St. Paul), closes this loophole and provides additional safeguards.

Effective Aug. 1, 2007, the new law also requires a stay of eviction if the homeowners have initiated a suit to keep their house, and it removes a 2009 sunset date for all relevant statutes.

HF1209/SF1533*/CH106

Trust fund creation

Residents living in a manufactured home park who become dislocated may be eligible for moving reimbursement, under a new law, most of which is effective May 26, 2007.

Sponsored by Rep. Scott Kranz (DFL-Blaine) and Sen. Michael Jungbauer (R-East Bethel), the law creates the Minnesota manufactured home relocation trust fund, which owners and renters will contribute to annually or upon the sale of a park.

Under the law, park occupants forced to move due to the sale or conversion of the property will be eligible for \$4,000 for a single-wide or \$8,000 for a double-wide home following a municipal hearing to assess moving costs.

Upon a sale, park owners will be obligated to pay 20 percent of the sale price or a base fee per home — whichever is less — into the fund, which will be managed by the Minnesota Housing Finance Agency. Parks that sell for less than \$500,000 will be required to invest a lower percentage of the total value.

HF1205/SF1196*/CH141

HUMAN SERVICES

Substance abuse

The state commitment law will be amended to provide for court-ordered early intervention services if it is found that a pregnant woman is chemically dependent.

This would include a woman who during the pregnancy has engaged in excessive use, for non-medical purposes, controlled substances, alcohol or inhalants such as tetrahydrocannabinol, and if that use will pose substantial risk of damage to the brain or physical development of the fetus.

Sponsored by Rep. Mindy Greiling (DFL-Roseville) and Sen. Don Betzold (DFL-Fridley), the law is effective Aug. 1, 2007.

HF738/SF322*/CH69

More license regulation

Child care centers and providers, vulnerable adult caregivers and other licensed professionals will be affected by a new law.

Sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth) and Rep. John Lesch (DFL-St. Paul), the law will, among other things:

- consolidate training requirements for child care professionals;
- allow use of technology to help caregivers of vulnerable adults provide overnight supervision;
- permit counties to charge a \$500 fee to recover the costs of licensing inspections to corporate providers of adult and child foster care;
- require all license holders to cooperate with state and local agencies on pandemic flu preparedness; and
- clarify what information is public for applicants denied licensure.

The law takes effect Aug. 1, 2007.

HF1577/SF1724*/CH112

INDUSTRY

Penalty waiver

Truckers hauling biofuels could have a misdemeanor penalty waived for not hauling the state required diesel-biodiesel blend, under a new law.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Rod Skoe (DFL-Clearbrook), the law gives the commerce commissioner the ability to grant a temporary exemption from the blending requirements if supply is insufficient.

The law is effective Aug. 1, 2007.

Juhnke said a situation occurred last year where those hauling fuels were unable to obtain the required blended amount because a terminal wasn't operating properly. Although incidents at pipelines and refineries are "few and far between," there is still a risk of those hauling the goods to be violating the law.

Under the law, terminal operators are required to notify the director of the Weights and Measures Division of the Department of Commerce when "regular grade gasoline, number 1 diesel, number 3 diesel, kerosene, heating oil, ethanol, and biodiesel are physically not available for sale to licensed distributors."

Also, the commissioner is required to work with the agriculture commissioner, biodiesel producers, ethanol producers, pipeline operators, and terminal operators to ensure that biodiesel and ethanol are available for blending at pipeline and refinery terminals.

HF1300/SF1069*/CH28

Stay near the gas pump

People filling their vehicles with gas will have to stay close to the dispenser nozzle, under a new law.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Debbie Johnson (R-Ham Lake), the law states those who violate the requirement would not be subject to civil or criminal penalties. Those selling petroleum are required to post signs at locations notifying people of the requirement, and those who violate it could be denied fuel services. This portion is effective Aug. 1, 2007.

Bob Krogman, executive director of the Minnesota Petroleum Marketers Association, said as more people pay for gas at the pump, they are also walking away from their vehicle to enter a station building. Occasionally pumps don't kick off when a tank reaches capacity, and the result can be gallons of fuel on a drive area leading to safety hazards. The change will hopefully deter people from leaving the vehicle while pumping gas.

The law also modifies petroleum terms and updates specifications for petroleum products. Definitions for "biodiesel blend" and "biodiesel fuel" are included in the changes.

Biodiesel blend will mean "a blend of diesel fuel and biodiesel fuel at a ratio designated by 'BXX' and 'XX' represents the volume percent of biodiesel fuel in the blend," according to the law.

Biodiesel fuel will mean "a renewable, biodegradable, mono alkyl ester combustible liquid that is derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials specification D6751-07 for biodiesel (B100) blend stock for distillate fuels."

This portion is effective July 1, 2007.

HF2045/SF1193*/CH62

Cold Belgian brews and more

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Sandy Pappas (DFL-St. Paul), the law allows liquor licenses to be sold to establishments within a half-mile of the state fairgrounds and near the University of Minnesota's St. Paul campus. Other provisions allow for larger bottles for brewing beer, on-sale licenses for farm wineries and increased maximum fees for off-sale intoxicating liquor licenses issued by cities.

Under the law, vendors are permitted to sell more than 3.2 percent beer at the state fair and other fairground events, "provided that at least one Minnesota brewed malt liquor is made available for sale at each allowed

location within the grounds.”

The law permits a \$100 reduction in the annual license fee for off-sale licenses issued by cities, if certain conditions are met. One condition includes a cash reward and incentive program to be established by a licensee to reward employees for catching underage drinkers, and establishment of a penalty program to punish employees failing a compliance check.

The annual off-sale liquor licenses issued by cities will also increase, under the law. Under the law, the annual license fee for an off-sale intoxicating liquor license issued by a county or town shall not exceed \$800. The current maximum is \$500.

It is illegal for liquor stores to donate bottles of wine for charitable events such as a silent auction. Under the law, cities may issue to a nonprofit organization a temporary exclusive liquor store license once a year for charitable events. The funds from sales must be dedicated to the charitable purpose and the donation could not exceed five bottles for wine, 24 beer bottles and 1 liter of intoxicating liquors.

HF1958/SF1070*/CH89

Licensure changes

Two technical changes to state statute will affect well contractors beginning Aug. 1, 2007.

Sponsored by Rep. Steve Gottwalt (R-St. Cloud) and Sen. Paul Koering (R-Fort Ripley), the new law increases the corporate assurance bond submitted by an applicant for a well contractor's license from \$10,000 to \$25,000.

“We haven't increased the amount in 16 years, and we have put consumers at risk as result of that,” Gottwalt said. He said this law will better protect consumers from improperly dug wells from “fly-by-night” contractors.

Additionally, the total fee for three or more limited well-boring contractor licenses is \$225; now the fee is \$75 each.

“This will streamline well contractor regulations by capping the total fee. Several contractors are paying much more than that, and that is unfair to them,” Gottwalt said.

HF1409*/SF1229/CH124

INSURANCE

Minimum limits changed

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Dan Sparks (DFL-Austin), a new law requires licensed residential building contractors, manufactured home installers and roofers to have general liability

insurance policy minimums of at least:

- \$100,000 per occurrence, \$300,000 aggregate limit for bodily injury and \$25,000 for property damage, or
- \$300,000 single limit for bodily injury and property damage of \$300,000 for occurrence and aggregate limits.

Previous minimums were set at \$100,000 per occurrence, which included \$10,000 in property damage coverage.

Also under the law, licensees must have on file with the commissioner of labor and industry a certificate evidencing insurance. The certificate provides that the insurance cannot be canceled without the insurer first giving 15-days written notice to the commissioner.

The law is effective Aug. 1, 2007.

HF1364/SF1168*/CH9

Insurance verification law repealed

A law that was seen as more problematic than it was worth has been eliminated.

In 2003, a law was passed that required the Department of Public Safety to send letters to various drivers requesting proof of auto insurance. If the driver did not respond, falsely claimed coverage or admitted not having coverage, the department would suspend the driver's license.

According to the law's sponsor, Rep. Joe Mullery (DFL-Mpls), the program caused more problems than it was worth.

A 2005 law suspended the program while the department worked to find a way to make the program work. It couldn't.

The new law, also sponsored by Sen. Minority Leader David Senjem (R-Rochester), is effective April 27, 2007.

HF448*/SF1912/CH22

Understanding exclusions

The Department of Labor and Industry will provide certain groups information regarding federal exclusions for state workers' compensation, under a new law.

Sponsored by Rep. Jeanne Poppe (DFL-Austin) and Sen. Ron Latz (DFL-St. Louis Park), the new law requires the commissioner to provide information to medical care providers, employers, employees, insurers and organizations regarding federal exclusions for state workers' compensation coverage.

Under the new law, the commissioner is to submit a report by March 1, 2008, to the Legislature detailing the department's shared information.

Poppe said the change will help those working in the health care field and others to better understand the federal exclusions.

The law is effective May 5, 2007.

HF1865/SF1787*/CH39

Shifting liability

A new law makes fact what many Minnesotans already believe to be true—that when they rent a vehicle, they are covered by their personal insurance policy.

Rep. Sandy Masin (DFL-Eagan), who sponsors the law with Sen. Dan Sparks (DFL-Austin), said the problem is that rental companies have to carry primary insurance policies for every person that rents a car. They then pass the cost onto the consumer.

“In 43 other states, we currently hold responsibility for ourselves for the initial rental for the car. Any damages or injuries beyond the limits are carried by the rental company,” Masin said. “There is no savings currently with what is happening.”

The new law, effective Aug. 1, 2007, shifts the liability from the rental company to the driver's personal automobile insurance policy, which will supply the primary liability coverage for any accident involving the driver and the rental vehicle.

HF1712/SF744*/CH72

Airplane insurance goes up

Owners of airplanes will need to increase certain insurance policy minimums from \$25,000 to \$100,000, under a new law.

Impetus for the law came from the family of Toby Pearson. He was involved in a 2003 plane crash in Grand Marais, that took the life of his wife and left surviving daughters with continuing medical injuries.

Pearson told a House committee that after years of litigation, because the aircraft insurance company refused to pay the medical bills, the costs and emotional loss still “far outweigh the insurance minimums” in the new law.

Sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law changes the minimum coverage to \$100,000 per passenger seat liability both for bodily injury or death and for property damage, and for bodily injury or death to each non-passenger in any one accident. Also, the minimum per occurrence for bodily injury or death to non-passengers in any one accident will rise from \$50,000 to \$300,000.

This section is effective Jan. 1, 2009.

A report from representatives of aircraft owners, aircraft pilots, insurance companies that issue aircraft insurance, and other interested parties is due to the Legislature by Nov. 15, 2007.

HF772/SF608*/CH79

Collision repair regulation

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park), a new law states that insurers in collision cases cannot adjust a damage appraisal of a repair shop when the damage is in dispute without first conducting a physical inspection of the vehicle. Nor can insurers specify the use of a particular vendor for procurement of parts or other materials needed to repair the vehicle. Insurers are not required to pay more than a reasonable market price for parts of like kind and quality in adjusting a claim.

Atkins said the impetus for the bill came from "a phenomenon that occurs sometimes with insurance companies and repair shops where there's some friction about how the repair is going to take place and who's going to do it and where they're going to get the parts from." The change is a result of bringing the insurance companies and repair shops together to figure out how to deal with the issue, he said.

The law is effective Aug. 1, 2007.

HF1949/SF1542*/CH80

Updating insurance laws

A new law updates the state insurance statutes relating to accelerated life insurance benefits and illustrations, minimum reserve liabilities, the Minnesota Comprehensive Health Association and other areas.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park), the law, which has various effective dates, modifies actuarial tables, increases the lifetime maximum benefits covered by the association from \$2.8 million to \$5 million and updates language on a variety of insurance-related subjects. The law specifies the inflation protection that must be offered to purchasers of long-term care insurance policies for use with a new national program called the long-term care partnership program.

HF1892/SF1581*/CH104

School insurance pool (VETO)

Sponsored by House Majority Leader Tony Sertich (DFL-Chisholm) and Sen. Don Betzold (DFL-Fridley), the bill called for the creation of a 14-member board to craft a mandatory insurance pool for the approximately 200,000 school employees statewide.

In his veto message, Pawlenty said the bill does not adequately address the factors driving the increases in school districts' health care costs.

"The real drivers include an aging employee

population, prescription drug costs, benefit plan design, utilization rates, high-tech procedures and the high cost of insuring retirees."

"The current health care system is not working, and it certainly isn't working in our schools," Sertich said. "We need a new system of reform."

But DFL and Republican members alike challenged the mandatory nature of the pool, saying that a large pool isn't necessary to reap the cost benefits.

"This doesn't need a pool of 200,000 to work," said Rep. Phyllis Kahn (DFL-Mpls), who unsuccessfully tried to make the pool completely voluntary, with the condition that districts could not return to the plan within six years of leaving it.

HF464/SF276*/CH142

LOCAL GOVERNMENT

Association name change

To better represent the nature of its organization, the Metropolitan Intercounty Association has changed its name to the Minnesota Inter-county Association, under a new law.

Keith Carlson, executive director of the association, said that it would also reflect the fact that eight of the 13 members of the association are from Greater Minnesota.

Sponsored by Rep. Bev Scalze (DFL-Little Canada) and Sen. Ann Lynch (DFL-Rochester), the law is effective March 22, 2007.

HF935/SF736*/CH6

County EDA expands

The Meeker County Economic Development Agency was established in 1998 by a special law. A general law authorizing county EDAs was passed in 2000, and the authority to have a nine-member county EDA was passed in 2005.

Since the Meeker County EDA was established under a different statute, a special law was needed to allow for a nine-member board. This new law gives the county needed authorization to expand its EDA.

Sponsored by Rep. Dean Urdahl (R-Grove City) and Sen. Steve Dille (R-Dassel), the law takes effect the day after local compliance.

HF1429/SF1332*/CH15

Filling a vacancy

Revising current statute, a new law allows the St. Louis County Board of Commissioners to appoint a civil service director to serve in unclassified service.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. David Tomassoni (DFL-Chisholm), the law eliminates the previous detailed appointment process, which included the creation of an examination committee.

The law is effective April 21, 2007.

HF1432/SF1133*/CH17

Updated personnel policies

A new law gives Scott County permission to begin a pilot program that will administer a new recruiting system, establish rules for monitoring applicant pools and establish a merit system and procedures for disciplinary action.

The law changes the way job preference is determined for veterans, placing those who meet minimum qualifications for an open position ahead of other applicants.

Sponsored by Rep. Mike Beard (R-Shakopee) and Sen. Claire Robling (R-Jordan), the law takes effect upon local approval.

HF1490*/SF1419/CH25

Recorder appointment

Thanks to a new law, the Beltrami County recorder position moves from being elected to appointed. Sponsored by Rep. Brita Sailer (DFL-Park Rapids) and Sen. Rod Skoe (DFL-Clearbrook), the law still requires an 80 percent vote of the county board. It also provides for a reverse referendum before the law can go into effect.

The law also provides that the current officeholder can complete her term before the new appointment is made.

HF1193/SF1098*/CH26

Charter commission funding increase (VETO)

The amount of money a charter commission can be allocated has not changed in four decades. In his first veto of the session, Gov. Tim Pawlenty decided that the resources available will remain the same.

"I am mindful that many things have changed since the current law was first put into place in 1961," Pawlenty wrote in his April 30 veto message. "However, if these commissions have legitimate expense needs, current law allows the city council to approve expenditures beyond the current limit. The Legislature need not usurp city councils in this regard."

Sponsored by Rep. Carolyn Laine (DFL-Columbia Heights) and Sen. Ann Rest (DFL-New Hope), the bill would have raised the maximum amount of funds available for a charter commission for a city with fewer than 100,000 residents from \$1,500 to \$5,000.

HF1105/SF1017*/CH27

Clearing up conflict

The Hennepin Healthcare System Inc. Board of Directors is a mix of public officials and others.

A new law clarifies that any conflict of interest involving members who do not hold public office are governed by laws governing nonprofit corporations. Conflicts involving members who hold public office, such as county commissioners, are regulated by the laws governing public officers.

Established in 2005, the system is responsible for the operations and management of the Hennepin County Medical Center.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Dan Larson (DFL-Bloomington), the law is effective Aug. 1, 2007.

HF1872/SF1807*/CH34

Plugging vacancies

When a vacancy occurs on a county board of commissioners, there are provisions that detail how it should be filled. A new law makes it easier for counties to fill the position. Sponsored by Rep. Larry Howes (R-Walker) and Sen. Mary Olson (DFL-Bemidji), the law allows for a special election to fill the position within 30 to 90 days of the vacancy; previous law called for a maximum of 60 days. It also allows a county board to appoint a new commissioner until an election is held.

Under the law, effective May 10, 2007, a special election can be held if the vacancy occurs before the first day to file affidavits for candidacy and there are more than two years left in the term.

If the vacated seat has less than two years left, the appointee will hold the position for the remainder of the term.

HF269/SF124*/CH52

Healthier work force

One of the best ways to keep medical costs down for any organization is for its employees to stay healthy. Some government entities even provide employees with access to fitness classes, workout equipment and information on healthy meal options.

Effective Aug. 1, 2007, a new law adds cities to the local government units that may provide these services.

Rep. Bev Scalze (DFL-Little Canada), who sponsors the law with Sen. Tony Lourey (DFL-Kerrick), said that while the law simply adds cities to a current statute that provides this permission for state and county governments, it also permits cities to operate employee-recognition services, and provides for staff and facilities for preventive health programs.

HF905/SF1311*/CH59

Authority modified

Legislation passed in 2002 gave Hennepin County temporary authority to use a design-build method for the Northwest Busway and the Lowry Avenue bridge projects. A new law modifies these provisions, removes limitations of usage and makes the law permanent.

Sponsored by Rep. Neil Peterson (R-Bloomington) and Sen. Ann Rest (DFL-New Hope), the law changes the name of "design selection committee" to the "design-build selection panel," permits the design-build method to be used on other projects and limits the number of county design-build contracts in a year to no more than 10 percent of the county's total projects.

Effective Aug. 1, 2007, the law requires that a project's primary designer have the primary design responsibility, not a consultant or subcontractor. The primary designer must also be designated in response to any request for qualifications.

HF1708/SF1509*/CH70

Plat statutes updated

A new law provides modifications to statutes specific to plats.

A plat is a delineation of one or more existing parcels of land drawn to scale showing all data, depicting the location and boundaries of lots, blocks, outlots, parks and public ways.

Brought forth by Rep. Paul Marquart (DFL-Dilworth) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law provides a new definition section, clarifies terms, reduces redundancy and updates terminology to reflect changes in standards, technologies and processes.

The law is effective Aug. 1, 2007.

HF1919/SF2161*/CH73

Regaining property control

A law was passed in 2006 to protect two historic mansions in Little Falls. According to the statute, any city-owned buildings on the National Register of Historic Places could not be sold, leased or contracted unless there was notification given to the Minnesota Historical Society, followed by a two-year waiting period and an appraisal by the Department of Administration.

Though unintended, the city was handcuffed, said City Attorney Antoinette Wetzel. The city no longer had control over properties such as the public library and the visitors' bureau, and could not legally conduct business, she said.

After a year of litigation against the state, the city agreed to drop its suit and seek to have

the law repealed by the Legislature.

Sponsored by Rep. Al Doty (DFL-Royalton) and Sen. Paul Koering (R-Fort Ripley), the new law gives control of the buildings back to the city.

The law is effective May 16, 2007.

HF756/SF585*/CH75

Name change

A 2006 report states that because of an expansion of the "urban fringe of the Twin Cities," Scott County will experience strong population and household growth in the near future. The Metropolitan Council projects that by 2020, Scott County will have approximately 194,000 residents, up from 89,500 in 2000.

Looking toward this future development, the Scott County Housing and Redevelopment Authority has been renamed the Scott County Community Development Agency.

Sponsored by Rep. Paul Kohls (R-Victoria) and Sen. Julianne Ortman (R-Chanhassen), the law is effective upon local approval.

HF1161/SF1045*/CH78

More time needed

In 2006, an advisory task force was established to study and make recommendations on what changes should be made to laws governing municipal boundary adjustments. A new law extends the life of the task force to June 30, 2008.

The law, effective May 22, 2007, and sponsored by Rep. Mark Olson (R-Big Lake) and Sen. Betsy Wergin (R-Princeton), also requires the task force to produce a report by Jan. 15, 2008. Any expenses incurred in preparing the report will be divided between the League of Minnesota Cities, the Coalition of Greater Minnesota Cities and the Minnesota Association of Townships.

The task force is to be comprised of two House members, two senators, three representatives for cities and their interests and three for the townships. The first meeting must take place no later than Aug. 1, 2007.

HF267/SF303*/CH90

Assets transfer

A new law allows for the dissolution of the Hibbing Area Redevelopment Agency and a transfer of its assets and liabilities to the Hibbing Economic Development Authority. Sponsored by House Majority Leader Tony Sertich (DFL-Chisholm) and Sen. David Tomassoni (DFL-Chisholm), the law is effective upon local approval.

According to its Web site, the authority offers development assistance for new and expansion-minded businesses interested in locating in Hibbing. The authority also coordinates a loan program for construction or equipment with the Department of Employment and Economic Development, Iron Range Resources or other area lending institutions, allowing for tremendously flexible terms.

The agency was created by the city in 1961 to support the growth of Hibbing, but today is active in name only, Sertich said.

HF180/SF54*/CH91

Library oversight

Following the examples of Hennepin and Washington counties, a new law allows the Scott County Board of Commissioners to operate and manage its county library system. Effective upon local approval, the law will place the operations of the library system under the auspices of the board.

The current library board will continue to exist, focusing on the collections of the libraries and managing use of the library rooms, said Rep. Mike Beard (R-Shakopee), who sponsors the law with Sen. Julianne Ortman (R-Chanhassen).

Since the library board only meets once a month, while the county board meets several times a month, and with the recent growth of the county, it only seems prudent that daily operations and financial accountability fall to the county board, Beard said.

Jon Ulrich, chairman of the board of commissioners, said the new law will provide for better oversight and accountability of the library system, and allow the libraries to become more integrated into the culture of the county.

HF531/SF547*/CH97

County boundary move

About 30 miles west of the Twin Cities, the City of Rockford straddles the Crow River. Most of the city is west of the river and located in Wright County, while a 16 square-block section east of the river is in Hennepin County.

Effective May 22, 2007, the counties were allowed to begin the process of changing their boundaries, by each county board adopting a resolution so that the entire corporate limits of Rockford are within Wright County. Under general law, the process begins with a petition from residents. The change would still be subject to voter approval.

One of the reasons for the change is to reduce response time for emergency services for Rockford residents in Hennepin

County, said Rep. Tom Emmer (R-Delano), who sponsors the law with Sen. Amy Koch (R-Buffalo). According to resident testimony, it is not unusual for those in the much larger Hennepin County to wait up to 20 minutes before county emergency support arrives, while just blocks away, residents of Wright County receive aid in a matter of minutes.

Rockford Mayor Michael Beyer said the change would also reduce redundancies in services provided.

HF1141/SF837*/CH102

Dedication clarification

Effective Aug. 1, 2007, a new law clarifies state municipal planning and zoning laws allowing cities and towns to accept a fee in lieu of a land dedication for streets, sewers, utilities and parks.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Betsy Wergin (R-Princeton), the law specifies that the size of the fee be determined by the "average fair market value of the unplatted land... under the city's adopted comprehensive plan, to be served by municipal sanitary sewer and water service or community septic and private well."

Hilstrom said the law came about because the Builders Association of Minnesota "wanted some uniform standards for how to evaluate what the value of the land was."

HF1629/SF1396*/CH116

System merger

Upon local approval and execution of all transactional documents, the Hennepin County Library system and the Minneapolis Public Library system can merge.

A new law, sponsored by Rep. Lyndon Carlson (DFL-Crystal) and Sen. Ann Rest (DFL-New Hope), directs the Minneapolis system to transfer all property and assets — including buildings, library collections, artwork, equipment and the Minneapolis Central Library parking ramp — to Hennepin County.

The city will remain responsible for any city-issued bonds for capital improvements for the Minneapolis Library system, and will contribute operating funds to the county for 10 years.

Benefits and seniority of all transferred employees will be protected, while Minneapolis employees may continue participating in their current retirement funds.

The merger will increase efficiencies and allow for the reopening of three Minneapolis branches closed because of financial constraints, Carlson said.

HF1973*/SF1812/CH121

City appointments

Current law allows a mayor to appoint housing and redevelopment authority commissioners subject to city council approval. A new law allows the City of Anoka to do it another way.

Sponsored by Rep. Jim Abeler (R-Anoka) and Sen. Michael Jungbauer (R-East Bethel), the law states that Anoka may provide, in its home rule charter, procedures for appointing the commissioners. It is effective upon local approval.

HF2223/SF2043*/CH125

METRO AFFAIRS

Land Planning Act (VETO)

A bill that would have eliminated outdated and erroneous references in the 30-year-old Metropolitan Land Planning Act was vetoed.

Sponsors of the bill, Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Ann Rest (DFL-New Hope), called it a housekeeping bill with no substantial policy changes. There was, however, a policy change that the governor did not agree with: the elimination of the Legislative Commission on Metropolitan Government.

The commission was established to oversee the Metropolitan Council's operating and capital budget and improvement program and its work program.

"The Commission provides a necessary bipartisan means for the Legislature to work with the Metropolitan Council and local governments on regional planning," Pawlenty wrote in his veto message. Because the commission is not burdened with the daily operations of the council, the commission could provide oversight to ensure balance between regional and local needs, he said.

HF881*/SF981/CH31

Council changes

Cleaning up outdated and erroneous references in the Metropolitan Land Planning Act and streamlining administrative procedures, a Metropolitan Council housekeeping bill is now law.

The regional planning agency serving the Twin Cities seven-county metropolitan area, the council provides essential services to the region, such as wastewater treatment and public transportation.

Effective May 23, 2007, the new law calls for the creation of a nonprofit organization that will "help acquire or finance the acquisition of lands and other assets for public recreation

and open space within the metropolitan area.” The council will contribute \$500,000 from its general fund, and establish an advisory committee and a board of directors to get the foundation started.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Sandy Pappas (DFL-St. Paul), the law also calls for a one-time transfer of up to \$1 million from the council’s Livable Communities Demonstration Account to assist local communities with comprehensive planning.

Not included is a provision doing away with the Legislative Commission on Metropolitan Government, a bipartisan committee that provides council oversight and budget review.

Gov. Tim Pawlenty vetoed HF881, sponsored by Hilstrom and Sen. Ann Rest (DFL-New Hope), because it called for eliminating the commission.

HF882/SF1302*/CH113

MILITARY

Bonus for the officers

Commissioned officers in the National Guard will qualify for a reenlistment bonus, and could apply for a newly established \$1,000 tuition reimbursement grant, under a new law.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Ann Lynch (DFL-Rochester), the law expands the bonus program, currently only available to enlisted personnel, to the Guard’s commissioned officers. Hosch said the bill is a request from the Minnesota National Guard to help with its recruitment efforts.

The law also establishes 25 annual postsecondary education reimbursement grants, up to \$1,000 each. The grants will be available, on a competitive basis, to current National Guard members or a person who agrees to enlist. The money is for reimbursement of postsecondary education expenses not covered by other awards that may be available to the member.

The law takes effect Aug. 1, 2007.

HF1594*/SF952/CH21

Meeting training requirements

A new law, signed by Gov. Tim Pawlenty May 9, clarifies statute and requires that any job-related education or training to keep a license current must be provided and paid for by the veteran’s employer. It also specifies that the need for training must not be used as a means to delay the licensee’s or registrant’s reemployment.

“When a person is in the service and has a state license, the old law says you are not going to be punished if that license goes out of date while you are in the service. That holds for six months after you get out of service,” said Rep. Larry Haws (DFL-St. Cloud), who sponsors the law with Sen. Dan Skogen (DFL-Hewitt). The clarification affects occupations like law enforcement, where training in firearms and deadly force procedures is ongoing.

The law is effective May 10, 2007.

HF272*/SF699/CH51

Support Our Troops program

Eligibility requirements for grants made through the Support Our Troops license plates program are expanded, under a new law.

Sponsored by Rep. Larry Haws (DFL-St. Cloud) and Sen. Tony Lourey (DFL-Kerrick), eligibility is broadened to include military personnel, “like a soldier who is injured and returns home, but did not get to the classification of veteran,” said Haws. This would currently apply to about 40 individuals.

More than 13,000 Support Our Troops license plates have been purchased since they became available in 2005.

The Minnesota National Guard manages the account that can grant up to \$2,000 to an eligible Minnesota resident serving in regular active military duty, and any member of a National Guard or Reserve unit based in Minnesota who is serving in any active military service, as well as a member of the service member’s immediate family.

The law is effective Aug. 1, 2007

HF1157/SF1675*/CH86

Contract cancellations

A new law will help military personnel and their families get out of consumer contracts without penalty when they are deployed or if their duty station changes.

Under the law, sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Sharon Erickson Ropes (DFL-Winona), protection will be offered for rental, club, membership travel or service contracts without penalty. By law, a service contract includes “those for services such as television, computer, Internet service and any other type of service.” It would be applicable to contracts executed by or on behalf of the affected person that would result in it being impractical for the person to enjoy the contract benefits.

Wireless service contracts will be effective 30 days after the provider receives notice of the service member’s order for activation, deployment or change of utility station.

It also prohibits utilities from disconnecting service if a member of the household has been ordered into active duty or a change of duty station, under certain circumstances.

The law is effective Aug. 1, 2007.

HF532*/SF409/CH111

RETIREMENT

Ensuring benefits

A new law attempts to curb the impending \$300 million health care liability for retired Duluth city employees.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Yvonne Prettnr Solon (DFL-Duluth), the law allows the Public Employees Retirement Association to establish an irrevocable fund for the city to help pay for post-employment benefits promised to retirees. The city’s investment committee will serve as the fund trustee.

Under the law, the State Board of Investment can also invest money from the city’s community investment fund to help with debt service payments for the city’s street improvement program.

In 1983, the state auditor told Duluth city officials to be more thorough in their accounting practices after learning employees were retiring with large amounts of sick leave time. Negotiations with unions resulted in free health care for retirees in exchange for giving up the sick leave, Huntley said.

“Unfortunately the city never set aside any money to pay for that.” The change will reduce the liability to about \$150 million, he said.

The law comes on the heels of a Jan. 22 report issued by the Office of the Legislative Auditor that expressed serious concerns with post-employment benefits by local jurisdictions that are not adequately funded.

The law is effective the day following local approval.

HF163/SF60*/CH14

Pension changes

A new law makes changes to public employee pension benefits and plans.

Sponsored by Rep. Mary Murphy (DFL-Hermantown) and Sen. Don Betzold (DFL-Fridley), the law covers a number of areas, including:

- authorization of an optional annuity election for the surviving spouse of a deceased former legislator;
- optional early division of legislators’ retirement plan allowances upon a divorce;
- expanding the membership of the state correctional employee retirement plans;

- authorizing investment in the State Board of Investment by the Minneapolis Employees Retirement Fund;
- administrative changes and amending portions of statute that govern the Correctional State Employees Retirement Plan of the Minnesota State Retirement System; and
- changes to disability benefits on a number of plans.

The law has various effective dates.

Much of the discussion revolved around the financial status of the St. Paul Teachers' Retirement Fund Association. The law temporarily changes the post-retirement adjustment mechanism for the St. Paul fund and requires the Legislative Commission on Pensions and Retirement to study how the mechanism is working. A report is due to the Legislature by Jan. 15, 2009.

Murphy said the fund currently is "not great, it's not good, but they want it in the future to be better." The change allows one fund to step out and see what happens so other funds can look at similar proposals into the future, she said.

HF1978/SF430*/CH134

SAFETY

Background check provisions

If there is any concern that a person taking care of children placed in a home under an emergency placement has a record, local authorities or a social services official must do a background check. This check would involve submission of fingerprints to the Bureau of Criminal Apprehension that will, in turn, obtain a criminal history from the National Criminal Records Repository.

Under a new law, in emergency situations, a social services agency or county attorney may request a name-based check from the national database. The law, sponsored by Rep. Sheldon Johnson (DFL-St. Paul) and Sen. Mee Moua (DFL-St. Paul), does place conditions on this inquiry.

Within 15 calendar days of the name-based check, fingerprints of the individual must be forwarded to the BCA for submission to the FBI. If the individual refuses to provide fingerprints, the child or children must be removed from the home.

The law is effective Aug. 1, 2007.

HF1008*/SF985/CH8

Paying homage to supporters

A new law honors former legislators Sen. Dallas Sams (DFL-Staples) and Rep. Roger

Cooper (DFL-Bird Island) by renaming an incentive program for emergency service personnel in their honor.

The Ambulance Service Personnel Longevity Award and Incentive Program was passed in 1993 to offer payment to emergency response volunteers who "retired" from service after at least five years.

Effective Aug. 1, 2007, it will be known as the Cooper/Sams Volunteer Ambulance Program.

"We just feel this would be a fitting tribute to them to memorialize their efforts," said O. J. Doyle, legislative consultant for the Minnesota Ambulance Association.

He and the law's sponsor, Rep. Thomas Huntley (DFL-Duluth), said Cooper and Sams invested great energy to seeing the incentive program through the Legislature. The Senate sponsor is Senate President James Metzen (DFL-South St. Paul).

The timing is especially poignant, as Sams, who served in the Senate for 16 years, passed away March 5, 2007, at age 54 after a long battle with brain cancer. Cooper, 63, a House member from 1987-96, is undergoing treatment for thyroid cancer.

HF736/SF636*/CH11

Public safety

The omnibus public safety finance law was the only omnibus finance bill of the 2007 session signed by Gov. Tim Pawlenty without any type of veto.

Sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Linda Higgins (DFL-Mpls), the law provides more than \$2 billion in funding, stiffer penalties for certain offenses and increased protection for crime victims.

Financial provisions are effective July 1, 2007. All other provisions are effective Aug. 1, 2007, unless otherwise indicated.

HF829*/SF650/CH54

Appropriations

The Supreme Court receives \$90.5 million, which includes a 3 percent pay increase for Supreme Court justices and judges of the court of appeals and district courts. (Art. 1, Sec. 3)

Trial courts will receive \$500.9 million to provide for seven new judgeships, and maintain existing drug courts at their current level. (Art. 1, Sec. 4)

The Board of Public Defense receives \$135.8 million, allowing for 34 new full-time attorneys and 11 new full-time support staff. (Art. 1, Sec. 9)

The Department of Public Safety gets \$304.8 million, which provides additional funding for CrimNet and 14 to 15 additional

forensic scientists for the Bureau of Criminal Apprehension. Part of the resources will also go to the Office of Justice Programs for crime victim reparations, child advocacy centers, squad car cameras, auto theft emergency grants, youth intervention programs and legal advocacy for trafficking victims. (Art. 1, Sec. 10)

The Department of Corrections receives \$936.7 million, with funds for staff retention, county programs, probation caseload reduction, mentoring grants for incarcerated parents and offender reentry programs. (Art. 1, Sec. 14, 16 and 19)

Crime and punishment

If a person violates a domestic abuse no contact order and is found guilty of a gross misdemeanor, he or she will serve a minimum of 10 days' imprisonment in addition to counseling. If a person knowingly violates a no contact order within 10 years of the first of two or more previous qualified domestic-violence related offenses, or is found in possession of a dangerous weapon, he or she may be sentenced to 5 years in prison and fined up to \$10,000. A 30-day imprisonment and counseling will be imposed as a condition of probation. (Art. 2, Sec. 1)

The affirmative defense for third- and fourth-degree criminal sexual conduct is limited to cases in which the defendant is no more than 120 months older than the complainant. It is an affirmative defense if the person accused can provide that he or she reasonably believed the complainant was at least 16 years old. The definitions of third- and fourth-degree criminal sexual conduct are also expanded to include nonconsensual sexual penetration or contact that occurs before, during or after someone performs massage or other bodywork for hire. The maximum penalty for third-degree criminal sexual conduct is 15 years imprisonment and a \$30,000 fine. The maximum penalty for fourth-degree criminal sexual conduct is 10 years imprisonment and a \$20,000 fine. (Art. 2, Secs. 4-5)

An adult who uses a computer or the Internet to communicate with a child with the intent to arouse or gratify the sexual desire of any person is guilty of a felony. The fact that an undercover operative was involved in the investigation is not a defense to prosecution. (Art. 2, Sec. 7)

The monetary threshold for theft has been raised for a 10-year felony from \$2,500 to more than \$5,000, and a five-year felony, previously between \$500 and \$2,500, is now between \$1,000 and \$5,000. (Art. 2, Sec. 8)

In response to the recent increase in the theft of copper wiring from homes and businesses to be sold as scrap metal, it is now

a felony to intentionally and without consent damage, take or sever any line that transmits electricity or gas, including any apparatus connected to telecommunications machinery or equipment.

Scrap metal dealers, often the receivers of stolen copper wiring, are required to keep a record of each transaction, all payments must be made by check or electronic transfer and video surveillance cameras must record each seller. (Art. 2, Sec. 10 and Art. 7, Secs. 1, 7 and 21)

Beginning July 1, 2007, ticket scalping will be permitted. Previous law made it illegal to charge admission to an event in excess of the price printed on the ticket, or sell a ticket to an event at a price greater than that charged at the place of admission. (Art. 2, Sec. 19)

DWI and driving

A phlebotomist, someone trained to draw blood samples, is added to the list of health care professionals who may, at the request of a peace officer, draw blood for the purpose of testing for alcohol, a controlled substance or a hazardous substance. This is effective May 8, 2007. (Art. 3, Sec. 2)

Under the supervision of the commissioner of public safety, a two-year ignition interlock device pilot project will be conducted for DWI offenders. Beginning July 1, 2007, it creates a temporary exception to the mandatory DWI sentencing laws and provides that a judge may require a person as a condition of probation to drive only motor vehicles with a ignition interlock device. Preliminary reports are due to the Legislature Feb. 1, 2008, and Dec. 1, 2008. A final report is due Sept. 1, 2009. This provision is effective May 8, 2007. (Art. 3, Secs. 1, 5)

Driving convictions reported from Canada will have the same effect as those reported in Minnesota or another state. (Art. 3, Sec. 6)

The crime of criminal vehicular homicide or operation is expanded. Currently, a person who injures another through the operation of a motor vehicle in a negligent manner while possessing any amount of a schedule I or II controlled substance (except marijuana), is guilty of a crime. A new provision adds metabolites of substance I or II drugs to the list.

Effective Aug. 1, 2007, the law also makes it a crime for someone to operate a motor vehicle in need of maintenance, when the driver received a citation or warning that the vehicle was defectively maintained, the vehicle was defective to the point of causing a present danger to others, and injury or death occur as a result of the negligence. (Art. 3, Sec. 7)

Protection for crime victims

All no contact orders must be accompanied by a photograph of the offender for enforcement of the order, if a photo is available and verified by the court. In addition, the data communications network will include all no contact orders and domestic abuse orders for protection. (Art. 4, Sec. 1)

If a tenant of a residential property is a victim of domestic abuse and fears future abuse, he or she may terminate the lease without penalty or liability, if: the tenant fears domestic abuse from a person named in an order of protection or a no contact order; the tenant tells the landlord the projected date of departure; and written notice is given with a copy of the order for protection or no contact order.

The tenant is further responsible for the full-month rent in which the lease is terminated, plus one additional month's rent. This provision is effective July 1, 2007. (Art. 4, Sec. 3)

An employer must allow a victim of a violent crime, as well as the victim's spouse or immediate family members, reasonable time off from work to attend criminal proceedings related to the victim's case. This provision is effective July 1, 2007. (Art. 4, Sec. 5-6)

No law enforcement agency or prosecutor can require a complainant of criminal sexual conduct to submit to a polygraph as part of, or condition to proceeding with, an investigation, charging or prosecution. A polygraph may take place, but only at the request of the complainant, and then only after written permission is provided. (Art. 4, Sec. 7)

Courts, jails and fees

Drug courts are authorized to establish fees for services provided to defendants participating in the process, effective July 1, 2007. The fees will be placed into a separate account for trial courts and used for drug court purposes. (Art. 5, Sec. 8)

The law reinstates language that any fees or bail not forfeited by court order will be considered abandoned and forfeited if the person entitled to the refund does not provide written demand for a refund within six months of the date the refund becomes available. This is effective July 1, 2007. (Art. 5, Sec. 10)

The corrections commissioner must develop a uniform method to calculate the average department-wide per diem cost for housing offenders in county and regional jails. This data will be part of the department's annual performance report to the Legislature. This is effective July 1, 2007. (Art. 6, Sec. 5)

A mental health screening shall be part of all intake procedures performed by the sheriff or local corrections. (Art. 6, Sec. 17)

A manufacturer, wholesale dealer, agent or other person or entity who knowingly sells or offers to sell cigarettes other than that sold through retail sale is subject to civil penalties, including up to \$10,000 for the first offense and \$25,000 for each subsequent sale, with a \$100,000 penalty cap for any 30-day period. Any corporation that knowingly manufactures cigarettes with a false state fire marshal certification is subject to a fine of at least \$75,000, and subsequent fines not to exceed \$250,000 each. This section is effective Nov. 1, 2008. (Art. 7, Sec. 10-19 and 22)

Over the next three years, the emergency telecommunications service fee will increase from 65 cents to 95 cents a month. This is effective July 1, 2007. (Art. 8, Sec. 3, 6 and 7)

Air bag replacement

Sponsored by Rep. Tom Tillberry (DFL-Fridley) and Sen. Dan Skogen (DFL-Hewitt), a new law requires a person with knowledge that a motor vehicle's airbag has deployed or is missing to not perform collision repair on that vehicle unless the airbag is replaced with one designed for the make, model and year of the vehicle, unless the vehicle is more than seven model years old. Also, a person may not knowingly install or reinstall any object in lieu of an airbag. A person who violates the above terms is guilty of a misdemeanor.

"Repair shops are sometimes replacing the airbag if they feel like it," Tillberry said. Also, shops are occasionally replacing the airbag container with items such as pop cans, he said.

The law is effective Aug. 1, 2007.
HF1704/SF1464*/CH71

Ride regulations

Amusement ride owners will be required to have annual and daily ride inspections, under a new law.

Sponsored by Rep. Tim Faust (DFL-Mora) and Sen. John Marty (DFL-Roseville), the law is in response to an incident in Faust's district in which two girls fell out of an amusement ride due to operator error.

Under the changes, amusement rides must be inspected at least once annually by a certified inspector, and before daily operation by the owner or operator of the amusement ride. The certified inspector must be an employee of the insurance company that insures the amusement ride or an independent inspection service provider with which the insurance company owner or state

agricultural society has contracted.

Also, a ride cannot be operated unless there is an insurance policy with limits of at least \$1 million per occurrence and \$2 million aggregate, insuring all owners against liability for injury to a rider.

Further, owners are required to have a documented training policy for the operation of rides, under the law. The ride owner must have a written certification for each person operating the amusement ride. Owners must also maintain a first-aid incident report log resulting from the ride. Any serious injury, defined as a result in death, dismemberment, disfigurement, compound fracture or permanent loss of the use of a body organ, member, function or system that requires hospital admission within 24 hours of the accident, must be investigated by the local law enforcement or the Department of Labor and Industry.

Under the new law, a ride operator or owner may impose and enforce reasonable safety rules regarding the behavior of riders. They will be able to prohibit or remove a rider from a ride if they violate the safety rules.

The law is effective Jan. 1, 2008.

HF1824/SF1370*/CH95

TAXES

Federal conformity

Thousands of Minnesotans will benefit from tax deductions for 2006.

Sponsored by Rep. Sandy Wollschlager (DFL-Cannon Falls) and Sen. Thomas Bakk (DFL-Cook), a new law conforms Minnesota's income tax to federal income tax changes enacted since the 2006 Legislature adjourned.

The changes will increase the tuition expense deduction to up to \$4,000 and the teacher classroom expense deduction up to \$250; allow military personnel to count tax-exempt combat pay as earned income for the purpose of qualifying to make tax-deductible contributions to IRAs; and allow people, at least age 70½, to make direct charitable contributions from an IRA to a charity.

The law, most of which is effective Jan. 31, 2007, will affect 2006 income tax returns only.

Quick action was needed because residents, if they haven't done so already, will be preparing 2006 tax returns soon. Those who have filed their income taxes and qualify for these federal tax deductions will have to file an amended tax return.

HF8*/SF17/CH1

Property tax bill (VETO)

Gov. Tim Pawlenty vetoed a bill that proposed to modify property tax laws, make changes to various tax credits and add a new tax bracket and rate.

"The creation of a new fourth tier for individual income taxes at a 9 percent rate would place Minnesota with the third highest tax rate in the nation," Pawlenty wrote in his veto message.

Provisions in this bill were rolled in to HF2268*/SF1933, which was also vetoed by the governor. For information on that bill, see Chapter 149, located under the New Laws "Taxes" category.

HF2294*/SF2003/CH81

Omnibus tax bill (VETO)

As promised, the omnibus tax bill was vetoed by Gov. Tim Pawlenty.

It contained a number of provisions, including tax breaks for expansions of the Mall of America in Bloomington and Thomson West in Eagan, a \$39 million state guarantee for costs associated with the 2008 Republican National Convention in St. Paul and tighter tax rules for companies with foreign operations.

"I am supportive of many of the tax provisions in the bill such as increases in direct property tax relief to homeowners, sales tax exemptions for agriculture products, acceleration of the single sales factor for corporate income tax and the increase for military combat credit," Pawlenty wrote in his veto message.

His problem was with a provision that would have factored inflation into future budget projections. Supporters said it would give a truer description of the state's financial situation. To eliminate it, he had to veto the entire bill, because line-item vetoes are not allowed for policy provisions. He warned legislators before the bill was passed that the inflation provision could bring down the whole measure.

HF2268*/SF1933/CH149

New tax tier

Sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Tom Bakk (DFL-Cook), the final product did not contain a new tax tier for the state's wealthiest residents. Supporters believed it would have provided about \$450 million in property tax relief to 90 percent of the state.

It would have:

- given homeowners \$32 million in property tax refunds in the 2008-09 biennium and \$65 million in 2010-11;
- given local governments an additional \$83

million in state aid in the 2008-09 biennium and at least \$70 million in 2010-11; and

- given disabled veterans an additional \$3.7 million in property tax relief in the 2008-09 biennium and \$8 million in 2010-11 (Art. 1, Secs. 1, 24).

Economic development

The bill included a public financing package for Phase II of the Mall of America. Under the proposal, a metropolitan area levy would have been imposed on the fiscal disparities pool to help fund construction of a \$180 million, 8,000-stall parking ramp. This would have imposed a very low rate tax on all commercial-industrial property in the seven-county metro area. The pool shares 40 percent of the growth in the commercial-industrial tax base of the seven counties, thereby allowing all cities to share in the region's growth, reduce competition for tax base and spread the benefits of regional public investments.

In addition, the city of Bloomington would have been authorized to impose several local taxes, revenues of which would have been used to help finance the parking ramp:

- a sales and use tax of up to 1 percent within a special taxing district;
- a lodging tax of up to 1 percent in the city;
- a tax of up to 1 percent on admissions to entertainment and recreational facilities and rental of recreation equipment at sites within a special taxing district; and
- a food and beverage tax of up to 3 percent within a special taxing district.

A tax increment financing district in the bill authorized Bloomington to transfer eight parcels from Phase I of the Mall of America TIF district to the Phase II TIF district. This would have extended the duration limit for collecting tax increments from those parcels by three years. (Art. 6, Secs. 26, 27, 36, 37)

The city of Eagan would have been authorized to create a TIF district for Thomson West that would have diverted property taxes from the company expansion to pay for streets, parking, sewer, water and other improvements on the site. (Art. 6, Sec. 39)

Corporate franchise tax

The bill would have made two changes to the foreign source income provisions of the corporate franchise tax.

The qualifying rules for foreign operating corporations would have been modified to require that the corporation derive 80 percent of its income from active foreign sources. It would have replaced the present law test that largely focuses on where the property and payroll of the corporation is located.

Also, tax benefits accruing to corporations under the foreign royalty exclusion would have been denied to income from domestic sources, but the rate of exclusion would be increased from 80 percent to 90 percent.

These changes would have taken effect beginning in tax year 2008. (Art. 3, Sec. 1)

Other provisions:

- kidney dialysis equipment and breast pumps would have been exempt from state sales tax (Art. 11, Sec. 26);
- an extra payment of \$500,000 in fiscal years 2008 and 2009 would have been provided to Cook County and Grand Marais to divide for costs related to the Ham Lake fire of 2007 (Art. 1, Sec. 16);
- the Metropolitan Council would have been permitted to issue up to \$33.6 million of bonds or other debt instruments to fund the regional transit master plan and transit capital improvements (Art. 7, Sec. 19);
- local option sales taxes would have been permitted for Bemidji, Clearwater, Cook County, Duluth, North Mankato and Winona (Art. 5, Secs. 26-28, 30, 39);
- a joint legislative subcommittee on sales and use tax would have been created to, in part, examine the revenue productivity and equity implications of the current sales and use tax base and alternative tax bases (Art. 4, Sec. 31); and
- Fergus Falls would have received \$200,000 each year to market and promote development and reuse of the Regional Treatment Center campus site. (Art. 6, Sec. 7)

TRANSPORTATION

Local turnbacks

A new law turns back two roads to local governments.

Effective April 27, 2007, a nearly 1-mile stretch of Trunk Highway Route 145 near Willmar is returned to the city to be used as part of an industrial park. Rep. Al Juhnke (DFL-Willmar), who sponsors the law with Sen. Joe Gimse (R-Willmar), said the turnback is crucial to any company looking to construct a large building project. Once the road is turned back, it will become part of the industrial park.

Juhnke said the city and other local units of governments agree to the change, but statute requires legislative approval. No money is involved.

The law also removes a stretch of Highway 262 from the trunk highway system and turns it over to Martin County. This no-cost turnback, from Granada to Interstate 90, is

effective the day following the transportation commissioner's receipt of an agreement with the county.

HF539*/SF600/CH23

Funding bill (VETO)

Sponsored by Rep. Bernie Lieder (DFL-Crookston) and Sen. Steve Murphy (DFL-Red Wing), the \$4.2 billion transportation bill included a 5-cent increase in the state's gas tax, permission for counties to increase their sales tax by 0.5 percent for transportation needs, a gas tax surcharge of up to 2 cents to cover debt service on bonds a formula for dedicating motor vehicle sales tax revenue and it would have authorized \$1.5 billion in trunk highway bonding in the next decade.

The governor's veto message stated that the "entire array of tax increases in this bill would cost an average family in Minnesota up to \$500 per year."

A House override of the veto in the final moments of session was unsuccessful.

Any of the seven counties in the Twin Cities metropolitan area could have formed a joint powers board that could have imposed a 0.5 percent sales tax for transportation and a \$20 excise tax on motor vehicles. Revenue would have been divided so that at least 50 percent was for transit, at least 25 percent was for roads and highways, and the rest was flexible, with up to 5 percent permissible for bicycle and pedestrian programs. A county adjacent to a county in the joint powers board could have also joined.

In Greater Minnesota, a county or a joint powers board could have imposed the excise and sales taxes. Unlike that in the metropolitan area, it would have been subject to voter approval, would have to be for a specific project and would have terminated upon the project's completion.

The bill also called for elimination of the \$99 and \$180 vehicle registration caps that were enacted by former Gov. Jesse Ventura; would have increased driver's license fees by 75 cents, and would have removed a requirement that provided for a wheelage tax in the seven-county metropolitan area must be offset by property tax reductions.

HF946*/SF798/CH84

'Lights-on' package approved

The nearly \$3.8 billion status quo transportation package, sponsored by Rep. Bernie Lieder (DFL-Crookston) and Sen. Steve Murphy (DFL-Red Wing), is about \$380 million less than the vetoed proposal that contained a 7.5-cent gas tax increase, \$1.5 billion in bonding over the next

decade, an increase in license tab fees, and a possible metropolitan area tax increase for transportation needs.

"Much more needs to be done, but the advocates overreached," Gov. Tim Pawlenty said the day after session ended. He suggested supporters shouldn't have gone "for the whole enchilada and get nothing. ... I told leaders that if they came in with a more reasonable plan, maybe the results would have been different."

HF562*/SF360/CH143

Passage problems

An initial bill (HF946) that supporters said would have put more than \$8 billion into highways, city and county roads and transit over the next decade was vetoed by Pawlenty, in part, because it included a number of tax increases. "The entire array of tax increases in this bill would cost an average family in Minnesota up to \$500 per year," Pawlenty wrote in his veto message.

An attempt to override the veto could garner just 83 of the 90 needed House votes.

End product

The law appropriates \$1.1 billion for state road construction; \$869.88 million for the county-state aid highway system; \$423.26 million for infrastructure operations and maintenance; \$347.8 million for infrastructure investment support, including \$5 million for a pilot project "to demonstrate technologies that will allow for the future replacement of the gas tax with a fuel-neutral mileage charge"; and \$234.87 million for the municipal state-aid street system. All funds, unless noted, have zero increase or a slight bump for compensation increases. Any unused money appropriated for road construction before fiscal year 2008 is available in the biennium provided it is spent on the construction project for which it was directed.

Further, the law allocates \$40.6 million for airport development and assistance.

"This is going to help us once and for all figure out what the funding levels should be for our airports," Murphy said.

Also included is \$2.5 million in fiscal year 2008 to implement the town sign replacement program. The appropriation is to satisfy any matching requirement necessary to receive federal funds. (Art. 1, Sec. 3)

The Metropolitan Council is to receive \$73.45 million each year for bus system operations. To keep the Metro Transit system from reducing service, the law provides \$20 million in one-time money in fiscal year 2008. Further, the law provides \$5.3 million each year to fund half the operating costs of the Hiawatha

Light Rail Transit line, after operating revenue and federal funds are spent. Remaining costs, up to \$5.3 million per year, are to be paid by Hennepin County. (Art. 1, Sec. 4)

Language is also included in the law to ensure that state funds are available so the Northstar Commuter Rail project continues without delay. (Art. 1, Sec. 10)

The Department of Public Safety is to receive \$291.35 million in the biennium.

In November 2006, Minnesota voters approved a constitutional amendment to dedicate all funds from the state motor vehicle sales tax to transportation purposes. The law sets forth a gradual percentage change so that beginning July 1, 2011, 60 percent of the revenue will go towards highways, 36 percent for metropolitan area transit and 4 percent for Greater Minnesota transit. (Art. 2, Sec. 5)

Driver and vehicle services fees are raised in the law, primarily a 75-cent increase in a driver's license, instruction permit and state identification card. The goal is to make the Driver and Vehicle Services Division of the Department of Public Safety a fee-based service. (Art. 3, Secs. 1-4, 6)

Fees for a state patrol escort are also going up in fiscal years 2008-09. The hourly fee charged for services with a vehicle will be \$73.60 and \$75.76; services without a vehicle will be \$54 and \$56.16; flight services with a fixed wing aircraft will be \$140; \$490 for a helicopter; and \$600 for the Queen Air. (Art. 3, Sec. 8)

Under the law, the finance commissioner shall discuss budget forecast information, including changes from previous forecasts,

with the chairs of House and Senate committees with jurisdiction over finance, ways and means and transportation finance, and fiscal staff no later than one week after the forecast release. Previously, the deadline was two weeks before the release. (Art. 4, Sec. 2)

The lone line-item veto by Pawlenty was \$200,000 to the Humphrey Institute of Public Affairs for participation in the Urban Partnership Agreement Congestion program. In his veto message, the governor said the law allocates up to \$1 million to fund state activities in support of a federal program. "If the state is to fund their activities with Trunk Highway funds, those activities must be managed by the Minnesota Department of Transportation under appropriate consulting and/or technical service contractual agreements."

Special Session

September 11, 2007

Disaster relief approved

Less than a month after heavy rains resulted in rushing floodwaters that created a path of destruction through parts of southeast Minnesota, state lawmakers approved a stream of money to help people rebuild what was damaged or washed away.

The \$157.3 million law, sponsored by Rep. Ken Tschumper (DFL-La Crescent) and Sen. Sharon Erickson Ropes (DFL-Winona), includes state aid to seven counties that were designated federal disaster areas following the Aug. 18-19 storms.

Seven people were killed, nearly 1,500 homes were damaged and approximately 300 destroyed during the flooding.

Approved 130-0 by the House just after midnight Sept. 12, and 62-1 by the Senate less than an hour later, the legislation was signed almost immediately by Gov. Tim Pawlenty. The law is effective Sept. 13, 2007.

The law provides \$72.3 million of state assistance from the General Fund and \$56 million in general obligation bonding. It also includes \$1 million from the petroleum tank cleanup fund.

The law includes:

- \$51 million to replace roads and bridges;
- \$45 million for employment and economic development purposes;
- \$16 million in low-interest and forgivable loans to homeowners through the Economic Development and Housing Challenge Program administered by the

Minnesota Housing Finance Agency;

- \$4.2 million to repair and replace state facilities and restore natural resources in the area;
- \$1 million in property tax abatements for flooded homes and businesses;
- \$584,000 in education assistance to include school clean up and repair, offset enrollment changes and to assist with increased student transportation costs;
- \$250,000 for historic site cleanup, repair and replacement costs; and
- \$100,000 for the Department of Health to conduct indoor air quality investigations and sampling in public facilities and non-profit organizations.

The law also provides \$3.7 million for "flood and drought recovery assistance to affected agricultural producers," \$1 million to help Cook County and Grand Marais with costs associated with a fire in the Boundary Waters Canoe Area Wilderness earlier this year, \$200,000 in fiscal years 2008 and 2009 to Crookston for flood recovery and mitigation issues and \$100,000 in fiscal years 2008 and 2009 to Browns Valley to assist in recovery from a March 14 flood. The last two were in the omnibus tax bill (HF2268*/SF1933/CH149) vetoed by Pawlenty in the regular session.

Further, the bill includes \$2 million to provide a state match necessary to receive \$53.2 million in federal grants and aid for the Interstate 35W bridge collapse. It also prohibits insurance companies from stating or

implying to a policyholder that filing a claim related to the bridge collapse could result in non-renewal or cancellation of that policy or future premium increases.

SSHFI*/SSSF1/CH2

HAVA mandate for townships

A new law delays an election mandate for townships by two years.

Townships are exempt from having to provide a voting system accessible to disabled voters, including visually impaired, by the 2008 elections. The mandate was part of the Help America Vote Act enacted in 2005.

Under the law, townships must have a system in place for any election after Dec. 31, 2009.

The law was approved 128-2 by the House and 63-0 by the Senate Sept. 11.

Rep. Gene Pelowski Jr. (DFL-Winona) said action on the bill was needed during the special session because township elections are scheduled for March 2008, and that some jurisdictions may not be in a position to fulfill the estimated statewide \$1.6 million mandate.

Asked to carry the bill by Senate sponsor Sen. Ann Rest (DFL-New Hope), Pelowski gave credit to Rep. Bill Hilty (DFL-Finlayson), Rep. Bud Heidgerken (R-Freeport) and House Minority Leader Marty Seifert (R-Marshall), who have been working to address the issues as it relates to townships.

SSHF2*/SSSF3*/CH1

