

# New Laws 2008



A Summary of the 2008 Regular Session



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## AGRICULTURE

**Money to help fight bovine TB**

A new law, effective May 6, 2008, provides more than \$6 million this biennium to help fund a buyout of cattle herds from ranchers who volunteer to depopulate their livestock. With four new cases of the disease detected since Fall 2007, the federal government downgraded the state's bovine TB status, effectively stopping cattle shipments out of the state unless the animals are certified as being disease-free.

Cattle owners in the zone have until July 15, 2008, to decide whether to participate in the buyout program. Those who do would be paid \$500 per head by the state and an annual payment of \$75 for each animal slaughtered until the area receives a TB-free status and the owner is authorized by the Board of Animal Health to have cattle located in the zone. A cattle owner receiving payment must sign a contract with the board agreeing to:

- slaughter, by Jan. 31, 2009, all cattle that are at least 1 year old;
- move from the zone or slaughter all cattle that are less than 1 year old; and
- refrain from owning or allowing any livestock on the land in the management zone, unless authorized by the board.

Before payment is issued, the board will need verification that the cattle have been slaughtered.

Ranchers choosing to keep their herds intact will be subject to several testing and control requirements, including adequate fencing of their herd and grazing areas to limit access of deer or elk, which are also carriers of the disease. The state will provide a cost-share payment of up to \$75,000 or 90 percent of the cost of an approved fence.

Under the law, the board is given authority to control tuberculosis and the movement of cattle, bison, goats and farmed cervidae in the state.

The natural resources commissioner is given authority to remove, upon request, deceased deer and elk within the zone, and make a "good faith effort to inform the state's residents to this requirement, and how a person may make a deer or elk removal request."

Rep. Dave Olin (DFL-Thief River Falls) and Sen. Rod Skoe (DFL-Clearbrook) are the sponsors.

HF4075\*/SF3728/CH274

**An unlikely mix**

The omnibus agriculture and veterans affairs policy law, sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Jim Vickerman (DFL-Tracy), contains an unlikely mix of help for livestock producers, pesticide disposal requirements and provisions addressing needs of returning veterans. Most of the law is effective Aug. 1, 2008, unless otherwise noted.

HF3902/SF3683\*/CH297

**Biodiesel**

The law lays the groundwork for increasing the state's biodiesel mandate incrementally from the current 2 percent blend to 20 percent by 2015. Once the new blend requirement is reached, it would be effective May through September only, with the minimum content for the remainder of the year set at 15 percent.

This will be viewed as a model for other states, Juhnke said. But the mandate is not without critics. The law addresses several concerns, including the use of food crops for biofuels, the need for adequate blending infrastructure and ensuring product quality and availability.

Before any incremental increase, the law lays out guidelines needing to be met:

- that a federal testing standard exists for the next level of diesel-biodiesel blend;
- assurance that at least 50 percent of anticipated demand at the next minimum content level can be met by in-state biodiesel production;
- that the supply of state-produced fuel be at least 75 percent from feedstock produced in the United States or Canada; and
- that when there is a shortage of biodiesel fuel or a problem with its quality, the minimum content requirement may temporarily be suspended. (Art. 1, Sec. 51)

The sale of gasoline blended with ethanol is also addressed in the law. It calls for pumps where gasoline and ethanol are blended to be clearly labeled "Flex-Fuel Vehicles Only," and that the percentage of ethanol in the blend be clearly identified. (Art. 1, Sec. 50)

The agriculture and commerce commissioners are to report to the Legislature by Feb. 15, 2009, with recommendations on improvements to the production, blending, handling and distribution of biodiesel blends

to ensure performance of these fuels in cold weather. (Art. 1, Sec. 67)

The law allows for competitive grants to eligible livestock producers wanting to invest in their operations. Juhnke called it "placeholder language," acknowledging there would be little funding available at this time. The omnibus supplemental budget law (HF1812) specifies that \$1 million be allocated for the grants in 2009. (Art. 1, Sec. 1)

**Other agriculture-related provisions**

- a requirement for pesticide collection, including annual disposal opportunities, to be made available in each county. This provision is effective July 1, 2008. (Art. 1, Sec. 4)
- a definition of vending machine to mean a self-service device that not only accepts coins and tokens, but credit cards, paper currency, etc. (Art. 1, Sec. 10)
- a definition for animal chiropractic, its scope of practice and educational criteria for licensure (Art. 1, Sec. 25)
- encouraging Greater Minnesota counties adopting or updating comprehensive plans to consider open space goals, and titling the initiative the President Theodore Roosevelt Memorial Bill to Preserve Agricultural, Forest, Wildlife, and Open Space Land. (Art. 1, Secs. 57-62)

**Veterans provisions**

After several reports highlighted safety concerns at the Minneapolis Veterans Home, the Legislature began to address the issue by moving responsibility for the facility to the Department of Veterans Affairs.

This law supports the governor-established Veterans Health Care Advisory Council and its duties to develop a new vision for the veterans homes and more efficient delivery of veterans services. It also lays out a focus for the department's Strategic Planning Group to review and make capital, maintenance and operation recommendations to the Legislature.

The group will look at alternative operational models and additional state veterans home locations. A report is due to the Legislature by Jan. 15, 2009, on the status of the project priority list, which could include recommendations for new homes. (Art. 2, Secs. 11, 23, 24)



With the available federal funds for a new veterans cemetery near Duluth, a study is called for to evaluate the actual need for veterans cemeteries, including locating one in the southern part of the state. The law also expands the framework for operating state-run veterans cemeteries. It is specific that no new staff be hired for a new cemetery without explicit legislative approval. (Art. 2, Secs. 13, 22)

The state keeps no comprehensive listing of those with Minnesota ties who have died in combat, but that will change. The department is asked to maintain the list that would be made available at the discretion of the commissioner for ceremonial and honorary purposes. (Art. 2, Sec. 1)

#### **Other veterans provisions**

- protection for reservist-owned businesses from civil court proceedings for a minimum of 60 days, while the person is deployed; and preventing employers from discriminating against the family of service members when requesting unpaid leave to attend deployment, reintegration and other eligible military events. This is effective July 1, 2008. (Art. 2, Secs. 6, 8)
- a county veterans service group is to review the 2008 report from the Office of Legislative Auditor on the county veterans services offices and report its recommendations to the Legislature by Jan. 15, 2009. (Art. 2, Sec. 26)
- a study is to be conducted of issues related to veterans employment within state government. A report is due to the Legislature by Jan. 15, 2009. (Art. 2, Sec. 27)

## **BANKING**

#### **Debit cards OK for custodial account**

A new law allows the use of a debit or credit card to make payments from custodial trustee accounts. Until now, account custodians and beneficiaries were permitted to access funds in the accounts only by withdrawal or check. This statute is part of the Uniform Custodial Trust Act, adopted in 1990.

Rep. Steve Simon (DFL-St. Louis Park), who sponsors the law with Sen. Ron Latz (DFL-St. Louis Park), said that with fewer retailers willing to accept checks, this "moves us into the 21st century." Supported by senior advocate groups, this change will also make it harder for others to get away with fraud and theft, Simon said.

The law is effective Aug. 1, 2008.

HF3457/SF3070\*/CH201

#### **Manufactured home protection**

According to a 2000 U.S. Census report, approximately 4 percent of Minnesota residents live in manufactured homes. These homes are not considered real property, but rather personal property. Because of this, owners are not given the same protections as owners of single-family homes provided under Minnesota predatory lending laws passed in 2007.

A new law, sponsored by Rep. Paul Gardner (DFL-Shoreview) and Sen. John Marty (DFL-Roseville), provides some of that protection.

The law prohibits certain predatory lending practices such as churning, which is arranging for a manufactured home loan for a borrower when the loan "does not provide a reasonable, tangible net benefit to the borrower," and specifies other standards of conduct for manufactured home lenders.

A notice of default must also include contact information for local foreclosure prevention organizations. The law is effective Aug. 1, 2008.

HF3477\*/SF2917/CH273

## **BONDING**

#### **Bonding bill gets gubernatorial trim**

The session's first capital investment bill landed on the governor's desk asking for \$934 million in general obligation bonding, approximately \$100 million more than the governor's target. After a \$208 million trim, the law's total debt service spending supported by the General Fund is \$717 million.

In his veto letter, Gov. Tim Pawlenty expressed disappointment that legislative leadership ignored his "repeated warning to abide by the state's longstanding debt limit," which is 3 percent of General Fund revenue. He said the trimmed-down law reflects the state's deteriorating economic condition.

The following are highlights of the new law, which is effective April 8, 2008.

HF380\*/SF223/CH179

#### **Higher Education**

Funding for higher education projects generally receives the greatest share of capital investment, and in this law, sponsored by Rep. Alice Hausman (DFL-St. Paul) and Sen. Keith Langseth (DFL-Glyndon), more than half the funding is targeted to the University of Minnesota and the Minnesota State Colleges and Universities system. The bill proposed \$412 million for higher education projects, however the governor's vetoes canceled out projects totaling \$572.7 million.

A \$24 million appropriation for a new University of Minnesota Bell Museum of Natural History in St. Paul was vetoed, as was \$2 million in classroom renovations. Pawlenty said the cut is based on additional state support for the university's biosciences initiative. The new law allows for the University of Minnesota to use its bonding authority for new biomedical science research facilities. The state, in turn, will appropriate money to the university from the General Fund to cover 75 percent of the debt service.

Of the university's more than \$105 million allocation, \$35 million will be used for asset preservation and more than \$70.1 million is dedicated to covering the state's two-thirds share of the cost of several building and renovation projects, including:

- \$48.3 million for a new science and student services building on the Minneapolis campus;
- \$10 million for a civil engineering building on the Duluth campus; and
- \$5 million for renovation and construction of the Community Services Building on the Morris campus. (Sec. 2)

MnSCU will see more than \$234 million for projects, with a good share of the funding for renovation and construction of new classrooms and laboratories, including:

- \$55 million to address safety issues and update mechanical systems;
- \$25.5 million to renovate the Trafton Science Center at Minnesota State University, Mankato;
- \$15.7 million for renovations, a new skyway and a science and engineering laboratory at St. Cloud State University;
- \$13.1 million to Minnesota State University, Moorhead to renovate Lommen Hall;
- \$13.2 million for a fine arts center at Inver Hills Community College; and
- \$7.8 million for a nursing, health care and learning resources center at Northland Community and Technical College, East Grand Forks;

Two colleges will see funding for new law enforcement training centers: \$13.9 million to Metro State University and Minneapolis Community and Technical College for a center on the campus of Hennepin Technical College and \$10.5 million to Alexandria Technical College. (Sec. 3)

#### **Education**

At \$22.8 million, few education projects made it into the capital investment bill, and even fewer remained after the governor's line-item vetoes.

The Osseo school district is allotted \$2 million for construction of a Hennepin

Family Center in Brooklyn Center. However, the funding is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

According to the district's application, the area to be served has the highest incidence of single parent households and teen pregnancy. The project's goal is to ensure that students are ready to learn when they attend school.

The Minnesota State Academies of the Deaf and Blind are to receive \$2.4 million for asset preservation, \$200,000 for predesign of a new dorm and another building, and \$200,000 to house the Deaf and Hard of Hearing Children's Day Treatment Center., and \$1.5 million is allocated for library accessibility grants.

A \$16 million appropriation, which would have been used as a loan to the Red Lake school district for renovations to the high school and middle school facilities was nixed. The governor said funding this phase of the request requires \$25.8 million. "Since this level of funding has not been accomplished in this bill, the project should be postponed," Pawlenty wrote. (Secs. 4-6)

#### Natural Resources

Natural resource projects will see an infusion of \$103.8 million, with emphasis on funding for flood mitigation grants (\$33.9 million) to help areas in the state that have experienced flooding in recent years, including projects in Breckenridge, Browns Valley, Roseau and Southeast Minnesota. Several counties will see dams renovated or removed with \$2 million targeted for the projects.

To tackle a 10-year capital maintenance list, state parks and recreation areas will see improvements with a \$19 million appropriation.

More than \$16 million is available for acquisition of land for parks and trails and trail connections, including \$1.49 million for new parks in Stearns County, Chisago City and Sartell. Trail funding includes \$2 million for the Paul Bunyan Trail; \$1.6 million for the Gitchi-Gami Trail; and \$1.5 million each for the Great River Ridge Trail, Heartland Trail and Minnesota River Trail. Other projects include \$8 million to wildlife area acquisition and improvement as part of the Reinvest in Minnesota critical habitat program, \$4 million to acquire native prairie bank easements and \$1.5 million for improvements to fish hatcheries. (Sec. 7)

Restoration and preservation of wildlife habitat and shoreline is addressed in the new law, with a \$30.4 million appropriation to the

Board of Water and Soil Resources for funding of projects including \$25 million to acquire conservation easements from landowners to preserve, restore, create and enhance wetlands, river and streams to support fish and wildlife habitat. (Sec. 9)

#### Transportation

More than \$57 million for transportation projects is provided from this law. Along with a mix of federal support and funding from the trunk highway fund, more than \$16.6 million in bonding will be used to help gain more than \$133 million in federal funds for the Urban Partnership Agreement to help with traffic congestion on Interstate 35W between downtown Minneapolis and the southern suburbs. Money will be used for land acquisition and to construct or expand park and rides and bus lanes along the corridors, and related bus shelter, street and sidewalk improvements in downtown Minneapolis.

The law also funds \$3 million to rehabilitate a portion of railroad track from Norwood-Young America to Hanley Falls; \$2 million for a new Rice Street bridge to connect the St. Jude Medical campuses; and \$1 million for Greater Minnesota transit systems. (Secs.16-17)

#### Employment and Economic Development

Approximately \$132.65 million is targeted for economic development.

Projects to support the state's increasing focus on biosciences will see financial support. The new law allots \$9 million for public infrastructure for bioscience, including \$3.5 million for development to support a private research park within a designated bioscience subzone adjacent to and complementary to research facilities of a college or university.

The city of Worthington will receive \$1 million for infrastructure to support an agricultural-based bioscience training and testing center for incubator firms developing new agricultural processes and products. Another \$1.75 million is reserved for grants or loans to local governments for infrastructure improvements that use Minnesota biomass energy products to reduce reliance on electricity, oil and natural gas.

The governor said a longstanding promise is being kept to the Duluth Entertainment and Convention Center Authority with an allocation of \$38 million to help fund a new arena and make renovations to the existing facility.

Another northern Minnesota project has its funding request met. Itasca County will see \$28 million to support public infrastructure needed for the new steel plant

being constructed in the county. (Sec. 21)

#### Other allocations of note:

- \$49.8 million to the Public Facilities Authority for grants to communities for clean water and wastewater infrastructure projects (Sec. 22);
- \$27.5 million to the Pollution Control Agency, with \$25 million directed to the City of Albert Lea, Washington and Mille Lacs counties, and the Western Lake Superior Sanitary District for landfill clean up (Sec. 8);
- \$15.72 million to the Department of Administration for, among other projects, State Capitol repairs (Sec. 12);
- \$9.5 million to the Minnesota Historical Society for historical site preservation and matching grants to counties and local groups for preservation efforts (Sec.24);
- \$8 million for a new Anoka County Forensic Crime Laboratory, and a new training and exercise center at Camp Ripley (Sec. 15); and
- \$2.5 million to the Minnesota Zoo for asset preservation. (Sec.11)

#### State's 'to-do' list grows

Gov. Tim Pawlenty was upfront for months that one measure of a successful legislative session would be funding for a new Lake Vermilion State Park in northern Minnesota and capital improvements to the Minneapolis Veterans Home.

He got his wish in the waning hours of the 2008 session when legislators approved a \$105.5 million capital investment bill. The new law also includes the central Corridor light rail project and replacement of Bloomington's old Cedar Avenue Bridge with one to be used by bicyclists and recreational users.

Rep. Alice Hausman (DFL-St. Paul), who sponsors the law with Sen. Keith Langseth (DFL-Glyndon), said the projects should be considered an extension of the bonding law passed earlier in the session. When totaled up, this session's projects, including some bonding in the omnibus transportation finance law, come in under the state's debt management guidelines, whereby the debt service should not exceed 3 percent of General Fund revenues.

Projects in the law, which is effective May 30, 2008, include:

- \$70 million for the Central Corridor light rail (Sec. 4);
- \$20 million to acquire land for Lake Vermilion State Park (Sec. 2);
- \$10.1 million for demolition and construc-

tion of a 100-bed nursing facility on the campus of the Minneapolis Veterans Home (Sec. 5);

- \$3.4 million for asset preservation (Sec. 3); and
  - \$2 million to replace the old Cedar Avenue Bridge in Bloomington (Sec. 4).
- HF4072\*/SF3815/CH365

## BUDGET

### Resolving deficiency spending

A quartet of budget deficiencies is remedied.

A new law allocates \$479,000 to solve particular problems that a commission and some boards have no other way of resolving.

The Minnesota Sesquicentennial Commission is given \$175,000 for administration costs. Last year's appropriation limited the amount of money that could be used for staff purposes. This will allow the staff to remain through this year's celebration.

Special revenue funds will go to the state's Board of Chiropractic Examiners (\$150,000), Board of Dentistry (\$100,000) and Board of Veterinary Medicine (\$54,000). All three have licensing-fee funded accounts within the fund. The additional money is needed to reimburse the boards' costs incurred while conducting contested case hearings involving individuals.

The law, sponsored by Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Richard Cohen (DFL-St. Paul), is effective March 15, 2008.

HF3055\*/SF2766/CH155

### Deficit reduction plan

Sponsored by Rep. Lyndon Carlson (DFL-Crystal) and Sen. Richard Cohen (DFL-St. Paul), a new law resolves the state's biennial budget deficit of about \$1 billion — up from the \$935 million projected in the February 2008 forecast and after new spending items are included, such as the \$38 million allocated for the Interstate 35W Bridge Victim Compensation Fund.

The law is effective July 1, 2008, unless otherwise noted.

The agreement calls for \$500 million to be taken from the state's \$653 million budget reserve and nearly \$360 million in cuts and non-tax revenue increases are to occur. Additionally, the omnibus tax law (HF3179) includes \$109 million from closing a tax loophole some foreign-operating corporations use to bypass state tax law. The state's \$350 million cash flow account is preserved.

Here are some of the areas affected:  
HF1812\*/SF3813/CH363

### Agriculture

The Department of Agriculture will see its General Fund appropriation increased by \$188,000, primarily due to a one-time \$1 million allocation for grants for a new livestock investment program. The increase is offset by a one-time \$310,000 reduction in ethanol producer payments for an ethanol plant that ceased operations, a general reduction of \$302,000 and a \$200,000 reduction for an Elk River bioenergy product. (Art. 7, Secs. 1-3)

### Early Childhood and K-12 Education

The law provides the equivalent of an additional 1 percent or \$51 per pupil unit, to the funding formula for Fiscal Year 2009.

The funding comes from a \$10 million reduction in Q Comp, the pay-for-performance program some districts are using. The General Fund is to pay for the other \$33 million of cost. (Art. 2, Sec. 47)

However, the law creates a process for approving new alternative compensation districts, sites and schools that had not applied as of March 20, 2008. New entitlement revenue is limited to \$11.4 million in Fiscal Year 2009 and \$14.3 million the following year. (Art. 2, Sec. 48)

The law also contains a number of intra-district fund transfers, effective May 30, 2008, including Balaton, East Central, Hills-Beaver Creek and Rocori school districts. (Art. 2, Sec. 46)

Effective for taxes payable in 2009 only, the Virginia school district may levy up to \$100,000 for emergency repairs. (Art. 2, Sec. 49)

The Education Department faces an \$892,000 operating reduction in Fiscal Year 2009. (Art. 2, Sec. 41)

The state reimbursement for each half-pint of kindergarten milk not served as part of a school lunch or reimbursed under statute is increased from 14 to 20 cents. (Art. 2, Sec. 12)

Two House members, two senators and two parents with a child under age 6 are added to the State Advisory Council on Early Education and Care. Council duties are added to include recommending the best way to leverage state and federal funding streams for early childhood and childcare programs; recommend how to collocate early childhood and childcare programs in an Office of Early Learning; and recommend to the Legislature and governor how to best create a high quality early childhood system in the state to improve the educational outcomes so that all children are school-ready by 2020. (Art. 2, Sec. 13)

Effective May 30, 2008, a special education task force is expanded one year, until Feb. 15, 2009. A parent advocate who will represent families with children with disabilities is to replace the Education Department member representing regulators. The task force duties are amended to include recommending rules governing the use of aversive and deprivation procedures by district employees or persons under contract with the district. (Art. 2, Secs. 37, 38)

A number of provisions make changes to school levies.

Wording is changed on a ballot question to renew a school district operating referendum levy, so voters better understand their vote is to extend an existing property tax referendum set to expire, rather than potentially increasing their property taxes. This is effective for elections beginning July 1, 2008. (Art. 2, Sec. 22)

### Economic Development

Beginning in Fiscal Year 2009, the Department of Employment and Economic Development budget is reduced \$550,000. The reduction must not result in layoffs. That same year, \$400,000 is appropriated to establish the Office of Science and Technology and an equal amount is a transfer for the military reservists economic injury loan program. HIRED is to receive \$120,000 to provide employee training developed with employers in specific high-demand industries, and \$75,000 is for Lifetrack Resources for a pilot project in Rochester focusing on immigrant and refugee programs. All are one-time appropriations.

The Housing Finance Agency is cut \$200,000 in Fiscal Year 2009, the Bureau of Mediation Services \$69,000, and the Department of Labor and Industry will receive a \$43,000 base reduction, which cannot be funded through a reduction in prevailing wage enforcement or by not filling department positions. (Art. 10, Secs. 4, 5, 7).

A one-time \$1.3 million appropriation in Fiscal Year 2009 is directed to the Minnesota Film and TV Board for its job production program.

Effective May 30, 2008, DEED is to use a one-time \$400,000 appropriation for Fiscal Year 2009 to establish a revolving loan account to make one-time, interest-free loans to eligible businesses that have sustained or likely will sustain substantial economic loss when an essential employee is called to active service for at least 180 days. Loans must be made to prevent, remedy or ameliorate substantial economic injury. Loan repayments are to be deposited into the account for future use. (Art. 10, Sec. 10)

Added to the definition of a dislocated worker is a veteran discharged or released from



active duty under honorable conditions within the last 36 months and who is unemployed or underemployed. This makes them eligible for state help with employment transition services, such as developing readjustment plans; job or career counseling; short-term training to help the enhance their current skills in a similar occupation or industry; and long-term training in a new occupation or industry. This is effective May 30, 2008. (Art. 10, Sec. 15)

Effective May 30, 2008, applicants who suffered financial hardship due to delays in receiving unemployment benefits resulting from a new system incorporated by DEED in October 2007 are eligible for extra benefits, (Art. 10, Sec. 30)

Retroactive to Jan. 1, 2008, workers laid off from the Ainsworth Lumber Company in Cook are eligible for an additional 13 weeks of unemployment. (Art. 10, Sec. 31)

### **Energy, Commerce and Utilities**

The Department of Commerce is to see an overall reduction of \$4.1 million. Included in the trimming are reductions of \$2.6 million for renewable hydrogen initiative grants and \$1.25 million in E-85 cost-share grants.

Additionally, \$10 million is to be transferred by June 30, 2009, from the workers' compensation assigned risk plan to the General Fund; \$3 million from the insurance fraud prevention account is to be transferred to the General Fund in two installments; \$850,000 is to be transferred from a real estate education, research and recovery fund; \$230,000 is to be transferred from a automobile theft prevention account; and \$100,000 is to be transferred from a consumer education account. A one-time transfer of \$4 million from a telephone assistance plan to the General Fund is called for before July 31, 2008. (Art. 6, Secs. 3, 4)

Language is stricken from statute that notice given by a subscriber to the do-not call list is effective for four years unless revoked. The commerce commissioner is no longer required to include Minnesota subscribers on the national do-not call list to the state list and to send subscribers on the state list to the Federal Trade Commission for inclusion on the national list. The department is permitted to consider the FTC as its agent for list establishment and maintenance. (Art. 6, Sec. 8)

Other than the Iron Range Resources and Rehabilitation Board, each state agency is to assess its loan and grant programs to determine their potential to advance or promote the growth of a green economy. (Art. 6, Sec. 11)

A Green Jobs Task Force is established to

advise the governor and legislators regarding activities to advance the state's economy and to develop a statewide action plan to optimize the growth of the green economy. A report is due the Legislature by Jan. 15, 2009. (Art. 6, Sec. 12)

### **Environment**

Total appropriations in this area are increased by \$405,000. General Fund appropriations are reduced by almost \$3.06 million, but spending increases are to occur in the natural resources fund, game and fish area and environmental spending. (Art. 5, Secs. 1, 2)

Overall funding to the Pollution Control Agency is reduced by \$603,000. This includes a \$623,000 reduction in department operations and a \$20,000 appropriation from the General Fund to develop recommendations to establish a comprehensive product stewardship approach to reducing environmental and health risks posed by the use or disposal of certain products; an analysis of the availability of collection and processing capability in the metropolitan area for recycling of construction and demolition waste; and for a report that recommends options for increasing county recycling rates to 60 percent of the weight of solid waste generation by 2020 and recycling and reuse of an amount of source-separated compostable materials equal to 15 percent of total solid waste generation. The PCA is also required to report to the Legislature by Jan. 15, 2010, on proposed rules to prohibit solid waste disposal in certain areas because of sensitivity to groundwater contamination. (Art. 5, Secs. 33)

A \$2.6 million General Fund reduction is in store for the Department of Natural Resources, including a \$755,000 reduction for general agency operations; however, appropriations from the natural resources fund are increased by \$2.3 million and appropriations from the game and fish fund are increased by \$754,000. (Art. 5, Sec. 4)

The Board of Water and Soil Resources is to receive a net General Fund increase of \$235,000. The law includes a \$450,000 increase for cost-share programs to help areas flooded in 2007 and \$100,000 for the Star Lake Board (established in the act), to which lake associations seeking the "Star Lake" designation would be required to submit a lake or river management plan. In addition to evaluating plans and awarding the designation to qualifying lake associations, the board is to work with associations to achieve maximum sustainability results. (Art. 5, Sec. 17, 18, 26, 32)

Offsetting the increases are a \$200,000 reduction for county cooperative weed management programs, \$68,000 from the

drainage assistance program and \$47,000 from establishing native buffers. (Art. 5, Sec. 5, 17, 18, 26, 32)

The law also lets the DNR establish fees for aquatic farming operations and fish hatcheries; establishes a mining administration account for deposit of ferrous mining fees; provides for expedited exchanges of public land; and establishes a solid waste disposal siting moratorium until new rules are adopted. The latter is effective May 30, 2008. (Art. 5, Secs. 8, 9, 11, 12, 13, 24)

It also establishes constitutionally dedicated clean water and parks and trails fund. This is effective July 1, 2009, only if state voters approve a plan at the November 2008 election to increase taxes with additional revenue going to the arts and environment. (Art. 5, Secs. 10, 23)

A working group is to report to the Legislature by Jan. 15, 2009, "regarding the management of industrial solid waste and construction and demolition debris in land disposal facilities." (Art. 5, Sec. 34)

### **Government**

The state budget reserve is to be reduced by \$500 million on July 1, 2008. (Art. 14, Sec. 1)

Most state agencies are looking at a 4 percent budget reduction, the Legislature and constitutional offices are generally cut 3 percent. For example, the House is cut \$952,000 in Fiscal Year 2009; the Senate \$710,000. (Art. 13, Secs. 3-11, 21)

However, the law appropriates a pair of \$40,000 grants for memorials on the Capitol Mall: one for workers and another for Hubert H. Humphrey. (Art. 13, Sec. 9)

An appropriation to the Revenue Department audit staff is increased \$2 million, to \$7 million, with the expectation of increasing additional tax compliance revenue from \$15 million to \$21 million. (Art. 13, Sec. 12)

A tax debtor data matching program is established so the Revenue Department can request information from financial institutions doing business in Minnesota to aid in collecting delinquent taxes when the debtor is subject to a tax lien. (Art. 13, Secs. 14, 17)

Salary limits for the directors of the state's three major public employee retirement systems are increased from 85 percent to 95 percent of the governor's salary. This is the same cap in law for heads of most state agencies and departments. (Art. 13, Secs. 15, 16)

The Legislative Coordinating Commission, which faces a \$159,000 base reduction for Fiscal Year 2009, must pay expenses for

legislators' participation in a forum where they are to meet with counterparts from North Dakota, South Dakota and Manitoba to discuss issues of mutual concern. This is effective May 30, 2008. (Art. 13, Sec. 22)

## Health

The total appropriation for the health and human services areas decreases by \$84.7 million in the current biennium and nearly \$190 million for the following two years.

However, a 1 percent cost of living increase is included for nursing home workers, and a 1 percent bonus is also planned for those employees.

A \$50 million transfer from the Health Care Access Fund to the General Fund is included in the law. The money will be paid back when the health care reform law efficiencies save the General Fund those amounts. Pawlenty initially wanted to take \$250 million of this fund and legislators zero. (Art. 17, Sec. 1)

Originally scheduled for Jan. 1, 2009, a hospital cost rebasing is delayed for two years. Additional medical assistance and general assistance medical care inpatient hospital payments are reduced 3.46 percent in Fiscal Year 2009, 1.9 percent in Fiscal Year 2010 and 1.79 percent in Fiscal Year 2011. (Art. 17, Secs. 5, 6)

An additional 3 percent reduction on medical assistance and general assistance medical care payments for hospital outpatient services is imposed. Mental and American Indian health service facilities are exempt. The amount withheld from the medical assistance and general assistance medical care managed care capitation rate is increased by an additional 3 percent of the total capitation; this additional withhold will be returned in the following year. (Art. 17, Secs. 13-15)

A one-time \$2 million appropriation to the White Earth tribe "to purchase or develop one or more culturally specific treatment programs or capital facilities, or both, designed to serve youth from native cultures" is funded in the law. (Art. 18, Sec. 3)

A 2003 addition to the county nursing home intergovernmental transfer of \$2,230 per licensed bed and a 2003 addition to the county nursing home payment adjustments are eliminated. These are effective May 30, 2008. (Art. 15, Secs. 8, 9)

The 2 percent rate increase for intermediate care facilities for persons with developmental disabilities and a variety of community-based service providers is delayed three months until Oct. 1, 2008. (Art. 15, Secs. 13, 17)

The Health Department is to establish, by Jan. 1, 2009, a voluntary statewide roster for interpreters to address access concerns, particularly in rural areas. By Jan. 15, 2010,

a plan for a registry of spoken language health care interpreters must be developed. A certification process must also be developed. This is effective May 30, 2008. (Art. 17, Sec. 2; Art. 18, Sec. 4)

## Higher Education

A \$21.7 million hit is in store for the state's higher education institutions in the current biennium, and a \$33.5 million reduction is scheduled in the following biennium. Neither the Minnesota State Colleges and Universities system nor the University of Minnesota can raise tuition higher than what was previously planned for the 2008-09 academic year. (Art. 4, Sec. 1)

In Fiscal Years 2008-09, a \$7.88 million trim for MnSCU is in the law. Of the reduction, \$5 million must come from technology appropriations, \$1 million from central reserves and the remainder from the Office of the Chancellor budget. The MnSCU board is directed to reallocate \$9 million of its state appropriation to reduce student tuition. Reductions cannot reduce technology expenditures or grants to campuses, and must not increase any assessments to campuses. The system base is reduced by \$7.7 million in fiscal years 2010 and 2011.

The law appropriates \$600,000 in one-time money to expand the Power of You program (based on an equal nonstate match) and allocates \$120,000 for a teachers of diverse backgrounds financial aid pilot program at Winona State and St. Cloud State universities in partnership with specified school districts. (Art. 4, Secs. 4, 8)

A \$12.3 million current biennium reduction to the university is in law, as is a \$17.4 million cut in the 2010-11 biennium. (Art. 4, Sec. 5)

The Fiscal Year 2009 appropriation to the Office of Higher Education is reduced by \$1.38 million. The office must cancel \$90,000 of a 2007 appropriation to upgrade computer software related to state grant awards. (Art. 4, Sec. 3)

Thanks to an approximately \$11.3 million in additional federal Pell Grant money, the living and miscellaneous expense allowance is increased by \$300 per student. This is one factor used in determining financial aid amounts. (Art. 4, Sec. 11)

The law removes a sunset provision so that any surplus in the state grant program is to be used to increase the living and miscellaneous expense allowance in the second year of a biennium. (Art. 4, Sec. 7)

## Military Affairs

Included in the law is a net \$52,000 General Fund increase in Fiscal Year 2009 for the Department of Military Affairs.

It calls for \$180,000 to add "state navigator" positions to coordinate state programs to help soldiers and their families during and after the reintegration process; \$135,000 for bonus payments to National Guard medics who meet certain recertification requirements; and \$75,000 for state enhancement of the federal Employer Support of the Guard and Reserve Program. But a \$338,000 reduction comes from a special revenue fund appropriation from the Support our Troops license plate account. (Art. 9, Secs. 3, 7, 8)

Spouses can use up to 12 semester hours annually of a National Guard members unused tuition reimbursement benefit, if the member has completed at least eight years of service. (Art. 9, Sec. 9)

The adjutant general and the Military Affairs Department are to study participation by the Minnesota National Guard in the National Guard Youth Challenge Program. The program involves mentoring high school dropouts to enable them to attain their diploma and enter the military. A report is due the Legislature by Jan. 15, 2009. (Art. 9, Sec. 10)

## Public Safety

District courts are cut by \$2.8 million, the Public Defense Board faces a \$1.49 million cut, the Supreme Court is cut an ongoing \$831,000 and the Court of Appeals cut is \$250,000 ongoing. Opponents said this would likely result in shorter hours and reduced days for district courts. (Art. 12, Secs. 1-6)

The Department of Public Safety is facing a \$2.06 million reduction in Fiscal Year 2009, including nearly \$1.27 million for CrimNet, a \$450,000 reduction for the Financial Crimes Task Force and \$250,000 in operating costs. (Art. 12, Sec. 7)

The Human Rights Department is cut \$149,000 in Fiscal Year 2009. (Art. 12, Sec. 8)

Of the \$2.79 million reduction to the Department of Corrections in Fiscal Year 2009, \$2.1 million is in reimbursement to counties for reimbursement for the care and housing of short-term offenders. Sentencing to Service funding is reduced \$600,000. (Art. 12, Sec. 9)

A \$2 million transfer from a fire safety account is to the General Fund in the law, as is a \$3 increase in the criminal and traffic offender surcharge with that money headed to the General Fund. (Art. 12, Secs. 10-12)

## Transportation

Of the \$21.2 million decrease for transportation, the most controversial is transferring \$15 million from an airport development and assistance fund to the General Fund. It was not in the initial House or Senate proposal. Critics noted the money was taken from the fund during the 2003 budget shortfall and it took four years to get the money back.

In each fiscal year, \$3 million is transferred from a rail service improvement account in the special revenue fund to the General Fund.

The law provides \$6.85 million in one-time money from the Trunk Highway Fund to take advantage of federal funds for bridge construction. It also reduces Greater Minnesota transit funding by \$32,000 in Fiscal Year 2009. (Art. 11, Secs. 3, 10)

Funding for the Metropolitan Council is reduced by \$136,000 for transit operations in Fiscal Year 2009. (Art. 11, Sec. 4)

A \$60,000 reduction to the Department of Public Safety in Fiscal Year 2009 is as follows: \$28,000 for a security coordinator to coordinate planning efforts for the Republican National Convention, \$17,000 in support operations and \$15,000 for Capitol Security. (Art. 11, Sec. 5)

A \$1.75 surcharge is to be imposed on each fee collected for a driver's license, permit and identification card; vehicle registration renewal; and title applications from July 1, 2008, to June 30, 2012. The money is to be used for a new computer information system within the Driver and Vehicle Services Division of the Public Safety Department. (Art. 11, Secs. 6-9)

## Veterans

The net overall General Fund gain for the Department of Veteran Affairs is \$3.8 million, including \$2.5 million for state soldier's assistance. Of this, \$1.5 million is added to the base. A \$500,000 appropriation is for casework services for veterans, \$250,000 is for the Minnesota Assistance Council for Veterans to help veterans and their families affected by homelessness, \$250,000 is to add veteran's service officer coordinating positions at a Veterans Claim Office and \$25,000 is a one-time appropriation to develop a pilot program for peer-to-peer counseling among combat veterans.

A \$300,000 reduction for the Veterans Homes Board is in the law. The reduction is possible because of administrative efficiencies resulting from the transfer of governance from the board to the Veterans Affairs Department. (Art. 8, Secs. 1-3)

Money left in the World War II memorial

donation match account after the state share of construction costs is paid will be appropriated to the department for services and programs to help veterans and their families. (Art. 8, Sec. 5)

Because of uncertainty in the numbers of participants in the remainder of the biennium, instead of writing down appropriations, the GI Bill is converted to a forecasted program so that on June 1, 2009, the finance commissioner is to review program participation levels and adjust the appropriations at that time. A \$100,000 annual cap on program management costs is established, instead of 3 percent of the annual appropriation. (Art. 8, Sec. 7)

Effective May 30, 2008, a reinstatement fee is waived by the Office of the Secretary of State for a business organization that was dissolved, revoked or terminated after Dec. 31, 2006, if a person with substantial responsibility for its operation was serving on active duty during the calendar year the dissolution occurred. (Art. 13, Sec. 13)

## BUSINESS

### Fundraiser exemption for auctioneers

An auctioneer's job is to talk and sell — sometimes for private events, sometimes for charity.

Kurt Johnson, former president of the Minnesota State Auctioneers Association, said that the Office of the Attorney General became aware of an auctioneer who was asking for money at a nonprofit fundraiser.

In response, Johnson said, the office broadly interpreted current law to say that all auctioneers must be registered as professional fundraisers.

In an effort to clarify what an auctioneer can and cannot do at a charitable event, a new law states if an auctioneer is licensed and bonded, and he or she does not have access to the proceeds from the event, they do not have to register as a professional fundraiser.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. LeRoy Stumpf (DFL-Plummer), the new law is effective April 11, 2008.

HF3289\*/SF2979/CH181

### Fund management regulation

Changes will be made to regulations on management and investment standards for entities holding funds for charitable purposes.

A new law adopts language recommended by the National Conference of Commissioners on Uniform State Laws and repeals the state's current version of the Uniform Prudent

Management of Institutional Funds Act, which was enacted in 1973.

Specifically, the law focuses on supervision and investments in institutional funds, appropriation of endowment funds, compliance review and electronic signatures.

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Linda Scheid (DFL-Brooklyn Park), the law is effective Aug. 1, 2008.

HF1499\*/SF1406/CH188

### CPA, other accountancy changes

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ann Rest (DFL-New Hope), a new law changes the way the Board of Accountancy operates. It also moves up opportunities for those wanting to become a certified public accountant.

The law brings Minnesota statute in line with the Uniform Accountancy Act; requires that no fewer than two of the seven members of the board be owners or employees of a qualifying certified public accountant firm; eliminates the requirement for the board to have a judicially noticed seal; and it allows anyone in their last semester of college to take the exam to qualify as a CPA.

Once a certificate of qualification is given, the law states the certificate would be good for three years, a change from the previous process that required a yearly renewal.

There is an increase in the annual fee to practice as a CPA firm from \$35 to \$68, and the initial CPA permit fee will be \$100 for firms with one or more offices located in another state.

The law is effective April 18, 2008.

HF2811/SF2402\*/CH195

### Electronic document return OK'd

Described as a housekeeping bill for the Office of the Secretary of State relating to business services, a new law allows for documents to be returned by electronic methods and through facsimile transmission.

The law also addresses issues relating to foreign corporations, including modifications to the notice required for corporations that change their name, dissolve or merge. The corporation will no longer need to file the information with the secretary of state, but certify to the office that they possess documents relating to any change.

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Patricia Torres Ray (DFL-Mpls), the law has various effective dates.

HF3543/SF3397\*/CH203

### **Business law technical changes**

Sponsored by Rep. Leon Lillie (DFL-North St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park), changes are made to three laws: the Business Corporations Act, Limited Liability Company Act and the Uniform Limited Partnership Act of 2001.

Additionally, a section of the new law will allow for the formation of nonprofit limited liability companies. Minnesota is currently one of only a handful of states that does not allow nonprofit LLCs.

Lillie said the changes were brought forward by the Minnesota State Bar Association and are intended to clarify laws that have raised questions for attorneys practicing business law in the state.

The law takes effect Aug. 1, 2008, with the exception of the provisions relating to nonprofit LLCs; that portion of the law takes effect Jan. 1, 2009.

HF3500\*/SF2575/CH233

### **Securities act changes enacted**

A modified name is about the most significant change made by a new law.

Sponsored by Rep. Tom Tillberry (DFL-Fridley) and Sen. Dan Sparks (DFL-Austin), the law changes the statutory citation of the Uniform Securities Act to the "Minnesota Securities Act." It also corrects numerous grammatical errors and incorrect cross-references in the law.

Tillberry said the Department of Commerce asked for the changes to the act, which he said provides a framework for regulating the securities industry in Minnesota. The changes are effective May 2, 2008.

HF3306/SF3174\*/CH256

### **Law changes temp license deadline**

A new law extends the deadline by which applications for restricted plumber licenses have to be received by the commissioner of labor and industry from Jan. 1 to Oct. 1.

The law also clarifies that applicants for restricted journeyman and master plumber licenses must have had four years of practical plumbing experience or two years as a plumbing contractor in the plumbing trade.

The law is sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park) and is effective May 9, 2008.

HF2805/SF2786\*/CH282

### **Name change enacted**

A law changes the name of a nonprofit corporation to Enterprise Minnesota, Inc.

Rep. Tim Mahoney (DFL-St. Paul), who

sponsors the law with Sen. David Tomassoni (DFL-Chisholm), said that the organization previously known as Minnesota Technology, Inc. was often confused with the Minnesota High Tech Association.

Formed by the Legislature in 1991, the purpose of the nonprofit corporation is to "foster long-term economic growth and job creation by stimulating innovation and the development of new products, services and production processes through energy conservation, technology application and utilization and financial assistance."

The law is effective May 13, 2008.

HF2972/SF2468\*/CH290

### **Uniform billing**

Sponsored by Rep. Paul Thissen (DFL-Mpls), who sponsors the law with Sen. Tony Lourey (DFL-Kerrick), said it will save the state about \$60 million to \$70 million per year by allowing information to be exchanged electronically and setting standards.

Under the law, group purchasers not covered by the Health Insurance Portability and Accountability Act enacted by Congress in 1996, can be exempted from the requirements of exchanging information under certain conditions determined by the health commissioner. The commissioner will investigate any complaints of non-compliance by health care providers or group purchasers, and is authorized to impose a penalty.

People will also be able to receive electronic billing statements for health care transactions, rather than mailings if they chose.

The law is effective Aug. 1, 2008.

HF3372\*/SF3245/CH305

### **Construction awareness assistance**

Small businesses impacted by transportation construction projects should more easily get information about what is happening outside their front door.

A new law requires the Transportation Department to develop a standard operating plan for getting out such information. A report is due to the Legislature by Feb. 15, 2009.

The report is to be developed in consultation with the Department of Employment and Economic Development, Metropolitan Council, counties, cities and community organizations. It is to address the best ways to get information to small businesses; what should be included in an information packet, such as potential changes in parking, traffic and public access in the area; contact information for progress and timing questions;

and a listing of area business development organizations that can assist with financing, marketing and technical counseling during the construction period.

Sponsored by Rep. Shelley Madore (DFL-Apple Valley) and Sen. Patricia Torres Ray (DFL-Mpls), the law is effective Aug. 1, 2008.

HF4055/SF3669\*/CH308

### **Clarifying construction codes**

Following up on 2007 construction code legislation, a new law makes technical and clarifying changes to provisions affecting plumbing, water conditioning, electrical work and units, and residential building contractors.

Changes include:

- although state building codes are effective 180 days after filing with the secretary of state, an earlier effective date is permitted if it is necessary to protect public health and safety;
- administration and enforcement of fire codes is the responsibility of the public safety commissioner;
- continuing education materials for residential home contractors and remodelers may include material that is in licensing exams;
- adjustments to some manufactured home fees conforming to federal regulations; and
- manufactured home dealers must keep copies of records for five years, up from three.

Sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park), the law has various effective dates.

HF3034\*/SF2926/CH337

## **CONSUMERS**

### **Updated utilities rules**

Sponsored by Rep. Linda Slocum (DFL-Richfield) and Sen. John Doll (DFL-Burnsville), and effective Aug. 1, 2008, the new law specifies that monthly statistics on disconnections and past due accounts must be filed with the Public Utilities Commission within 45 days after the end of the month.

Effective Sept. 1, 2008, utility companies must make a reasonable effort to restore service that has been disconnected during the cold weather period, which lasts from Oct. 15 to April 15, within 24 hours after a payment plan has been agreed to.

HF3368\*/SF3081/CH162

### More notification required

A largely technical new law updates legislation enacted in 2007 on debt management plans and the regulation of debt management providers. Two exceptions are provided to the requirement that a debt management plan may be changed only with the signature of the debtor; the exceptions are:

- If a creditor is added or deleted from a debt service agreement at the request of the debtor, or if the debtor voluntarily increases payment, and the debtor is provided an updated payment schedule within seven days; and
- if the payment amount to the creditor increases by \$10 or less and the total payment amount to all creditors increases by \$20 or less as a result the debtor providing incomplete or incorrect information regarding the amount of debt owed, and the debt management service notifies the consumer of the increase within seven days.

The bill would also add the Bureau Veritas Certification North America, Inc. and BSI Management Systems America, Inc. to the list of acceptable accrediting agencies for debt management providers.

The law is effective April 22, 2008.

Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Scheid (DFL-Brooklyn Park) are the sponsors.

HF3287/SF2930\*/CH210

### Paying for a credit freeze

A law that takes effect Aug. 1, 2008, allows consumers to pay by means other than a credit card to have a "freeze" put on their credit information or to have that hold lifted.

Under Minnesota Law, consumers can "freeze" their credit report so that information cannot be released to open a new line of credit or a new account. That person can request to have the "freeze" lifted for a particular time period or requestor.

Rep. Paul Gardner (DFL-Shoreview), who sponsors the law Sen. Dan Sparks (DFL-Austin), said the law came about because one of his constituents tried to freeze a credit report for his mother but found that one of the four credit bureaus would only take a credit card to perform the service, something that would be problematic if a card was compromised.

These charges do not apply if the customer can prove they are the victim of identity theft.

HF1665/SF1578\*/CH211

### Some title exceptions dropped

When buying a vehicle, you might now have a better idea of what types of experiences it has been through.

A new law removes exemptions of title branding requirements for vehicles that are at least six years old. These branding requirements let consumers know if a car has been in a flood, for example.

Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Rick Olseen (DFL-Harris) sponsor the law. It takes effect Aug. 1, 2008.

HF2940/SF3082\*/CH216

### Tinting vehicle windows

Consumers will need a doctor's prescription from within the last two years to have certain vehicle windows tinted.

The prescription or statement must specifically state the minimum percentage that light transmittance may be reduced to satisfy the person's medical needs. Current law states, in part, that a windshield cannot be tinted, nor can material that has a highly reflective or mirrored appearance be used on other windows.

Sponsored by Rep. Tony Cornish (R-Good Thunder) and Sen. Leo Foley (DFL-Coon Rapids), the law exempts the rear and side windows of a police vehicle.

Cornish said police dogs need protection from the heat and victims need privacy in identifying suspects sometimes from the backseat of police vehicles.

Car dealers will also be prohibited from selling or leasing vehicles that do not meet the window tinting requirements.

The law takes effect Aug. 1, 2008.

HF3204/SF3336\*/CH235

### Internet ticket sales protected

When tickets for the Miley Cyrus/Hannah Montana "Best of Both Worlds" tour went on sale last year, some people using a ticket buying software bought all the tickets within a matter of seconds, leaving everyone else to buy tickets for as much as 10 times the original price.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ron Latz (DFL-St. Louis Park), the so-called "Hannah Montana" law makes it a gross misdemeanor to sell, distribute or use software to get around security and move to the front of an Internet ticket buyer line. It takes effect Aug. 1, 2008.

It does not impact last year's law that repealed Minnesota ticket scalping statutes.

HF2911/SF3139\*/CH245

### Beer kegs are not scrap metal

A new law prohibits a scrap metal dealer from buying or receiving a refillable metal beer keg, except from the manufacturer or the brewer.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Senate President James Metzen (DFL-South St. Paul), the law takes effect Aug. 1, 2008.

HF4007/SF3455\*/CH259

### Bar hours to change — briefly

As part of this year's omnibus liquor law, any licensing organization fully or partially within the seven-county Twin Cities metropolitan area can issue special permits allowing establishments to serve alcohol until 4 a.m. from Aug. 31 to Sept. 5, to accommodate those attending the Republican National Convention.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Dan Skogen (DFL-Hewitt), most of the law's provisions are effective May 16, 2008.

The law also makes drinking legal by passengers in what is known as "Pedal Pubs." Under the law, possession and consumption of alcohol is allowed in a vehicle that is operated for commercial purposes in a manner similar to a bicycle with five or more passengers who provide pedal power to the drive train of the vehicle.

Farm wineries are now permitted to manufacture and sell up to 5,000 gallons of distilled spirits per year.

HF3829/SF3672\*/CH311

### Utility bill payments

Tenants can restore utility service by paying outstanding utility charges that would otherwise be the responsibility of the landlord.

According to Rep. Bob Gunther (R-Fairmont), who sponsors the law with Sen. Rick Olseen (DFL-Harris), the law was put in place to solve the problem of landlords leaving their tenants without heat or electricity. Gunther said the problem has predominantly been in the Twin Cities metropolitan area.

If a residential building has less than five units, the law allows tenants to become the customer of record and the responsible bill payer for the utility account. If the residential building is single metered, other tenants in the building may contribute payments to the utility company or municipality on the landlord's account or the account of a tenant who is the customer of record.

The law also provides content requirements for a notice posted by a utility company if



utilities are about to be shut off. The notice must include a description of the tenant's rights to have service continued or restored.

The law takes effect Aug. 1, 2008.

HF3428/SF2909\*/CH313

### **Access to the numbers**

Effective July 1, 2008, a new law clarifies what entities have access to Social Security numbers.

Rep. Debra Hilstrom (DFL-Brooklyn Center), who sponsors the law with Sen. Don Betzold (DFL-Fridley), said the law will allow consumer credit reporting agencies to continue providing credit reports to the state, and for Social Security information to be included on mortgage documents and insurance applications. The new legislation makes corrections to a similar law passed in 2006, Hilstrom said, and it insures that information will still be protected.

The law also states that marketing is not a legitimate business purpose for the sale of Social Security numbers.

HF3146/SF2390\*/CH333

### **Fire safety act repealed**

A new law eliminates statutory requirements for furniture flammability that are now a part of the Minnesota State Fire Code.

Rep. Steve Smith (R-Mound) said the repealer helps eliminate any conflict with the code.

Sponsored by Smith and Sen. Betsy Wergin (R-Princeton), the law is effective Aug. 1, 2008.

HF3572/SF3377\*/CH343

## **CRIME**

### **Gang report due date changed**

A new law pushes back the date an annual report from the Gang and Drug Oversight Council is due to the Legislature.

Sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), the law will move the annual due date from Feb. 1 to March 1.

Deputy Attorney General David Voigt said that the various task forces providing information often work on a calendar year, meaning they won't begin preparing their materials until Dec. 31.

The extension would allow the council more time to receive updates and analyze the data, he said.

The law takes effect Aug. 1, 2008.

HF3408/SF2861\*/CH169

### **Personal jurisdiction extended**

Minnesota law currently prohibits state courts from exercising jurisdiction over foreign corporations or nonresidents when the cause of action is based on defamation or invasion of privacy. That restriction will be lifted.

A new law permits jurisdiction in Minnesota for out-of-state acts that cause injury or property damage to Minnesota residents.

For example, if a Web site based outside the state violates the privacy of or defames someone in Minnesota, the person affected could bring a suit in Minnesota Court.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Don Betzold (DFL-Fridley), the law takes effect Aug. 1, 2008.

HF117\*/SF181/CH185

### **Police can coat car windows**

Placing glazing material on the window of a motor vehicle is against the law in Minnesota, with a few exceptions, such as vehicles transporting a body to a funeral, and those vehicles where the driver has a prescription or physician's note. A new law adds police vehicles to the list.

Sponsored by Rep. Bud Nornes (R-Fergus Falls) and Sen. Dan Skogen (DFL-Hewitt), the law permits police departments to put glazing material over side and rear windows of police vehicles.

Nornes said the initial bill was in response to a K-9 police officer concerned about conditions for police dogs that ride in the back of police cars. An amendment was added to remove "used to transport a police dog," and allow police departments to determine when vehicle window glazing is appropriate.

The law is effective April 11, 2008.

HF2602\*/SF2381/CH186

### **Police representation at hearing**

A new law, sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Leo Foley (DFL-Coon Rapids), puts in statute that a police officer attending a disciplinary hearing can bring an attorney and a union representative. The law takes effect Aug. 1, 2008.

Jim Michaels, a labor attorney working with the Police Officers Federation of Minneapolis, told a House committee that since the Peace Officers Bill of Rights was enacted in 1991 there has been increased scrutiny in the conduct of police officers.

There are agencies that allow police officers to have an attorney and union representative at these hearings, Michaels said, but others force officers to choose. Because different situations require different representation,

police officers should have all of the options available, he said.

"Police investigations can be very complex. They can be internal; they can be criminal; they can be civil," said John Delmonico, president of the Police Officers Federation of Minneapolis. He said the legislation would give cops "the option to have the best possible representation."

HF3483/SF3362\*/CH205

### **Fingerprint changes; e-charge terms**

When someone is brought into custody and booked on suspicion of a crime, they are to be fingerprinted.

A new law adds that if the procedure is not done at the time of booking, it must be completed before the person is allowed to leave custody. Further, it states that if the prints are not received by the Bureau of Criminal Apprehension prior to acceptance of a plea, a court may order the person back into custody for no more than eight hours so that the prints can be taken.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Leo Foley (DFL-Coon Rapids), the law takes effect Aug. 1, 2008.

The law also defines terms related to e-charging regarding use by law enforcement officers, notaries public and the BCA. It also provides a framework for when and to whom this information may be disclosed.

HF3683/SF3342\*/CH242

### **Commitment modifications on hold**

Under current statute, anyone subject to a petition for civil commitment as a Sexually Dangerous Person or as a Sexually Psychopathic Personality can request to have a hearing on the petition within 15 days of the request. If they are not given a hearing within that time, the petition would be discharged, and they would be released.

A new proposal, sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Don Betzold (DFL-Fridley), would have exempted petitions from the 15-day provision, while keeping a provision to provide a hearing within 90 to 120 days from the filing date.

Yet, as it was drafted, the bill went a step too far.

In his veto letter, Gov. Tim Pawlenty wrote, "Unfortunately, the bill mistakenly exempts SDP and SPP petitioners from all of the trial timeframes in statute, rather than just the 15 day trial by demand provision."

Pawlenty said the bill's sponsors asked him to veto the bill, and that the corrected language would be included in the omnibus

public safety law, HF2996, sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Linda Higgins (DFL-Mpls).  
HF3396/SF2919\*/CH255

### **Background checks required**

A requirement that teachers undergo a background check before being hired has not applied to coaches and extracurricular activities.

A law, sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Ann Rest (DFL-New Hope), changes that effective Sept. 1, 2008.

The cost of the Bureau of Criminal Apprehension background check will be the responsibility of the individual, and will not require that the individual be paid by the school.

The school hiring authority may also request a background check for anyone who seeks to enter school grounds as a volunteer, an independent contractor or a student-employee. The cost is also the responsibility of the individual.

Coaches and those providing extracurricular academic coaching services may be exempt, if the results of a criminal background check are already on file and accessible, and there is no reason to believe the individual has subsequently committed a disqualifying act. Enrolled student volunteers are also exempt from the requirement.

Each year, the school district must notify parents of the requirement.

HF2782/SF2369\*/CH275

### **No touching peace officer gear**

Peace officers are often in difficult situations, trying to defend others or protect themselves. Having someone take their equipment is not something they should have to worry about.

A new law, sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Ann Lynch (DFL-Rochester), clarifies that it is illegal to take from a peace officer any defensive device issued for their protection, including a firearm, tear gas, Taser or baton. Violation is a felony with a possible five-year sentence and \$10,000 fine.

The law is effective Aug. 1, 2008.

HF2877\*/SF2647/CH304

### **Longer orders for protection**

An Order for Protection is a tool that victims of abuse have to protect themselves from harassment and their abusers. A new law allows a court to issue an order for up to 50 years.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Tarryl Clark (DFL-St. Cloud), the new law provides the option for a longer term if the respondent has violated a previous order on two or more occasions, or if there have been two or more orders issued against the respondent.

The order prohibits any acts of violence and any contact, be it in person, by mail or electronic means.

Effective July 1, 2008, the law also allows the person named in the order to request the order be vacated or modified if it has been in effect for five years and not been violated.

HF1625/SF3492\*/CH316

### **Dog regulations, dining allowances**

What began as a plan to strengthen dangerous dog regulations is now a law that also allows restaurant patrons to have their dogs join them.

The new law, sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Ellen Anderson (DFL-St. Paul), increases the surety bond required by an owner of a dangerous dog from \$50,000 to \$300,000 and prohibits dog ownership for anyone who has repeatedly been convicted of crimes involving dangerous dogs. The law is effective Aug. 1, 2008, unless otherwise noted.

All dangerous dogs must be sterilized, and owners must notify animal control authorities if the dog is moved to a new location.

A dangerous dog may be destroyed for inflicting great bodily harm on someone without provocation, or participating in an attack where there was more than one dog. Before animal control can take action, however, the owner must be given an opportunity for a hearing.

The provision to allow dogs to dine with their owners was proposed by Rep. Frank Hornstein (DFL-Mpls).

Effective May 16, 2008, a municipality may issue permits for bars and restaurants to allow customers to bring their dogs with them to designated outdoor areas. The dog must be on a leash, under reasonable control and is not permitted on the chairs, tables or any other furnishings. Employees are not permitted to touch the dogs, and the dogs must be kept away from serving dishes, utensils and other food service items.

HF2906/SF2876\*/CH325

### **Dogfight spectator penalties**

A new law clarifies penalties for admission to illegal animal fighting events.

Dogfighting and cockfighting are illegal in Minnesota. Anyone who practices pitting

pets against one another, trains the pets, takes admission to the fights or allows others to use their premises for the games is guilty of a felony.

Effective Aug. 1, 2008, anyone who buys a ticket to the fights is guilty of a gross misdemeanor, previously a misdemeanor offense.

Sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Leo Foley (DFL-Coon Rapids), the new law also clarifies that the penalties do not apply to hunting a wild animal.

HF3132/SF3360\*/CH353

### **You smoke in the room, you pay**

It's already on the books that anyone who smokes in a designated nonsmoking hotel or motel room is guilty of a misdemeanor. Effective Aug. 1, 2008, the smoker may also be required to pay damages to get the room back to its smoke-free condition.

Thanks to the new law, sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls), the previous \$100 cap for damages is gone.

The new law also states that if an offender does not reimburse the innkeeper in 30 days, a \$100 civil penalty may be added, as well as reasonable attorney fees up to \$500.

HF1825/SF2809\*/CH355

## **DEVELOPMENT**

### **Jobs and economic development changes**

Effective May 13, 2008, unless noted otherwise, the law deals with a variety of subjects, including: unemployment insurance; military programs; a vacation rental lodging study; and a number of provisions relating to the Minnesota Combative Sports Commission, formerly known as the Minnesota Boxing Commission.

Rep. Tom Rukavina (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm) are the sponsors.

HF3722\*/SF3471/CH300

### **Military personnel provisions**

The Department of Employment and Economic Development is to establish a revolving loan account to make one-time, interest-free loans to eligible businesses that have sustained or likely will sustain substantial economic loss when an essential employee is called to active service for at least 180 days. Loan repayments are to be deposited into the account for future use. A one-time \$400,000 base appropriation for Fiscal Year

2009 is included in HF1812, the omnibus finance law. (Sec. 5)

Added to the definition of a dislocated worker is a veteran discharged or released from active duty under honorable conditions within the last 36 months and who is unemployed or underemployed. This makes them eligible for state help with employment transition services, such job or career counseling; short-term training to enhance their skills; and long-term training in a new occupation or industry. (Sec. 6)

An exception is provided to the state's employer chargeback provisions, so that unemployment benefits paid on an applicant who replaced a worker called to active military duty and then laid off upon the service member's return, will not be used in computing the employer's future tax rate. (Sec. 11)

### Unemployment issues

Retroactive to Jan. 1, 2008, 13 weeks of additional unemployment benefits will be available in counties where the unemployment rate is nearly double the state average.

To qualify, a county's unemployment rate for the previous 12-month period must be at least 1.8 times the state average during the same time. However, this only applies if the state average unemployment rate during that time was at least 4.6 percent. Benefits are available through June 30, 2009. Additional benefits will not be used in computing the experience rating of an employer, nor charged to the reimbursing account of a nonprofit or government employer. (Secs. 15-18)

The Minnesota Unemployment Insurance Advisory Council is to provide recommendations to the Legislature on modifications to the additional unemployment insurance benefits to better meet the needs of the state's workforce. A report is due the Legislature by Jan. 15, 2009. (Sec. 50)

### Combative Sports Commission

The Minnesota Boxing Commission is renamed the Combative Sports Commission, and the law specifies that at least four (up from three) members of the nine-member board must have knowledge of the boxing industry and at least four have knowledge of the mixed martial arts industry.

In part, the law grants the commission sole authority over combative sports contests held in Minnesota, allows the commission to adopt rules of the Association of Boxing Commissions with amendments, provides procedures and formats for board meetings and sets the fee schedule for professional and amateur licenses for participants.

Combative sports is added to the physical examination requirements previously applied to boxers, and the commission is directed to immediately suspend an individual's license for a medical condition, including, but not limited to, one sustained from a match that has been confirmed by a ringside physician.

All combative sports are included in the life and health insurance requirements, but lowers the monetary requirement of at least \$20,000 in coverage to at least \$10,000. (Secs. 9, 20-36)

### Other provisions

State statute "shall not prohibit a collective bargaining unit from including provisions related to workplace communication." Supporters said this ensures that workplace communication in the public sector should be considered by both workers and employers in the future absent of a policy or absent of rules. (Sec. 8)

Any decision of the state to enter into government procurement agreements relating to United States trade agreements must be approved by the Legislature and governor. A trade policy advisory group is established, effective July 1, 2008, to advise and assist the governor and Legislature in this area. (Secs. 3, 4, 48)

A credit enhanced bond program will be established, effective Aug. 1, 2008, to provide loans to governmental units through the purchase of general obligation bonds of governmental units issued to finance project costs. The principal amount of bonds issued and outstanding may not exceed \$500 million, excluding bonds for which refunding bonds or crossover refunding bonds have been issued. (Secs. 40, 41)

Effective Aug. 1, 2008, the debt ceiling on the aggregate principal amount of outstanding Minnesota Housing Finance Agency bonds and notes is increased from \$3 billion to \$5 billion. (Sec. 42)

Two transit area improvement accounts are created, one in the General Fund and one in the bond proceeds fund, to increase the effectiveness of a transit project by incorporating one or more public transit modes with commercial, residential or mixed-use development and by providing for safe and pedestrian-friendly use. The employment and economic development commissioner may make loans of up to \$2 million, with 2 percent interest, for clearing land, relocation costs, soil corrections, streetscape improvements, construction of walkways or bridges for pedestrians, bikeways, parking facilities and signage. This is effective Aug. 1, 2008. (Secs. 43, 44)

Also effective Aug. 1, 2008, backers of any

bioscience or biotechnology project financed with public resources must document to the Legislature its benefit to consumers in the form of more affordable pricing of the products or services being publicly subsidized. (Sec. 47)

Explore Minnesota Tourism is to conduct a vacation rental lodging study and report to the Legislature by Jan. 15, 2009, including recommended regulations or legislation changes to protect consumers, ensure tax compliance, promote safe rentals and promote tourism. (Sec. 48)

## EDUCATION

### Law simplifies conflict rules

School board members are exempted from conflict of interest in cases where their spouse is a part of a labor bargaining unit.

Under a new law, effective April 5, 2008, as long as the employee's spouse receives no additional monetary benefit from the rest of the group, school boards can contract with a class of district employees, even if a member of the board is the spouse of one of the members of that class. A board applying this exemption would need to have a majority of members vote to support the contract, have the school board member's spouse abstain from voting, and publicly establish the facts of the contract at the meeting where the contract is approved.

Sponsored by Sen. Don Betzold (DFL-Fridley) and Rep. Paul Gardner (DFL-Shoreview), the law comes from a situation in the Mounds View School District where a school board member's husband was the head of the school's custodial union and served on the bargaining team that negotiated the custodians' contract with the board. The board member said she would excuse herself from the vote, but was asked to step down.

HF2785 / SF2653\*/CH176

### Early childhood teacher requirements

Sponsored by Rep. David Bly (DFL-Northfield) and Sen. Tom Saxhaug (DFL-Grand Rapids), a new law removes the requirement that early childhood teachers be licensed in early childhood education. Teachers only need to be licensed, and the Board of Teaching may also grant a variance from this requirement.

The law is effective May 6, 2008.

In an effort to improve the quality of Early Childhood Family Education programs throughout the state, the 2007 Legislature passed a law requiring licensed teachers for

these programs. The new law's purpose is to fix an unexpected outcome of that legislation. Supporters said it can be hard to find teachers with the required certification in rural areas.

HF2617/SF2796\*/CH266

### **Stricter teacher background checks**

It will be more difficult for teachers with records of misconduct to be hired.

Effective May 1, 2009, a new law requires school hiring authorities to check with the Board of Teaching to determine whether a prospective teacher has been disciplined by a board for sexual misconduct or attempted sexual misconduct between the teacher and a student. Teachers already must undergo a criminal background check by the school hiring authority. If disciplinary action has been taken, the school hiring authority must ask the Board about the substance of the actions taken. Prospective teachers are required to provide information about all current and previous disciplinary actions in Minnesota and elsewhere taken against their teaching license involving sexual misconduct with a student. The school hiring authority must inform the teacher that intentionally submitting false or incomplete information is grounds for dismissal.

Applicants can be hired or dismissed pending the check, but reasons for dismissal will need to be given.

The law, sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Kathy Saltzman (DFL-Woodbury), also includes "comfort" language for another law (HF2782/SF2369\*/CH275), also sponsored by Bigham, that requires background checks for all individuals who provide athletic or extracurricular academic coaching services. This provision takes effect Sept. 1, 2008.

HF2657/SF2597\*/CH369

## **ELECTIONS**

### **Voter registration notice processing**

New procedures for processing voter registration notices are now law.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Dan Larson (DFL-Bloomington), a new law is intended to keep voter registration rolls updated to allow for more efficient elections. It modifies procedures for processing voter registration notices that are returned as undeliverable due to a lack of valid address.

Established by the law is a procedure for the secretary of state to collect information

from the U.S. Postal Service and electronically distribute it to county auditors to update the statewide voter registration system; thereby, avoiding voters being registered at multiple locations.

The law takes effect once the secretary of state has certified that the statewide voter registration system has been tested and shown to accurately update records and prepare appropriate notices.

HF1546\*/SF1297/CH165

### **Absentee voter modification**

A new law is designed to make overseas voting easier for Minnesotans serving abroad.

Sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. Sharon Erickson Ropes (DFL-Winona), the law allows electronic transmission of absentee ballots, in certain circumstances, as a way to reduce barriers facing military members and other Americans abroad who have not always succeeded in having their votes counted. The individual voter would still be required to return the ballot in a sealed envelope, using a regular mailing service.

The law also modifies certain absentee ballot application and handling procedures for ballots returned from overseas.

Kalin said the law is needed to make sure that those serving our country are guaranteed the right to vote, which he called a "cornerstone of democracy."

The federal Voting Assistance Program at the U.S. Department of Defense assisted in development of this law, which is effective for elections held after June 1, 2008.

HF1259/SF1218\*/CH190

### **Elections provisions modifications**

When voters go to the polls in November, elections will be operating under streamlined processes.

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Linda Higgins (DFL-Mpls), the law, among other things:

- permits registering voters who are unable to sign their name to sign by making a mark;
- requires that affidavits of candidacy and nominating petitions be filed with the county auditor for county elections, the secretary of state for federal elections and either for state elections;
- prohibits lingering within 100 feet of a building where a polling place is located;
- specifies the number of signatures required for a federal or state office nominating petition, to be the lesser of 1 percent of the total number of individuals voting in the last

general election or 2,000.

A provision requiring filing officers to restrict public access to the address of any individual who has made a contribution to a candidate for local office that exceeds \$100 for the purposes of their safety is effective April 26, 2008, and applies to contributions made after Dec. 31, 2007.

Regulations dealing with voter registrations being incomplete due to a failure to match the last four digits of the voter's Social Security number are effective retroactively to Nov. 29, 2007.

All other sections of the law are effective June 1, 2008.

HF1110/SF1298\*/CH244

### **Caucus date choices**

Sponsored by Rep. Carolyn Laine (DFL-Columbia Heights) and Sen. Ann Rest (DFL-New Hope), a new law allows two political parties to jointly establish the date of the precinct caucus held in an election year.

The state executive committee of each party will be responsible for agreeing on a caucus date with the other party and notifying the secretary of state by March 1 of the year prior to the year in which the caucus is to be held. If the two parties do not agree on a single date for purpose of scheduling and other procedures, under state law the caucuses will be considered held on the first Tuesday in February.

HF3066\*/SF3238/CH263

### **New elections provisions**

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Ann Rest (DFL-New Hope), an elections law includes provisions that, among other things:

- shortens the deadline for reporting campaign contributions in the final days before an election;
- requires campaign advertisement to be captioned (or a transcript provided, if online) for deaf and hard-of-hearing viewers, if the candidate has received a public subsidy for the campaign;
- expands the allowance for absentee ballots to be delivered by an agent to voters suffering from an incapacitating health condition;
- permits the appointment of election judges who are not affiliated with a political party;
- requires the governor to call for a special election within five days after a legislative vacancy occurs, with a special election to be held no more than 35 days thereafter;
- provides that a candidates for certain offices must file no later than 14 days before a special primary;

- provides that standard recount laws apply to a special primary or election;
- permits existing voter registration applications to be used, without alteration, until they are gone;
- gives school boards permission to decide whether to hold a primary election;
- modifies the deadline for candidates to file for school board elections; and
- allows school district elections to be conducted via an approved electronic voting system.

The majority of the provisions are effective June 1, 2008.

HF3172\*/SF2574/CH295

### **Election recounts and reviews**

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Ann Rest (DFL-New Hope), a provision effective for elections held after June 1, 2008, allows voters to use a state or federal write-in absentee ballot to vote in any federal, state or local election. In a state or local election, a vote for a political party without specifying the name of a candidate will not be counted.

The 2007 omnibus state government finance law permitted the secretary of state to transfer at least \$310,000 from its General Fund appropriation to the Help America Vote Act. Effective May 17, 2008, an amount sufficient to meet federal requirements for interest payments and the additional state match required by the Help America Vote Act can be transferred.

Other provisions in the law, effective Aug. 1, 2008, include:

- establishing that recounts taking effect in a state primary or general election must be done manually when the difference between the votes cast is less than one-half of 1 percent of the total number of votes counted for the nomination; or is 10 votes or less and the total number of votes cast for the nomination is 400 votes or less; and
- updates to language whereby a candidate can request a partial recount to be conducted at their expense. The law permits a candidate to identify up to three specific precincts in which the partial recount is to be conducted. If the partial recount overturns the result of the election, the candidate will be refunded the expense of the recount.

HF3699\*/SF3373/CH336

## **EMPLOYMENT**

### **E-Payroll cards to stay**

A 2005 law allowing an employee to receive their wages electronically by way of a payroll card was set to expire May 31, 2008.

A new law removes the sunset date. It is effective April 4, 2008.

Rep. Joe Atkins (DFL-Inver Grove Heights), who sponsors the law with Sen. Dan Sparks (DFL-Austin), called the payroll cards "an experiment that worked." It's a voluntary program that allows employees to withdraw funds from the card, and all parties involved agree it should be permanent, he said.

HF3481/SF2830\*/CH168

### **Labor contracts OK'd, salary cap gone**

A new law, sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Senate President James Metzen (DFL-South St. Paul), ratifies labor agreements between the state and the following exclusive representatives of state employees: AFSCME Council 5, Minnesota Association of Professional Employees, State Residential School Education Association, Minnesota Government Engineers Council, Middle Management Association, Minnesota Law Enforcement Association and the Inter Faculty Organization. These are effective April 18, 2008.

Also effective that day are compensation plans for unrepresented and managerial state employees, the Minnesota State Board of Investment, employees and administrators in the Minnesota State Colleges and Universities system, and Office of Higher Education employees.

A provision limiting the salary of the Minnesota Zoological Garden administrator to 130 percent of the governor's salary is also repealed, effective April 18, 2008.

The law also requires the legislative auditor to establish a compensation plan for employees of the auditor. This provision takes effect Jan. 1, 2009.

HF3138\*/SF2620/CH194

### **Correcting duty disabilities language**

A law passed in 2007 tightened language relating to the definition of duty disability for firefighters and peace officers. It had two unintended consequences that are addressed in a new law.

The Public Safety Officers Benefit Panel, which is to sunset on July 1, 2008, currently determines who qualifies for the disability. The new law assigns that duty to the Public Employees Retirement Association.

"If we don't do this by July 1, there would be no one to determine if they qualify for duty disability," said Rep. Mike Nelson (DFL-Brooklyn Park), who sponsors the law with Sen. Don Betzold (DFL-Fridley).

The law also corrects an unintended "quirk," that, according to Nelson, denied health benefits to these same injured workers if they were between the ages of 50 and 55. The new law allows for them to maintain their health care coverage.

HF3503/SF2403\*/CH243

### **Workers' compensation clarification**

The new law, sponsored by Rep. Mike Nelson (DFL-Brooklyn Park) and Sen. Tom Bakk (DFL-Cook), clarifies who is responsible for worker's compensation claims in the case of personal care assistants for home health care, stating clearly that the fiscal intermediary is responsible for these claims.

The law also raises the maximum weekly compensation for temporary total disability from \$750 to \$850.

Another section of the law prohibits worker's compensation claims to pay for services by unlicensed complementary and alternative health care.

Yet another section amends the definition of qualified employer related to collective bargaining to save money for the workers compensation system.

This allows the Insurance Guaranty Association to pay benefits to injured workers on behalf of employers who should have been paying for injured workers but failed to do so. It also allows for penalties to be imposed on the employers.

HF3566/SF3218\*/CH250

### **Room for compromise**

A few years ago, an arbitration system was adopted for settlements involving firefighters and municipalities. The arbitrator would have to choose either one proposal or the other, with no combining of proposals or looking for compromise.

A new law, sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Dan Larson (DFL-Bloomington), repeals the statute, allowing arbitrators and the parties involved more flexibility.

The previous law was put in place with the belief that it would lead to a drop in arbitration cases. But, Atkins said, that hasn't been the case. Getting rid of the statute "gives the power to the cities and the firefighters and allows them to do what they want to do, rather than what we told them to do," he said.



### **Wanted: boiler operators**

A side effect to fewer people taking up the occupational trades is that hobbyists showing antique farm equipment at fairs and exhibits are finding steam-boiler operators hard to come by. State law recognizes some of this equipment as historic artifacts, but a licensed hobby boiler or a licensed steam engineer must be present when any of the machines are operated in public.

A new law, sponsored by Rep. Bob Gunther (R-Fairmont) and Sen. Kathy Sheran (DFL-Mankato), lowers the age that someone can be considered for a provisional boiler license from 18 to 16 years old, and it sets out the criteria for licensure. The law is effective May 16, 2008.

By lowering the age requirement for licensure, supporters believe young people may be encouraged to turn a hobby into a career.

The law lays out training criteria for the new licensure provision, requiring at least 50 hours of operating experience. It also adds a \$50 application fee to the boiler engineer license application for those seeking a provisional license.

The new law also allows those with a provisional license and employed at a high pressure boiler plant to operate boilers greater than 500 horsepower, under certain conditions.

HF3224/SF3140\*/CH309

### **Pensions provisions modified**

The omnibus pension law, sponsored by Rep. Mary Murphy (DFL-Hermantown) and Sen. Don Betzold (DFL-Fridley), makes changes to the postretirement fund (Post Fund) by requiring it to be combined with active funds of each of the statewide retirement systems, if it falls below a certain funding level. The law provides that if the Post Fund is combined with the active funds, retirees will receive a flat 2.5 percent increase in their benefits each year, with no investment-based increase. The law provides while the Post Fund remains in place the investment-based component of the fund would only be paid if inflation is more than 2.5 percent. Also, if the postretirement fund is more than 90 percent funded and the increase in the Consumer Price Index is less than 2.5 percent, any excess investment earnings can be used to pay an increase based on lost purchasing power from prior years.

Also included in the bill are changes that facilitate phased retirement for teachers.

### **Post-retirement fund provisions**

Effective Jan. 1, 2009, most public pension plan annuities will be payable with a 50 percent benefit to a surviving spouse unless the spouse waives this benefit when the employee retires. (Art. 4, Sec 7)

The law calls for the elimination of the Post Fund if it falls below 80 percent funded in one year or below 85 percent for two consecutive years. If this occurs, the existing mechanism for paying annual post-retirement benefit increases would be replaced with a 2.5 percent post-retirement adjustment. If the Post Fund is abolished, its assets and liabilities would be transferred back to the retirement funds originally contributed to the Post Fund. (Art. 2, Sec 1)

Also, by Nov. 30 of the year in which conditions for dissolution of the postretirement investment fund first occur, the executive directors of the retirement systems that participated in the postretirement investment fund must report to the Legislative Commission on Pensions and Retirement a draft of proposed legislation that would make the changes necessary to conform to the dissolution. (Art. 2, Sec 2)

Effective June 30, the law requires the State Board of Investment executive director to determine the composite funded ratio of the postretirement investment fund. (Art. 1, Sec 1)

The Legislative Commission on Pensions and Retirement shall review issues related to teacher benefit adequacy and shall compare the level of teacher pension benefits in Minnesota and other states. The commission must report by Jan. 15, 2009 to the chairs and ranking minority members of the legislative committees with jurisdiction over public pensions and education policy and finance. This provision is effective June 30, 2008. (Art. 1, Sec 7)

### **Teachers in retirement**

A teacher who is at least 62 years old, enters into a written agreement with the employer to return to work, retires and begins to draw an annuity from the Teachers Retirement Association is authorized to begin receiving a retirement annuity from the association and enter into an agreement to return to work. (Art. 3, Sec 9)

Effective May 28, 2008, a person receiving a retirement annuity from the public employees police and fire plan and who is a sworn peace officer by the Metropolitan Airports Commission is exempt from limitations on reemployed annuitant exempt earnings for the period of Jan. 1, 2008 through Dec. 31, 2009.

(Art. 3, Sec 11)

The Teachers Retirement Association will have the actuary conduct a study of the likely impact on the Teachers Retirement Association of permitting current tenure-track faculty members employed by the Minnesota State Colleges and Universities System who have not yet attained tenure or its equivalent to elect retroactive and prospective retirement coverage within one year of attaining tenure or its equivalent. A report is required to be filed with the executive director of the Legislative Commission on Pensions and Retirement by Jan. 15, 2009. This provision is effective July 1, 2008. (Art. 9, Sec. 7)

### **Other provisions:**

The departments of radiology and radiation/oncology of the Rice Memorial Hospital in Willmar and Worthington Regional Hospital are added to a law dealing with employee benefits from the Public Employees Retirement Association (PERA) after privatization of the facilities. (Art. 7, Sec 1) This provision is effective when approved by the cities of Willmar and Worthington. (Art. 7, Sec 2)

Retroactive from July 1, 2007, the PERA-P&F duty disability benefit is increased 3 percent of salary for each year of service over 20 years in order to reestablish the benefit level that existed before July 1, 2007.

## **ENERGY**

### **Biomass definition extended**

A new law expands the state's definition of renewable energy sources that may be used to generate electricity to include "the predominantly organic components of wastewater effluent, sludge, or related byproducts from publicly owned treatment works."

In practical terms, the law will enable the use of algal biofuels to help meet the state's renewable energy standard.

The technology, which is currently being developed at the University of Minnesota and other institutions, uses the nutrient-rich wastewater from municipal sewage treatment plants to grow algae that can be harvested as biomass, which can then be turned into fuel.

Rep. Paul Gardner (DFL-Shoreview), who sponsors the law with Sen. Sandy Rummel (DFL-White Bear Lake), said the law is intended primarily for algal biofuels, but may also enable other similar technologies in the future.

The law, which is effective May 2, 2008,

also specifies that burning wastewater sludge to produce energy does not qualify renewable energy technology.

HF2903/SF2996\*/CH258

### **Energy efficient buildings**

New building performance standards will cut energy costs and reduce a building's carbon footprint are the goal of a new law.

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law requires the Commerce Department to contract with the University of Minnesota's Center for Sustainable Building Research to develop cost-effective energy efficiency standards for all new and substantially reconstructed commercial, industrial and institutional buildings.

The law, effective May 9, 2008, lays the groundwork for the development of new energy-efficient building codes; however, it does not actually implement them. The standards must be designed to reduce per-square-foot carbon emissions by 60 percent in 2010, 70 percent in 2015, 80 percent in 2020 and 90 percent in 2025, against 2003 average levels.

Additionally, the Commerce and Administration departments must work together to develop new sustainable building guidelines by Feb. 1, 2009, for all major renovations of state buildings. "Major renovations" are to include only those involving a minimum 10,000 square feet of space. The goal is to exceed the state energy code by 30 percent.

Hilty said the Minnesota Climate Change Advisory Group recommended the building code changes as the single largest energy- and cost-saving measure the state could take.

HF3401/SF2706\*/CH278

### **Octane as advertised**

There will be no confusion for consumers as to whether they are really getting the amount of octane advertised on the gas pump.

A new law, sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Debbie Johnson (R-Ham Lake), requires that if a number is used to advertise or identify the grade of gasoline, the number cannot exceed the octane of the gasoline. The law also updates ASTM specifications of motor fuels for purposes of regulation by the Weights and Measures Division of the Department of Commerce.

The law takes effect Aug. 1, 2008.

HF3411\*/SF3464/CH281

### **C-BED allowed for counties**

A new law allows counties to enter into long-term power purchase agreements for electricity generated by Community-Based Energy Development projects and also own and operate C-BED projects of their own. Rep. Lyle Koenen (DFL-Clara City) and Sen. Gary Kubly (DFL-Granite Falls) are the sponsors.

C-BED projects, which are mostly wind energy conversion systems (wind turbines), are designed to maximize the local economic benefits of renewable energy development by utilizing local investors, banks, labor and other resources.

Koenen said that allowing counties to invest in C-BED projects will not only boost C-BED development in the state, but also provide counties the ability to stabilize their energy costs by entering into long-term agreements to purchase electricity at a fixed rate. He said the new law is the product of several years' worth of negotiations between rural and metro-area counties and the state's major power companies.

Under the law's provisions, power purchase agreements may be of a length between one and 20 years. Counties may enter into purchase and sale agreements with utilities for the electricity produced from their C-BED projects, but are not allowed to sell the electrical energy themselves at retail.

HF3585\*/SF3160/CH303

### **Promoting a greener economy**

Energy-efficient government buildings and a greener economy for Minnesota are the goals of a new law.

Sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. D. Scott Dibble (DFL-Mpls), the law comprises a package of reforms designed to promote cleaner energy.

Of particular focus is the idea of a "green economy," which is defined as one that increases the use of renewable energy, encourages energy conservation, reduces greenhouse gas emissions and protects the environment.

The law establishes several initiatives, effective May 24, 2008, including:

- requiring the Department of Employment and Economic Development and the Job Skills Partnership Board to promote job training that supports green economic development;
- creating a microenergy loan program to finance small-scale renewable energy projects for individuals, businesses and communities;
- requiring all state agencies that administer loan or grant programs to evaluate their ability to promote green economic

development and report their findings to the Commerce Department for future consideration; and

- creating a "Green Jobs Task Force" to advise the governor on how to promote a green economy.

Effective Aug. 1, 2008, a financing program will be created to help state and local governments improve energy efficiency in public buildings and facilities.

The state-level energy efficiency program will be run through the Department of Administration, while at the local-level it is to be administered by the Commerce Department. Each agency must report back to the Legislature by Jan. 15 of every year on the success of their respective programs.

Under the microenergy loan program, the Commerce Department can issue long-term, low-interest loans to local governments and small businesses, and can participate in Housing Finance Agency loans to property owners, private developers and nonprofit groups. A microenergy loan account consisting of proceeds from revenue bonds and various other sources is established for these purposes in the state treasury.

The Green Jobs Task Force, comprising six lawmakers, 10 gubernatorial appointees and eight legislative appointees representing various agencies and interests, will draft a statewide action plan to "optimize the growth of the green economy." A report is due to the Legislature by Jan. 15, 2009.

HF3669/SF3096\*/CH356

## **ENVIRONMENT**

### **Dedicated funding for conservation and the arts**

A new law will provide hundreds of millions of dollars annually for fish and wildlife habitat, parks and trails, clean water and the arts — but only if Minnesota voters approve it.

Sponsored by House Majority Leader Tony Sertich (DFL-Chisholm) and Senate Majority Leader Larry Pogemiller (DFL-Mpls), the law proposes a constitutional amendment that will appear on this year's general election ballot. Voters will be asked whether they support raising the state's sales tax from 6.5 percent to 6.875 percent (three-eighths of 1 percent) and dedicating the new revenue to conservation and cultural programs.

Under the state constitution, a majority of those voting on Election Day (Nov. 4, 2008) must vote yes on the measure in order for it to take effect.

According to a January estimate by the

Department of Revenue, the amendment, which would expire June 30, 2034, would provide approximately \$276 million per year. The money would be divvied up as follows:

- 33 percent (\$91.1 million) to the outdoor heritage fund, to protect fish and wildlife habitat;
- 33 percent (\$91.1 million) to the clean water fund to “protect, enhance and restore water quality” in both surface waters and groundwater supplies, with at least 5 percent of the fund dedicated to drinking water sources;
- 19.75 percent (\$54.5 million) for arts programs and to preserve the state’s history and cultural heritage; and
- 14.75 percent (\$39.3 million) for state and regional parks and trails.

The money would be appropriated statutorily by the Legislature in future legislative sessions. The proposed amendment states that the funding it would supply must be used to supplement, rather than replace, other funding sources. Also, any land acquired with the new funds would have to be open for public hunting and fishing during the legal seasons.

The question will appear on the ballot as follows:

“Shall the Minnesota Constitution be amended to dedicate funding to protect our drinking water sources; to protect, enhance, and restore our wetlands, prairies, forests, and fish, game, and wildlife habitat; to preserve our arts and cultural heritage; to support our parks and trails; and to protect, enhance, and restore our lakes, rivers, streams, and groundwater by increasing the sales and use tax rate beginning July 1, 2009, by three-eighths of one percent on taxable sales until the year 2034?”

HF2285\*/SF6/CH151

### Energy policy changes

A new law contains provisions designed to boost renewable energy development and help the state meet its greenhouse gas reduction goals. Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Yvonne Prettner Solon (DFL-Duluth), it takes effect Aug. 1, 2008, unless otherwise noted.

At the core of the law is a set of policy initiatives aimed at addressing global warming. One provision requires producers and purchasers of industrial and commercial gases with a high “global warming potential” to report data on their sales and use in the state to the Pollution Control Agency. Also, the PCA and Commerce Department are required to report to the Legislature regularly on progress being made in meeting the state’s greenhouse gas emissions reduction goals, and

make policy recommendations to that end.

Some other changes made by the law include:

- effective May 13, 2008, the Commerce Department may serve as a clearinghouse for wind energy projects by aggregating wind turbine purchases into bulk orders for individuals, community-based energy developers and various other public entities;
- certain solar energy projects may be incorporated into the state’s conservation improvement program;
- effective Jan. 3, 2009, the Legislative Electric Energy Task Force is abolished and reorganized as the Legislative Energy Commission, with its purview expanded to include not only electric generation but also all other energy-related issues;
- any outdoor lighting fixtures installed or replaced with state funds must use special “cutoff luminaires” that conserve energy and minimize light pollution; and
- up to \$250 per residence may be reimbursed from the state’s petroleum tank release cleanup fund to homeowners to replace PVC piping in home heating oil systems with metal piping.

The new law also includes a pair of non-energy related provisions: a study on the potential costs and benefits of statewide video franchising and a statewide broadband service mapping project, both of which are effective May 13, 2008.

HF3661/SF3337\*/CH296

### Preventing the spread of VHS

Experts are warning that a potentially devastating fish-killing virus could soon enter Minnesota waters, and a new law is designed to prevent it from happening.

The law includes a package of measures designed to prevent the spread of the deadly viral hemorrhagic septicemia virus — a fatal and highly contagious pathogen that causes internal hemorrhaging in fish.

The Department of Natural Resources asked lawmakers to approve the measures in order to help protect the state from VHS, which has been found throughout the Great Lakes and in inland lakes in Michigan and Wisconsin.

Provisions of the law are designed to restrict the movement of potentially contaminated fish and fishing equipment, and to allow the DNR to track the movement of fish that are potential carriers of the virus.

Some of the new restrictions include:

- new certification and licensing requirements for those who import, stock or farm fish susceptible to VHS;

- a ban on fishing equipment used in VHS-infected waters from being used in non-infected waters;
- a requirement that minnow farmers have their minnows tested for diseases; and
- a ban on using bait from VHS-infected waters.

The law takes effect May 16, 2008. Rep. Rick Hansen (DFL-South St. Paul) and Sen. Ann Rest (DFL-New Hope) are the sponsors.

HF3550/SF3576\*/CH307

### Cap-and-trade, ‘Green Solutions’

In a cap-and-trade program, a limit would be placed on overall greenhouse gas emissions. Power companies and other emitters would then be issued emission allowances that they could buy, sell or trade with one another. Members of Gov. Tim Pawlenty’s staff are working with other Midwestern states to develop a model rule for a regional cap-and-trade system.

Sponsored by Rep. Kate Knuth (DFL-New Brighton) and Sen. Ellen Anderson (DFL-St. Paul), the new law — titled the Green Solutions Act of 2008 — requires legislative approval of any such system before it can be implemented. It also calls for studies by the Commerce Department and the Pollution Control Agency on potential impacts — both positive and negative — of cap-and-trade.

The law establishes a six-member Legislative Greenhouse Gas Accord Advisory Group to advise members of the governor’s staff participating in the regional negotiations. Appointments to the group are due by June 1, 2008.

Additionally, the PCA and Commerce Department must conduct two studies and report back to the Legislature. One study is to examine the potential economic, environmental and public health impact of cap-and-trade; the other will analyze the potential state revenue that could be generated by such a system and how it could best be utilized. The law appropriates \$500,000 for the studies.

A third study, to be conducted by the University of Minnesota, must explore possible governance models for expending cap-and-trade revenues. A \$75,000 appropriation will fund the study.

All three studies are due to the Legislature by Jan. 15, 2009.

HF3195\*/SF2818/CH340

### Environment policy changes

Restrictions on ballast water discharges into Lake Superior, no admission fees to state parks for disabled veterans and maximizing

state revenues from school trust fund lands are among the provisions of a new omnibus environment policy law.

Sponsored by Rep. Rick Hansen (DFL-South St. Paul) and Sen. Dennis Frederickson (R-New Ulm), the law applies mostly to the Department of Natural Resources. Unless otherwise noted, it takes effect Aug. 1, 2008.

HF3625/SF3056\*/CH357

### Ballast water regulations

In an effort to minimize the spread of invasive aquatic species, ships that travel to Minnesota ports through Lake Superior will now face restrictions on ballast water discharges.

The law requires all ships operating in Lake Superior to take on and discharge ballast water according to a ballast water management plan that must be approved by the Pollution Control Agency. Ships must keep logbooks that record detailed information about each individual ballast operation. Logbooks must be readily accessible for inspection by state authorities, and must be retained for at least three years. (Secs. 27-29)

The law also requires the PCA and DNR to cooperate "to the fullest extent practicable" with the Great Lakes Panel on Aquatic Nuisance Species — part of the joint U.S.-Canadian Great Lakes Commission — to develop invasive species control standards. (Sec. 30)

### School trust land management

One goal of the new law is to change the way the DNR manages the state's school trust fund lands — federally granted lands that generate revenues for public schools — by focusing on maximizing school revenue as opposed to simply managing the state's natural resources.

The law expands the membership of the Permanent School Fund Advisory Committee by adding several more state lawmakers as well as experts in the areas of mining, forestry, real estate development, renewable energy development, finance and land management, and natural resource conservation. The committee is required to report annually to the Legislature on recommended changes to increase revenues. The law also requires the DNR to report biannually to the committee on its efforts to that same end. (Secs. 1-2, 36)

### Miscellaneous DNR changes

A section of the law will allow veterans with a "total and permanent service-connected disability" free admittance to state parks. The DNR must grant free annual park permits for veterans who present the necessary

documentation from the U.S. Veterans Administration or the U.S. military. (Sec. 17)

The law also establishes the "Minnesota Forests for the Future" program to protect state forestland from destruction and fragmentation by private development. The goal is to preserve forests while keeping the actual land in private owners' hands by letting the DNR purchase easements and require forestry management plans from landowners. A revolving account for the program is established within the state's Environment and Natural Resources Trust Fund. (Secs. 5-6) Similar language was included in the omnibus game, fish and lands law.

A process for expedited land exchanges between the state and local governments is provided for in the law, with the goal of making it easier to consolidate public lands — something the DNR says will cut costs and help reduce forest fragmentation. The law spells out conditions whereby land exchanges can forgo the normal land appraisals in favor of an abbreviated process. (Sec. 23)

Another section of the law allows the DNR to use proceeds from the sale of administrative sites to remodel or upgrade other department facilities. Currently, those proceeds go into the department's land acquisition account. (Secs. 3, 22)

### Other provisions

Effective May 24, 2008, the PCA is forbidden from issuing a permit for various types of facilities in a certain area of Minneapolis without first analyzing the cumulative effects of all local sources of pollution. The provision is targeted toward the city's East Phillips neighborhood, where developers have proposed construction of a new type of wood-burning power plant. Opponents of the project have expressed concern about potential pollution from the plant. (Sec. 34)

### Other provisions in the law include:

- dealer-issued temporary registration permits for off-road motorcycles, all-terrain vehicles and snowmobiles are now good for 21 days, up from 10 days (Secs. 7-8, 11);
- a \$33,000 appropriation is made to the Pine Grove Zoo in Little Falls to assist in obtaining accreditation (Sec. 39); and
- a \$33,000 appropriation is made to the DNR for a grant to assist the Lake Superior Zoo in obtaining accreditation (Sec. 39).

### LCCMR projects approved

A new law comprises the recommendations of the Legislative-Citizen Commission on Minnesota Resources. The commission makes

recommendations annually on appropriations from the Environment and Natural Resources Trust Fund, which derives funding from lottery proceeds.

This year's funding package includes 37 individual appropriations for more than 70 projects. By category, the funding includes: \$16.3 million for land and habitat projects; \$3.5 million for water resources projects; \$2.4 million for natural resources information projects; \$1.1 million for environment education projects; and \$155,000 for the state's emerging issues account.

Highlights from the appropriation package include:

- \$3.15 million for Metro Conservation Corridors Phase IV;
- \$3.15 million for the Habitat Conservation Partnership Phase V;
- \$1.6 million for south-central Minnesota groundwater monitoring and county geologic atlases;
- \$1.5 million for state park and trail acquisitions; and
- \$1.5 million to the Metropolitan Council for regional park land acquisitions.

A full list of the approved projects is available at the LCCMR's Web site at [www.lccmr.leg.mn/lccmr.htm](http://www.lccmr.leg.mn/lccmr.htm).

The law takes effect July 1, 2008. Rep. Jean Wagenius (DFL-Mpls) and Sen. Ellen Anderson (DFL-St. Paul) are the sponsors.

HF2745/SF2492\*/CH367

## GAMBLING

### Simulcast racing opens up

A new racing facility in Anoka County, Running Aces Harness Park, is permitted to televise races from other tracks.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Ann Rest (DFL-New Hope), the law allows a race track in the Twin Cities seven-county metropolitan area to simulcast racing of all horse breeds, not just the breed racing at that track.

It also requires a contribution to the purse set-aside account of other race tracks in Minnesota, and to the breeders' fund.

The law is effective April 26, 2008.

HF2964/SF2500\*/CH249

### Allowances for charitable gambling

With difficult economic times, even charitable organizations are struggling. Rep. Joe Atkins (DFL-Inver Grove Heights) said for some of these organizations, it's a matter of staying alive or going out of business.

A new law offers a bit of financial relief.

Sponsored by Atkins and Sen. Tony Lourey (DFL-Kerrick), an omnibus gambling law permits charitable organizations to increase their allowable expenses by 5 percent from July 1, 2008, to June 30, 2009; an increase from 70 percent to 75 percent of gross profits from bingo, and from 60 percent to 65 percent of other forms of lawful gambling.

Effective May 2, 2008, the law mandates additional training requirements for gambling management, and requires the Gambling Control Board to present a report to the Legislature on operational and regulatory procedures, tax structure and recent trends in lawful gambling by Jan. 15, 2009.

It also removes the current annual \$48,000 prize award cap for progressive bingo game prizes, removes annual limits on raffle prizes, and places a \$50,000 cap on any one raffle prize.

HF3397/SF3098\*/CH26

### Law defines gambling machines

A new law changes the definition of a gambling device and repeals a statute relating to gambling machines.

Rep. Tom Tillberry (DFL-Fridley), who sponsors the law with Sen. Ann Rest (DFL-New Hope), said the idea was brought to him by the Department of Public Safety to avoid the potential legal loophole of someone saying an illegal machine had not been played, therefore was legal.

As defined in statute, a gambling device is "a contrivance the purpose of which is that for a consideration a player is afforded an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance." This also includes video machines.

The law, effective May 13, 2008, also repeals a section of statute that allows the manufacture of components and devices for use in other states.

HF3378/SF2533\*/CH294

## GAME & FISH

### Game, fish, lands and everything in between

A new law establishes the Lake Vermilion State Park, creates a joint legislative-citizen council to help fund conservation projects and makes dozens of changes to the state's hunting and fishing laws.

Sponsored by Rep. David Dill (DFL-Crane Lake) and Sen. Satveer Chaudhary (DFL-Fridley), the law contains the provisions of

the 2008 omnibus game and fish bill, the Department of Natural Resources' annual lands bill, and numerous other outdoors-related bills.

The law authorizes establishment of a new state park on the shores of Lake Vermilion near Tower in northeastern Minnesota. Although money for the proposed 3,000-acre state park was provided for separately in CH365, the actual language that allows the DNR to create the park is included here. This portion of the law takes effect as soon as the state purchases the land from its current owner, U.S. Steel. (Art. 3, Secs. 1-3)

The law also establishes a "Lessard Outdoor Heritage Council" made up of four state lawmakers and eight citizens to advise the Legislature on how to spend money from the outdoor heritage fund. Named after former Sen. Bob Lessard, the council will play a major role in the appropriation of more than \$90 million per year in new sales tax revenue that will be generated if voters approve a proposed constitutional amendment that will appear on the 2008 general election ballot (see CH151). The money could only be used to protect, restore and enhance fish and wildlife habitat.

This provision will take effect Nov. 15, 2008, if the dedicated funding amendment is adopted by the voters. Citizen members of the council would include four members appointed by the governor, two appointed by the Senate and two appointed by the House. Registered lobbyists are ineligible from serving on the council. (Art. 2, Secs. 1, 14)

A summary of other selected provisions of the new law is presented below. Unless otherwise noted, the law takes effect Aug. 1, 2008.

HF3280/SF2651\*/CH368

### Hunting

Selected changes to hunting laws include:

- clarifying that aquatic plants can be attached to watercraft for use as duck blinds (Art. 2, Sec. 5);
- eliminating the turkey stamp validation and incorporating the associated \$5 fee into the cost of a license (Art. 2, Secs. 12, 13, 17, 30, 31, 33, 58);
- eliminating the minimum age requirements for hunting moose, elk and prairie chicken (Art. 2, Secs. 21-23);
- effective March 1, 2009, requiring residents under age 16 to obtain a license to hunt small game, but waiving the fee (Art. 2, Sec. 25);
- allowing residents ages 10 and 11 to hunt big game provided that they are within immediate reach of a parent or guardian

(Art. 2, Sec. 26);

- effective March 1, 2009, specifying that residents age 10 and 11 must obtain a license to hunt big game but do not have to pay the associated fee (Art. 2, Sec. 26);
- creating a \$12 license fee for residents under age 18 to hunt turkey (Art. 2, Sec. 30);
- specifying that the license fee for hunting deer with a muzzleloader during the muzzleloader season is \$26 for residents age 18 and older and \$13 for those under age 18 (Art. 2, Sec. 30);
- specifying that the license fee for hunting deer with a muzzleloader during the muzzleloader season is \$135 for nonresidents age 18 and older and \$13 for those under age 18 (Art. 2, Sec. 31);
- establishing a \$165 master bear hunting outfitter license that allows one person under the license to serve as the outfitter and another to guide and bait bear for an additional \$82.50 fee (Art. 2, Secs. 35, 55);
- allowing youth who will turn 12 years old within the calendar year to obtain a license to hunt big game (Art. 2, Sec. 38);
- simplifying regulations on what kinds of ammunition may be used to take big game (Art. 2, Secs. 39, 42);
- allowing bow hunters to possess a firearm while hunting big game other than deer (Art. 2, Sec. 45);
- specifying that a statute that allows residents under age 18 to take deer of either sex also applies to nonresidents (Art. 2, Sec. 49);
- clarifying and expanding a ban on hunting deer with the aid of bait or feed (Art. 2, Sec. 51);
- allowing bear hunting permit applicants to apply for more than one permit area at a time by ranking their choices (Art. 2, Sec. 53);
- limiting the time period in which raccoons may be hunted to between one half-hour after sunset to one half-hour before sunrise (Art. 2, Sec. 56);
- directing the DNR to consult with various experts and develop a management plan for the state's moose population (Art. 2, Sec. 76); and
- increasing the cock pheasant bag limit to three per day and nine in possession after Dec. 1 of each year and until the end of the pheasant season (Art. 2, Sec. 79).

### Fishing

Selected changes to fishing laws include:

- creating a "conservation angling license" that will cost two-thirds the price of a regular license and allow license-holders to take up to one-half of the normal fish possession limits (Art. 2, Sec. 60);
- effective March 1, 2009, creating a \$5 walleye



stamp validation for fishing licenses, the proceeds of which will go to fund walleye stocking activities by the DNR (Art. 2, Secs. 11-13, 18, 20, 27-29, 34).

- allowing a person to possess fish on special management or experimental waters that will be prepared as a meal if the fish were lawfully taken (Art. 2, Sec. 59);
- establishing a winter open season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes from Jan. 15 to March 31 (Art. 2, Sec. 67);
- effective March 1, 2009, changing “one-over” limits so that a person may have no more than one walleye larger than 20 inches and one northern pike larger than 30 inches in possession, this limit was previously a daily taking limit (Art. 2, Sec. 68);
- changing the open season for spear fishing through the ice from Nov. 15 through the last Sunday in February (Art. 2, Sec. 66);
- clarifying the definition of shelter for purposes of licensing and regulating shelters used for ice fishing (Art. 2, Sec. 10);
- appropriating \$10,000 for the DNR to consult with Explore Minnesota Tourism and submit a proposal to the Legislature to improve, expand and promote the state’s master angler program (Art. 2, Sec. 71); and
- directing the DNR to stock an additional 22.5 million walleye fry per year in Leech Lake in 2009 and 2010 (Art. 2, Sec. 77).

#### Aquaculture

The law asks the DNR to make several changes to its rules on aquaculture — the commercial farming of minnows and other fish. The department is required to establish an aquaculture license fee structure that makes the program self-sustaining, and develop best management practices to ensure the long-term sustainability of wetlands used for aquaculture. The law appropriates \$252,000 over the next two fiscal years for this purpose. (Art. 2, Secs. 2, 81)

Additionally, effective May 24, 2008, the law forbids the department from issuing aquatic farming licenses for water bodies that are subject to federal or state protective easements, and requires those applying for licenses to notify all landowners with direct access to the water bodies. (Art. 2, Sec. 3)

#### State lands

Article 1 of the law contains the language of the DNR’s annual lands bill — a package of statutory changes requested by the department to provide for the acquisition, sale and/or transfer of state-owned lands and other land sale and/or transfers requested by local governments and legislators approved by the department. Additions and deletions to state parks, sales of surplus state land and public

land exchanges in various locations around the state are among the types of transactions authorized by the law. (Art. 1, Secs. 20-70)

Additionally, the lands article includes several policy provisions, including:

- several changes are made to the appeals process for property owners affected by proposed state forest road map designations (Art. 1, Sec. 11);
- a process for expedited land exchanges between the state and local governments is provided for in the law, with the goal of making it easier and less expensive to consolidate public lands and reduce forest fragmentation (Art. 1, Sec. 13); and
- a “Minnesota Forests for the Future” program is established to protect state forestland from destruction and fragmentation by private development. The goal is to preserve forests while keeping the actual land in private owners’ hands by letting the DNR purchase easements and requiring forestry management plans from participating landowners. A revolving account for the program is established within the state’s Environment and Natural Resources Trust Fund. (Art. 1, Secs. 6, 7)

Note that for all three of the provisions listed above, similar language is included in CH357, the omnibus environment policy law.

The state lands portion of the law (Art. 1, Secs. 1-73) is effective May 24, 2008.

#### Miscellaneous

Other selected provisions of the law include:

- establishing a DNR-led outdoor education working group to develop recommendations to the Legislature on teaching outdoor education to grades seven through 12 (Art. 2, Sec. 80);
- allowing retailers who sell licenses, permits and passes under the jurisdiction of the DNR to charge a fee of up to 3 percent for credit card transactions (Art. 2, Sec. 4);
- extending from 2009 to 2019 the sunset date for using pheasant stamp funds to provide technical assistance to private landowners for conservation programs (Art. 2, Sec. 16); and
- allowing the DNR to issue refunds to people who accidentally purchase two licenses for the same season (Art. 2, Sec. 19).

of Employee Relations have been neatly tied up.

Rep. Gene Pelowski Jr. (DFL-Winona), who sponsors the new law with Sen. Ann Rest (DFL-New Hope), said it clarifies the dissolution of DOER, transfers all of the titles to the Department of Finance and clarifies the duties of one deputy commissioner.

It takes effect Aug. 1, 2008.

In 2007 the Legislature passed a law abolishing DOER and transferring its duties to other state agencies. The law required the transfer to be completed by June 1, 2008.

HF3309/SF3202\*/CH204

#### Retaining paper records

The Office of the Ombudsman for Mental Health and Developmental Disabilities will be permitted to retain paper copies of records, under a new law.

Sponsored by Rep. Shelley Madore (DFL-Apple Valley) and Sen. Don Betzold (DFL-Fridley), the information gathering can include paper and electronic forms.

For 20 years the office has investigated allegations of serious injury and death of people receiving services for mental illness, chemical dependency, developmental disabilities, and emotional disturbance in children.

Concerns had been raised by the Human Services Department that office staff could lose patient’s private records when driving to and from various locations. Ombudsman Roberta Opheim said that when investigating complaints, health records are not always available in electronic format and paper copies are needed. She said the office has never lost or misplaced personal files. The office and department have worked together to come up with an electronic solution, but have yet to reach consensus, she said.

The law also:

- allows the Medical Review Subcommittee to have access to private data collected by the ombudsman in order to review deaths and serious injuries to clients;
- defines “gather” in the law as “access to information or data for purposes of inspection and to receive copies of information or data;” and
- clients will further be defined as “a now deceased person who had been served by an agency, facility, or program.”

The law is effective Aug. 1, 2008.

HF3576/SF3225\*/CH219

## GOVERNMENT

#### DOER transfer completed

The remaining loose ends resulting from last year’s elimination of the Department

#### Removing abolished office

Abolished in 1999, the Office of Health Care Consumer Assistance, Advocacy and

Information will be removed from a statute.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. John Doll (DFL-Burnsville), the new law removes the office's reference in procedures for filing a complaint with a health plan company.

Complaints are now handled by the Minnesota Health Information Clearinghouse, which "assists consumers in understanding their rights as health plan company enrollees."

The law is effective Aug. 1, 2008.

HF3649/SF3286\*/CH221

### **Paying out claims**

An Inver Grove Heights couple has one of four claims against the state totaling \$86,657 that will be paid out, under a law effective April 25, 2008.

In 2004, construction on the home of John and Judy McEachran was quickly halted when debris containing asbestos was unearthed. The debris came from a bridge that was demolished by the Department of Transportation and legally dumped on the site.

Material removal cost approximately \$142,000. The Pollution Control Agency contributed \$60,000 and the city \$15,000. This law pays the remainder. "Payment of the claim is not an admission of liability on the part of the State of Minnesota for these costs," the law states.

Other claims in the law are:

- \$11,905 to Robert Burton for permanent injuries suffered while performing work as an inmate at the Moose Lake correctional facility;
- \$3,737 for sentence-to-service claims under \$500 each and other claims already paid by the Corrections Department;
- \$2,005 from the General Fund and \$1,000 from the petroleum tank release cleanup fund to reimburse a Roseville couple for costs related to a mistaken order to search for an unsealed well on their property; and
- \$1,005 to Minogheezhig Sandman-Shelifoe for loss of property caused by staff errors at the Rush City correctional facility.

Rep. Dennis Ozment (R-Rosemount) and Sen. Ron Latz (DFL-St. Louis Park) sponsor the law.

HF3360/SF3021\*/CH226

### **Filling a county vacancy**

A public hearing will be required before a county board fills a vacancy by appointment, due to a new law sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Tony Lourey (DFL-Kerrick).

Appointments will last until an election is held. If one year or more remains in the term, a special election must be held; if less than one year remains, the county board may appoint a person to fill the vacancy for the remainder of the term, unless the vacancy occurs within 90 days of the next county general election.

Before making appointments to fill a vacancy, the county board must hold a public hearing within 30 days of the vacancy occurring along with providing public notice.

The law takes effect Aug. 1, 2008.

HF3662\*/SF3378/CH246

### **Disaster recovery plans**

The state now has a guideline for agencies to use in responding to a natural disaster.

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Ann Rest (DFL-New Hope), the framework provides procedures for state agencies to assist communities included in a presidential declaration of a major disaster during recovery efforts.

According to Pelowski, throughout Minnesota's 150 years of statehood, a statutory framework or policy for responding to natural disasters has been lacking, leading to a piece-by-piece response.

Appropriations to implement the framework must be made in law after a disaster has been declared. The law specifies that state assistance is not for disaster-related costs that are eligible for federal aid, private insurance coverage or other reimbursement.

The law takes effect Aug. 1, 2008.

HF2904\*/SF2607/CH247

### **Correcting erroneous changes**

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Ann Rest (DFL-New Hope), a new law reverses two changes that were made in a 2007 housekeeping bill that terminated and modified various boards and advisory groups throughout the state.

The new law:

- reinstates authorization for the Minnesota Racing Commission to establish an advisory committee to handle the distribution of breeder's fund money;
- clarifies that the Health Care Peer Review Committee established by the corrections commissioner is exempt from the expiration date for advisory groups; and
- provides additional authorization for the continued operation of the Health Care Peer Review Committee.

The restoration of these advisory groups is retroactive to Aug. 1, 2007.

HF3689/SF2511\*/CH252

### **Fixing some technical errors**

A new law should fix some omissions currently in statute and add correct references.

Dealing with everything from dead animal disposal to vehicle forfeiture for driving while impaired, the so-called revisor's law is sponsored by Rep. Dave Olin (DFL-Thief River Falls) and Sen. Mee Moua (DFL-St. Paul).

Effective Aug. 1, 2008, the law:

- removes two obsolete provisions dealing with disposal of deceased animals;
- renders people incarcerated for less than 12 months ineligible for medical assistance while in jail;
- clarifies language about what offenses can lead to a teacher losing their license;
- changes the name of the water pollution control revolving fund to clean water revolving fund; and
- corrects language relating to child care and long-term homelessness.

HF3928/SF3674\*/CH277

### **Compensation plan signed into law**

A product of lengthy negotiations between the House and Senate, the Interstate 35W bridge collapse compensation plan removes the state's aggregate cap of \$1 million per incident, preserves the existing individual tort liability caps and provides additional aid to survivors with extraordinary medical expenses or wage losses.

The bridge over the Mississippi River in Minneapolis collapsed Aug. 1, 2007, killing 13 people and injuring 85 others.

Included in the package is:

- \$24 million to be distributed within the existing liability cap structure that limits individual payments to \$400,000;
- \$12.64 million to compensate those who have uncompensated medical expenses and wage loss in excess of \$400,000;
- \$750,000 set aside for administrative purposes; and
- a \$610,000 grant to Pillsbury United Communities that will allow Waite House in Minneapolis to provide services to youth and families of youth who were in a school bus on the bridge when it collapsed.

In return for accepting compensation, survivors will release the state from further liability. If they choose not to accept compensation, they can pursue a lawsuit against the state that would be subject to all existing statutory terms and conditions.

HF2553\*/SF2824/CH288

### Time off for giving blood

What entered the legislative process as a bill granting state employees paid leave to donate blood arrived at the governor's desk as the omnibus state government policy bill.

The new law is sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Ann Rest (DFL-New Hope). It is effective May 14, 2008, unless otherwise noted.

Included in the new law are provisions that:

- permit paid leave for state employees to donate blood away from the work place (in addition to on-site donations authorized under prior arrangements), effective Aug. 1, 2008;
- form a subcommittee on government accountability;
- require requests for increased funding in the state budget to identify Minnesota Milestones and other statewide goals and indicators related to the proposed initiative;
- amend procedures for the sale of surplus state lands;
- require the convening of a working group for Minnesota Milestones process and indicators; and
- amends the definition of a "gambling device."

HF3494\*/SF3190/CH318

### Permission to cleanup mistakes

As bills work their way through the legislative process, mistakes and oversights are bound to happen.

Sponsored by Rep. Dave Olin (DFL-Thief River Falls) and Sen. Mee Moua (DFL-St. Paul), the revisor's law corrects miscellaneous oversights, inconsistencies, ambiguities, unintended results and technical errors contained in state statutes passed by the House and Senate.

Each section of the law is effective when the provision being corrected takes effect.

HF4166\*/SF3823/CH370

## HEALTH & HUMAN SERVICES

### Emergency board terms

Emergency Medical Services Regulatory Board members can serve unlimited terms, under a new law effective Aug. 1, 2008 and sponsored by Rep. John Ward (DFL-Brainerd) and Sen. Paul Koering (R-Fort Ripley),

Members are currently only allowed to serve a single four-year term.

O.J. Doyle, legislative consultant for the Minnesota Ambulance Association, said the

complexity of the emergency medical system takes four years to fully understand. Just when board members begin to comprehend the system, they are prohibited from serving another term. It's also difficult to find qualified candidates, and the change would allow those already committed to continue in their service, he said.

The new law also extends by one year, to July 1, 2010, the time period for hospitals to have set up of a statewide trauma system. An extension is needed because system implementation is taking longer than planned, Ward said.

HF2590\*/SF2418/CH156

### Lower blood donation age

Starting July 1, 2008, 16 year olds can donate blood with written permission from their parent or guardian.

Sponsored by Rep. Patti Fritz (DFL-Faribault) and Sen. Kathy Sheran (DFL-Mankato), the change was the idea of high school student Joe Gibson, who came up with the proposal after seeing his grandfather's energy increase after blood transfusions during cancer treatments. Gibson said he attempted to give blood at his local high school blood drive soon after, but was turned away because the current age requirement is 17.

Several other states also allow 16 year olds to donate including: California, Georgia, Illinois, Iowa, Kansas, Maine, Maryland, Missouri, Nebraska, New York, Oregon, Washington and Puerto Rico.

HF1066/SF2471\*/CH157

### Licensing health professions

Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. David Hann (R-Eden Prairie), the law, requested by the Health Department, makes several changes to licensing procedures for those in the health care field:

- removes that the health commissioner may impose disciplinary action against any unlicensed complimentary and alternative health care practitioner that engages in a sex act with a former client;
- exempts from the regulations unlicensed complimentary and alternative health care practitioners employed by or serving as a volunteer in a hospital or hospice;
- permits United States Medical Licensing Examination for applicants licensed in another state to be licensed under certain circumstances if they have failed the test within the required three attempts;
- allows the health commissioner to require a letter from an academic chair or program director documenting a speech-language pathology applicant's coursework that is

- equivalent or exceeds a master's degree;
- allows a temporary license for a speech-language pathologist to be renewed twice;
- replaces the term hearing aid with hearing instrument and requires users to have certain information on an audiogram; and
- technical changes to occupational therapist including notifying the commissioner of a change of address.

Many provisions take effect Aug. 1, 2008.  
HF3708\*/SF3427/CH189

### Physical therapy licensure changes

Licensed health care professionals and physical therapists will see definition and licensure changes, under a new law.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law is effective Aug 1, 2008.

Physical therapists will be licensed to treat a patient for an initial period of 90 days, an extension from the 30 days in current law. The 90-day limitation would not apply to prevention, wellness, education or exercise.

Physical therapists will also be able to continue to treat patients with a referral from certain advanced practice nurses made in collaboration with a physician, chiropractor, podiatrist or dentist.

Physical therapists licensed less than one year will be prohibited from treating a patient without a referral, under the new law. They will also be required to practice one year with a physical therapist who has more than one year of experience, or under a physician's orders or referrals as verified by the board's records.

The Board of Physical Therapy is required to report to the Legislature by Jan. 15, 2010, any disciplinary actions taken against physical therapists whose conduct resulted in physical harm to a patient, but only if that conduct was a result of the changes made in this law.

The law repeals several rules including definitions of "licensed health care professional" and "initiation of treatment."

HF1189/SF1018\*/CH199

### Medical reserve protections

Minnesota Responds Medical Reserve Corps will have workers' compensation and liability coverage when volunteering for disasters

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Linda Higgins (DFL-Mpls), a new law, funded by a federal grant, gives certain registered health professionals the coverage. If they are called to a disaster outside their jurisdiction by the health commissioner, they will also be covered by

state workers' compensation and liability policies.

The law is effective April 18, 2008.

According to a Health Department fact sheet, "Recent disasters have highlighted inconsistencies in volunteer protections leading to uncertainty among volunteers and local coordinators."

As of 2007, there were more than 7,000 volunteers in the program "People want to volunteer during a disaster, but recognize they need clear liability and workers compensation protections because of the inherent dangers in deployment during disasters," the fact sheet states.

Under the new law, when the corps participates under the Interstate Emergency Management Assistance Compact, a political subdivision or its officers and employees are not liable for any act or omission made in good faith for the maintenance or use of any equipment or supplies used in connection with the assistance.

The law also allows for health professionals from other states who are registered in the Emergency System for Advance Registration of Volunteer Health Professionals to practice in Minnesota while an emergency declaration is in effect.

Participating boards of health in the corps can enter into written aid agreements for deployment of paid employees and receive funding for emergency preparedness or pandemic influenza planning from the state or federal government, under the law.

HF3654/SF3135\*/CH202

### **Radiation moratorium**

Minnesota's radiation facility moratorium will be extended to Aug. 1, 2011

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Linda Berglin (DFL-Mpls), the new law takes effect Aug. 1, 2008.

Originally set to expire Aug. 1, 2009, the change is based on a study that reported there wasn't a need for additional centers in the state until at least 2015, said Thissen. The year 2011 is a compromise for all parties involved, he said.

HF3265/SF2667\*/CH213

### **Medical Assistance qualification**

All employees of state-operated day training habilitation programs will qualify for Medical Assistance for Employed Persons with Disabilities, under a new law.

Under current law, a person must be a state employee to qualify for the benefit. The technical change "clarifies that clients who benefit from treatment and habilitation

programs can work in these programs and do not have to be considered state employees," said Rep. Debra Hilstrom (DFL-Brooklyn Center), who sponsors the law with Sen. Tony Lourey (DFL-Kerrick).

The law takes effect Aug. 1, 2008.

HF3264/SF3571\*/CH223

### **Electronic records transfer**

Hospital records can be transferred to electronic form.

Sponsored by Rep. Julie Bunn (DFL-Lake Elmo) and Sen. Yvonne Prettnier Solon (DFL-Duluth), the new law will allow for "electronic image or other state-of-the-art electronic preservation technology" to be used in preserving medical records.

St. Luke's Hospital in Duluth estimates it would save more than \$100,000 annually, and Saint Mary's Hospital in Rochester is expected to save nearly \$500,000 annually. This portion is effective April 25, 2008.

Also under the new law, individuals with an advanced directive are authorized to define the type of vehicle they would like their body to be transferred in to their final resting place. The change was requested from local fire and police departments so specialty vehicles could be used in funeral proceedings.

This portion takes effect Aug. 1, 2008.

HF3710/SF3263\*/CH228

### **Studying Iron Range miners health**

A new law allocates \$4.9 million to study why nearly 60 miners from the Iron Range have died from mesothelioma, and if future deaths can be prevented. The rare, fatal form of cancer comes primarily from asbestos fiber, which is naturally occurring in some Iron Range areas. It can take decades to develop following exposure.

The law calls for the money to come from an assigned risk plan in the Department of Commerce.

The University of Minnesota is to lead the study of workers' health, including lung health. It will include comparing the effects of different exposure levels, and a comparison of current and former miners on their health status versus how long they worked in the mines. Other family members may also be tested because they were exposed to dust from taconite operations. The university will work on the study with the Health Department, Natural Resources Research Institute at the university's Duluth campus and other private and public organizations and affected groups. Work must be completed by 2013.

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

sponsor the law, which is effective April 29, 2008.

HF3569\*/SF3300/CH248

### **Seeing optometry clearly**

Optometry definitions first written in 1915 will be updated.

Under a new law, effective Aug. 1, 2008, an optometrist is defined as any person who shall in any way "prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deficiency, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry."

The law also changes practice and licensing requirements for optometrists. For example, it prohibits optometrists from:

- administering legend drugs intravenously, intramuscularly or by injection except for the treatment of anaphylaxis;
- performing invasive surgery, including the use of lasers;
- administering or prescribing schedule II and III oral legend drugs and oral steroids;
- administering or prescribing oral antivirals for more than 10 days; or
- administering or prescribing oral carbonic anhydrase inhibitors to be prescribed or administered more than seven days.

The term "reciprocity" will be changed to "endorsement" to clarify the process for those coming from other states to practice optometry in Minnesota. An application fee of \$87 would be required for those seeking a state license.

Applicants who apply for state endorsement will be required to provide evidence of:

- having obtained a clinical doctorate degree from a board-approved school or college of optometry;
- successful completion of written and practical examinations for licensure in the applicant's original state of licensure;
- successful completion of an examination of Minnesota state optometry laws;
- compliance with the requirements for board certification;
- compliance with all continuing education required for license renewal in every state in which the applicant currently holds an active license to practice; and
- being in good standing with every state board from which a license has been issued.

Optometrists licensed in the state prior to Aug. 1, 2007, will have to meet the board certification requirements by Aug. 1, 2010, to renew their license.

Rep. Cy Thao (DFL-St. Paul) and Sen. Tony

Lourey (DFL-Kerrick) sponsor the law.  
HF2837\*/SF3258/CH262

### Health services technical changes

Clarifying definitions and technical changes to health and human services statutes regarding children's mental health and other care services are in a new law.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Linda Higgins (DFL-Mpls), the changes include:

- clarifying definitions of "direct service time" and "skills training;"
- clarifying that providers of children's therapeutic services must be certified and that therapeutic preschool programs are eligible programs;
- clarifying content, timing and responsibility for an individual treatment plan and responsibilities of a clinical supervisor;
- updating clinical supervision standards to include mental health behavioral aid services;
- clarifying legal responsibility for a licensed mental health professional for the actions of the behavioral aid, and clarifying that a behavioral aid may implement the child's behavior and treatment plans;
- clarifying that children's mental health day treatment must be available three hours per day, five days a week and 12 months of each calendar year;
- permitting a therapeutic preschool program to provide fewer than the minimum two-hour time block at least one day per week if a child is transitioning into or out of the program; and
- requiring that mental health behavioral aid services must be medically necessary and focused on treatment.

Changes to health care and continuing care include:

- clarifying that the human services commissioner in conjunction with law enforcement and county human services agency officials will be responsible for detection and prevention of criminal activities in state programs;
- replacing "family" with "legal representative or other authorized representative" in relation to support grants;
- extending the authority of the American Indian Advisory Council four years to June 30, 2012; and
- extending the authority of a citizens advisory council for chemical dependency treatment and prevention four years to June 30, 2012.

The law has various effective dates with the majority taking effect Aug. 1, 2008.

HF3435/SF3213\*/CH286

### Federal health centers

Sponsored by Rep. Diane Loeffler (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), a new law changes the way the state disperses subsidies to federally qualified health centers to "the most recent" calendar year, rather than a specific year.

Loeffler said the change prevents the Legislature from having to annually come back to change a simple statute.

The law takes effect Aug. 1, 2008.

HF3412/SF3323\*/CH292

### Naturopathic doctor registration

Naturopathic practitioners with degrees from accredited medical programs recognized by the Council on

Naturopathic Medical Education will be able to call themselves naturopathic doctors, under a new law.

Sponsored by Rep. Neva Walker (DFL-Mpls) and Sen. Patricia Torres Ray (DFL-Mpls), the law will allow about 25 individuals to register themselves as a registered naturopathic doctor. Only those registered practitioners with the medical degrees can use the titles registered naturopathic doctor, naturopathic doctor, or doctor of naturopathic medicine.

The law creates a Registered Naturopathic Doctor Advisory Council to oversee standards for registered naturopathic doctors, distribute information regarding the standards, review applications, recommend granting or denying registrations and investigate complaints.

A naturopathy work group will be established to develop recommendations on regulating naturopathic practitioners who are practicing as naturopathic medical doctors or physicians and have postgraduate degrees in naturopathic medicine.

The law defines the registration requirements and states that individuals without naturopathic medical degrees are able to continue practicing without use of the three titles.

The law has various effective dates.

HF1724\*/SF1520/CH348

### Health care reform

After nearly a year of task force and commission meetings, Minnesota might set the stage for national health reform.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), a new law creates a statewide health improvement program focusing on reducing obesity and tobacco use; establishes criteria for health care homes and care coordination fees; allows providers to offer one-price "baskets of care" for chronic diseases in

hopes of saving money; and raises the federal poverty guidelines to qualify an additional 8,800 people for state-assisted medical care.

Along with some General Fund revenues, the changes are projected to cost \$13.5 million in Health Care Access Fund money this biennium, increasing to \$129 million in the 2010-11 biennium.

Gov. Tim Pawlenty vetoed an earlier health reform bill (HF3391) for several reasons, including that it made too large an expansion in MinnesotaCare eligibility and would have allowed an additional 39,000 people on to the program.

Huntley said of the final proposal: "Most of what we started with is in this (law) ... and it will start to change the way we deliver health care in Minnesota."

The law has various effective dates.

HF3924/SF3780\*/CH358

### Health care homes and grants

Health care homes are a centerpiece in the law to guide patients through the medical decision-making process by providing comprehensive, coordinated care by physicians, advanced practice nurses, physician assistants as personal clinicians and specialists. (Art. 2, Sec. 1)

Huntley said 80 percent of health care costs are for people with chronic illnesses. The point of health care homes is to keep people out of hospitals by maintaining their health through continuous care, he said.

The homes will focus on delivering high-quality, efficient and effective services, while encouraging patient-centered care by providing ongoing contact with a personal clinician or team of clinical professionals.

The health and human services commissioners will be required to annually report to the Legislature on the implementation of the health care home model in the fee for service, managed care and county-based purchasing sectors beginning Dec. 15, 2009. (Art. 2, Sec. 2)

A workforce shortage study is required to examine the changes necessary in health professional licensure and regulation to ensure full utilization of advanced practice registered nurses, physician assistants and other licensed health care professionals in the health care home and primary care system. Recommendations are to be made to the Legislature by Jan. 15, 2009. (Art. 3, Sec. 5)

Grants will be awarded to communities beginning July 1, 2009, for strategies to reduce the percentage of Minnesotans who are obese or overweight and to reduce tobacco usage. (Art. 1, Sec. 1)



## Payment reform

The human services commissioner is to implement quality incentive payments for all providers in state health care programs by July 1, 2010. (Art. 2, Sec. 4)

The health commissioner will develop the measures to assess the quality of health care services offered by providers. By July 1, 2009, the commissioner will develop a system of incentive quality-based payments in addition to existing provider payment levels "based upon a comparison of provider performance against specified targets, and improvement over time." (Art. 4, Sec. 5)

The payment system will reward high-quality, low-cost providers, create enrollee incentives to receive care from those providers and foster collaboration among providers to reduce cost shifting. The health commissioner must develop standards for reviewing health outcomes and a risk adjustment system by July 1, 2011, and issue annual reports on provider quality.

The health commissioner will also develop a plan to create transparent prices and encourage providers to innovate and collaborate on "clinically effective and cost-effective, high-quality care delivery and reduce the administrative burden on providers and health plans." Plan development must be complete by Jan. 1, 2010. Consumers are to be provided comparative information on costs and quality among providers. (Art. 4, Sec. 7)

The commissioner will develop definitions for a minimum of seven "baskets of care" and consider specifically, "coronary artery and heart disease, diabetes, asthma, and depression." Health care providers can then establish package pricing for baskets of care starting Jan. 1, 2010. The commissioner will publish comparative prices and information on those "in a manner that is easily accessible and understandable to the public." (Art. 4, Sec. 8)

Also, the commissioner is to make state health care program applications and renewals available on the department's Web site in the most common foreign languages. (Art. 3, Sec. 2)

## Other provisions

A working group is to convene to make recommendations on the design of a health benefit set for services and technologies that are "cost-effective, and provides lower enrollee cost sharing for services and technologies that have been determined to be cost-effective." Recommendations must be submitted to the health commissioner by Oct. 15, 2009, and to the Legislature by Jan. 15, 2010. (Art. 4, Sec. 11)

A 14-member Health Care Reform Review Council is established to periodically review

the progress of implementing health care homes and payment reform. (Art. 4, Sec. 12)

Small businesses, with 11 or more full-time equivalent employees, are to establish and maintain a Section 125 plan to allow their employees to purchase individual market or employer-based health coverage with pre-tax dollars, and pay for health coverage premiums with pre-tax dollars. (Art. 4, Sec. 10)

## HIGHER EDUCATION

### Policy provisions become law

More labor members can sit on a college board, more oral health practitioners could be practicing in the state, and parents can now be informed when the son or daughter gets in trouble at college.

Each is included in the omnibus higher education policy law, sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. Sandy Pappas (DFL-St. Paul).

Financial provisions affecting the University of Minnesota, Minnesota State Colleges and Universities system and student financial aid are in the omnibus supplemental budget law.

The law is effective May 13, 2008, unless otherwise noted.

HF3349/SF2942\*/CH298

### MnSCU board members

Under current law, each of the 15 members of the MnSCU Board of Trustees is appointed by the governor with the advice and consent of the Senate.

The law clarifies that the three student board members must have attended a MnSCU institution for at least one year, and must be enrolled at least half-time at a MnSCU institution when appointed.

An idea proffered by Rukavina requires the appointment of one non-student member representing labor to the board. The Minnesota AFL-CIO is to recommend two, three or four candidates to the governor beginning in 2010 and every six years thereafter. Recommendations must be made by April 15 of the year in which the governor makes board appointments. The governor is not bound by the recommendations. (Secs. 16-18, 31)

### Oral health practitioner profession

To meet the routine preventive care dental needs of Minnesotans who cannot afford a dental visit, the law allows for the creation of an oral health practitioner profession, effective July 1, 2009. It is anticipated that the first graduates would be in 2011.

A practitioner would need to be a graduate of an accredited education program; pass a comprehensive examination administered independently of the institution; and be supervised by a Minnesota-licensed dentist.

The practitioner must agree to practice in settings serving low-income, uninsured and underserved patients or in a dental health professional shortage area as determined by the health commissioner. Examples include rural parts of the state and the inner cities.

A working group is to create the education requirements and regulation of such professionals, and the first meeting must occur by Aug. 1, 2008. A report is due the Legislature by Jan. 15, 2009, at which time the group would disband. (Secs. 26, 29)

### Parental notification

For students who misbehave, expanded disclosure of data is allowed by the Federal Family Educational Rights Privacy Act. This section is effective Aug. 1, 2008.

Under the act, post secondary data can be disclosed as it relates to the final results of disciplinary proceedings resulting from a violent crime or nonforcible sex offense; information provided to the institution concerning registered sex offenders on campus as that information is disclosed to other parts of society; and disclosure to a parent or guardian of a violation of law and institutional rules on drug or alcohol use by a student under age 21 if the institution has a form signed by the student authorizing disclosure. The school must notify parents and students about the availability and purpose of such a form, including distribution of the form at parent and student orientation meetings. (Sec. 1)

### Collegiate cost changes

A law that requires any surplus projected in the state grant program during the second year of the biennium be put toward a student's living and miscellaneous expense allowance is made permanent, effective Aug. 1, 2008. This previously had to be renewed every two years. The allowance is one factor used in determining a state grant award. (Sec. 4)

Also effective Aug. 1, 2008, a spouse or dependant of a veteran is classified as a resident student for state grant purposes if the veteran is a state resident. (Sec. 3)

Changes to an Indian scholarship program transferred to the Office of Higher Education in 2007 are contained in the law, including the setting of academic year maximums of \$4,000 for undergraduate students and \$6,000 for graduate students. Limits on the years of eligibility are established so that a student can

receive no more than five years of assistance for undergraduate study and no more than five years at a graduate level. (Secs. 5, 27)

As part of an ongoing report due on the state grant program, the Office of Higher Education is to study and evaluate the enrollment patterns of students from low-income families in higher education, and identify potential program changes to increase participation. (Sec. 30)

### Other provisions

The Department of Education and Office of Higher Education can share educational information to analyze and improve instruction. The information is limited to attendance data, student demographic and enrollment data, academic performance and testing data and special academic services received by a student. Any analysis of or report on the data must contain only summary data. (Sec. 2)

Effective Jan. 1, 2009, an annual report is required on the number of waivers sought, and requests granted, from 2007 legislation requiring MnSCU to set the maximum number of semester credits for a baccalaureate degree and an associate of arts degree at 120 or 60 credits or their equivalent. (Sec. 19)

Requirements of a student loan forgiveness program for health professionals are clarified for midlevel practitioners, nurses and other health care technicians who teach. Because teaching is based on a credit hour, not clock hour, the minimum teaching requirement is changed from at least 20 hours per week at a postsecondary program to 12 credit hours or 720 hours per year at the undergraduate level, or the equivalent at the graduate level. This takes effect Aug. 1, 2008. (Sec. 25)

## HOUSING

### Tenant evictions records

According to a report from a Renters Working Group, an eviction notice on anyone's rental record makes it difficult for someone to find new housing. Until now, the report continues, some tenants have evictions added to their records even if they have left the property before the end of a foreclosure redemption period, or even if they never received notice that they should leave.

Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), a new law changes this.

It provides for someone's rental records to be expunged if they left the property before the end of the redemption period, or if they never received the proper notice.

Davnie said that too often, when a lender takes possession of a foreclosed property, they automatically evict the tenants. The tenants are adversely affected by something that's not their fault, he said.

The law takes effect Aug. 1, 2008.  
HF3517/SF2910\*/CH174

### Notice of pending foreclosure

When a Renters Working Group met in the summer of 2007 to discuss issues facing tenants in properties undergoing foreclosure, they discussed the fact that renters are not always given the full story about the homes they live in.

For instance, if someone was to rent a property while it is in the redemption period of a foreclosure, they are not entitled to notice from the landlord about the situation. However, a tenant who occupies property that has been foreclosed is entitled to one month's notice, if the new owner plans to evict the tenant.

A new law requires that the notice of mortgage foreclosure be given to prospective tenants. If the property is transferred to a new owner following foreclosure, and the new owner seeks to evict an existing tenant, they must be given at least two month's written notice to vacate.

The law also allows a tenant to withhold the last month's rent under certain circumstances.

Rep. Paul Kohls (R-Victoria), who served as part of the working group, said the legislation is intended to clean up some of the issues that came up when tenants are caught in the middle of foreclosure procedures.

Sponsored by Kohls and Sen. Linda Higgins (DFL-Mpls), the law takes effect Aug. 1, 2008.

HF3476/SF2908\*/CH177

### Redemption period shortened

When a property is in the foreclosure process, a mortgagor may request a hearing to reduce the redemption period, if the property has been abandoned.

A new law states that a defendant's failure to appear at the hearing is "conclusive evidence" that the property has been abandoned. It is effective April 5, 2008.

Because of the recent increase in foreclosures, vacant homes have become a problem for some neighborhoods. Rep. Debra Hilstrom (DFL-Brooklyn Center) said the law is an attempt to work with the cities so that abandoned buildings do not become public safety issues. Hilstrom and Sen. Linda Higgins (DFL-Mpls) sponsor the law.

The law is the result of work completed by a Vacancy Working Group that was convened in the summer of 2007 to discuss the sharp increase in vacancies and abandonments, and the impact on municipalities.

HF3474/SF2918\*/CH178

### Getting the foreclosure numbers

A Foreclosure Data Group discovered that it's very difficult to find accurate data on properties in foreclosure. A new law, sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Ann Rest (DFL-New Hope), puts two of the group's recommendations into statute.

It requires additional data be shown on sales notices, including the complete address of the property, the name of the lender, whether the property is privately owned or owned by an investor, and whether the property is registered with the Mortgage Electronic Registration Systems.

The law, with most provisions effective Aug. 1, 2008, establishes the Electronic Real Estate Recording Commission to adopt implementation standards to facilitate the recording of real property documents electronically. Also established is a statewide foreclosure data collection workgroup, which is directed to study the most efficient and cost-effective method of implementing a statewide electronic foreclosure data system. A report to the Legislature is required by Feb. 15, 2009.

HF3516\*/SF2914/CH238

### Mortgage loan record retention

Clarifying language relating to the Minnesota Residential Mortgage Originator and Servicer Licensing Act is the intent of a new law.

Sponsored by Rep. A. Willie Dominguez (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), the law takes effect Aug. 1, 2008.

It extends the timeframe from 26 to 60 months that a residential mortgage originator must keep and maintain records of all trust funds. It also extends from 26 to 60 months the time that a licensee must keep business records, including advertisements, regarding residential mortgage loan applications, originated or serviced in the course of its business.

HF3774/SF3214\*/CH240

### Better mortgage lending practices

A new law will help bring clarity to a 2007 law that forces mortgage lenders to make sure their borrowers can pay before they sign off on the loans.

Sponsored by Rep. Leon Lillie (DFL-North St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park), the law piggybacks on another passed last year that forbids mortgage originators from providing loans without first analyzing the borrower's ability to pay. The new law specifies some considerations that such an analysis may take into account, including the borrower's income, cash flow, net worth, financial obligations, property taxes, insurance, assessments on the property, employment status, credit history, debt-to-income ratio, credit scores, tax returns, pension statements and employment payment records.

Lillie said the law is supported by mortgage brokers as well as advocates for low-income Minnesotans.

It takes effect Aug. 1, 2008.

HF3839/SF3154\*/CH241

### **Contract for deed limit increased**

A new law raises the allowable "contract for deed" mortgage from \$100,000 to \$300,000. When a house is purchased under this system, the buyer gets the deed to the property only after the loan is paid off.

Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Scheid (DFL-Brooklyn Park), the law also provides penalties and remedies for a broker's failure to comply with regulations. This section is effective May 9, 2008.

This new limit takes effect Jan. 1, 2009.

HF2336/SF2881\*/CH276

### **Housing financing**

Ideally, it's a simple transaction.

Someone puts their house on the market, often with the help of a broker. They find a buyer who agrees to a price. The buyer gets financing from a lender. Funds are transferred to an escrow account and the house is sold.

With all of this, there is an assumption that the lender has transferred the funds before the deal closes. Unfortunately, this isn't always the case.

Minnesota law permits a broker to front the funds if there is an established relationship with the lender. Though this usually works out for everyone, recent cases have shown that it doesn't always, leaving one broker out \$175,000 and another out \$500,000.

A new law says that a deal cannot be closed unless the funds have arrived from the lender.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park), the law is effective Aug. 1, 2008.

HF3888/SF3594\*/CH347

### **Foreclosure assistance modified**

Some aid from the Minnesota Housing Finance Agency's Foreclosure Prevention Assistance Program could be available for those trying to avoid foreclosure on the home; however, it is capped at \$5,500.

In response to the ongoing foreclosure crisis, a new law ties the cap to a fluctuating indicator — 110 percent of the median cost of owner-occupied housing multiplied by six. This would mean a Twin Cities metropolitan area homeowner would have a cap of \$10,718, and \$9,478 to homeowners in Greater Minnesota. The cap was last adjusted in 2001.

Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), the law is effective May 28, 2008.

HF3346\*/SF3073/CH362

## **HUMAN SERVICES**

### **Recertification extensions**

Families of children with disabilities are given a three-month period to make recertification appointments to continue medical assistance. Many say the timeframe is too short, and a new law extends it an additional three months.

Sponsored by Rep. Kim Norton (DFL-Rochester) and Senate Minority Leader David Senjem (R-Rochester), the law directs county agencies to send a notice of disability review to the enrollee six months prior to the date recertification is due.

Norton said it often takes three or four months to get an appointment with a doctor for certification. As a result families were being disqualified from assistance for not meeting the time frame.

The law is effective Aug. 1, 2008.

HF2426/SF2024\*/CH220

### **Nursing home exceptions**

Nursing home and certified boarding care homes will have 150 days instead of 90 days to submit proposals for projects, under a new law.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Betsy Wergin (R-Princeton), the law allows for the extension and provides other technical changes requested by the Health Department.

A fact sheet provided by the department said the extension is needed because "approved projects have not been able to go forward because of difficulties with securing financing, permits or encountering unexpected problems with construction." Having a longer time to prepare will increase the success of projects, the department states.

Other changes include:

- requiring nursing homes that serve patients with Alzheimer's disease or related disorders to have trained staff in dementia care;
- defining addition, phased project, and renovation for purposes of the moratorium exception process;
- modifying the application and review process for exceptions to the nursing home moratorium; and
- allowing the commissioner to not penalize a facility if they correct a violation.

The law takes effect Aug. 1, 2008.

HF3648/SF3227\*/CH230

### **TANF shift for reimbursement**

Federal guidelines for state reimbursement of certain programs allow for the shifting of targets.

Under a new law, \$8.8 million from the state's Temporary Assistance for Needy Families is shifted to the General Fund for that purpose.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), the law allows the human services commissioner to:

- claim an amount necessary to meet maintenance of effort requirements for TANF;
- provide any additional amount to meet federal requirements to avoid penalties;
- reduce TANF work participation rates through excess Minnesota Family Investment Program Maintenance of Effort claims; and
- supplement maintenance of effort claims with working family credit expenditures.

According to the Finance Department, federal rule allows states to reduce their work participation rate by claiming more than the minimum required state funds for the TANF program. Under the provision, states can receive an additional reduction to the work participation rate by committing extra MOE funds to the state TANF program.

Huntley said the law will allow for the federal government to give monetary credit to the state for past efforts.

The law is effective April 26, 2008.

HF3253/SF2564\*/CH232

### **Children's restraint procedures**

Sponsored by Rep. Neva Walker (DFL-Mpls) and Sen. Linda Berglin (DFL-Mpls), a new law requires emergency services providers and treatment providers to have a plan for when and under what conditions restrictive procedures and seclusion might be used on children.

Unless otherwise noted, the law is effective Aug. 1, 2008.

Allowable restrictive procedures include physical escort, physical holding, seclusion and the limited use of mechanical restraints in emergency situations.

The law specifies oversight by a treatment center mental health professional when restraining measures are used. Parental consent will be requested at the time of program enrollment and reviewed quarterly. Immediate notification of a parent will be required if a procedure is used.

Staff who use restrictive procedures will be trained in the needs and behaviors of children, including: relationship building, alternative restrictive procedures, de-escalation methods and avoiding power struggles.

A working group is created under the new law to recommend methods to meet the acute mental health needs of children and adults and to reduce the number of unnecessary patient days in acute care facilities. A report is due to the Legislature by Jan. 16, 2009.

The human services commissioner is to annually collect data from substance abuse treatment providers that receive appropriations from the Consolidated Chemical Dependency Treatment Fund. The data will include the number of client readmissions six months after release from inpatient treatment and the cost of treatment per person. This portion is effective Jan. 1, 2009.

HF3377/SF3049\*/CH234

### License requirement exception

Day training and habilitation programs that serve people with developmental and other disabilities that are located next to the central operation facility for their program will be exempt from having separate licenses for each facility, under a new law.

Sponsored by Rep. Brita Sailer (DFL-Park Rapids) and Sen. Dan Skogen (DFL-Hewitt), the law also exempts satellite day training programs that are part of a central operation but in a separate nonadjacent building and in the same county as the central operation.

Sailer said that licensing each building "is just extra paperwork."

The law takes effect Aug. 1, 2008.

HF3559/SF3256\*/CH268

### Commission gets a new name

Sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. Tony Lourey (DFL-Kerrick), a new law changes the name of the Commission Serving Deaf and Hard-of-Hearing People to the Commission of Deaf, Deaf-Blind, and Hard-of-Hearing

Minnesotans. It takes effect Aug. 1, 2008.

The commission consists of seven members appointed at large and one member from each advisory committee. At least 50 percent of the members must be deaf or deaf-blind or hard-of-hearing. Commission members are appointed by the governor for a three-year term and cannot serve more than two consecutive terms. The law also permits the commission to meet by telephone or other electronic means.

HF3735/SF3364\*/CH280

### Licensing clarification

The state, instead of individual counties, will certify providers of waiver services for people with disabilities.

Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Sharon Erickson Ropes (DFL-Winona), the new law makes changes to waiver services and the certification process to bring the state into compliance with federal standards. The human services commissioner is to biennially review each service provider to make sure they are meeting the minimum standards.

Also under the new law, technical changes are made to senior nutrition services to ensure funds are spent on current services, rather than new ones.

The commissioner is to review the definitions of nursing facility direct care staff so the public can compare staffing in facilities, and how new and emerging staff positions could be incorporated into facilities. Recommendations are due to the Legislature by Jan. 15, 2009.

The law is effective Aug. 1, 2008.

HF3579/SF3563\*/CH317

### Legal prescription drugs

Sponsored by Rep. Steve Gottwalt (R-St. Cloud) and Sen. John Marty (DFL-Roseville), the law also prohibits pharmacists from filling prescriptions that they know or suspect are invalid.

Also, persons designated by a patient are allowed to handle certain drugs for the purpose of assisting the person to obtain or administer the drug.

The law is named "Justin's Bill" after a constituent's son who died after easily purchasing painkillers online without a valid prescription, Gottwalt said.

Free and discounted examinations are required to "provide sufficient information to allow for a diagnosis and initiation of treatment."

Also technical changes are made to electronic reporting of controlled substances

and prescriptions, such as the addition of requiring a patient's address in reporting requirements.

The law has various effective dates.

HF2639/SF2941\*/CH321

### Health policy provisions

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), a new law makes mostly technical changes regarding health care, sexual offender program regulations and managed care contracts.

Health care provisions include:

- allowing a licensed physician, advanced practice nurse or licensed psychologist to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder (Art. 1, Sec. 1);
  - requiring hospitals, clinics and medical facilities to have in place by Jan. 15, 2009, a policy for informing a woman of available options for fetal disposition when the woman experiences or is expecting a miscarriage (Art. 1, Sec. 4);
  - granting a limited license to practice dentistry to a graduate of a non-accredited dental program who successfully completes the clinical licensure examination and meets other Board of Dentistry requirements (Art. 1, Sec. 5);
  - authorizing the human services commissioner to participate in a legal entity developing and operating a statewide health information exchange (Art. 1, Sec. 7);
  - restricting the equity interest in the home of a person applying for medical assistance for long-term care services not to exceed \$500,000, although if denied assistance they could seek a waiver based upon hardship (Art. 1, Sec. 10);
  - defining "continuous period of institutionalization" of a person to mean a 30 consecutive day period of time in which a person is expected to stay in a medical or long-term care facility, or receive home and community-based services that would qualify for coverage under the elderly waiver or alternative care programs (Art. 1, Sec. 20);
  - authorizing the human services commissioner to study and report to the Legislature by Jan. 15, 2009 on recommendations to reduce the rate disparities between nursing facilities in various regions of the state (Art. 1, Sec. 43); and
  - allowing private residence modifications to configure a bathroom to accommodate wheelchair access to be expenses for home and community-based waiver services for person with disabilities (Art. 1, Sec. 44).
- Changes to the sex offender program include

establishing Minnesota State Industries at any sex offender program facility and allowing patients to build, manufacture or process goods for business or industry. A working group will develop standards and guidelines to establish criteria for a sex offender treatment advisory board and ensure health, dental and mental care for patients. (Art. 2, Secs. 3, 16)

The law has various effective dates, with many taking effect Aug. 1, 2008.

HF3222\*/SF3168/CH326

### **Community consortium project**

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Tony Lourey (DFL-Kerrick), the human services, health and housing finance commissioners are to develop and implement a three-year demonstration project by July 1, 2009.

The consortiums will create a joint decision-making process with a goal to pool funds and provide flexibility in the distribution of health care money. An evaluation report is due to the Legislature by Jan. 15, 2013.

Each project will be designed to:

- ensure consumer access to a continuum of older care services;
- create an adequate supply of affordable home-based alternatives to care for those in nursing facilities or those needing a facility in the future;
- establish and achieve measurable performance targets for care delivery; and
- support management of chronic and complex conditions through greater coordination of all services needed by older adults.

Consortiums will be given priority for technology-related grants, projects designed to create or preserve affordable housing options for older adults and to create transportation options for older adults.

Funding will come, in part, from appropriations to the nursing home moratorium exceptions process for the biennium ending June 30, 2011. A community-based consortium will analyze waiver program practices and make recommendations for improvements to the counties and health commissioner.

The law also provides, effective May 9, 2008, that state payments to the victims of the Interstate 35W bridge collapse will not be counted as income, assets or resources related to eligibility for public assistance programs.

HF3955\*/SF3673/CH338

### **Child care changes**

Family child care providers will have to comply with new regulations, under a new law.

Sponsored by Rep. Neva Walker (DFL-Mpls) and Sen. Patricia Torres Ray (DFL-Mpls), it removes a loophole that allows families to receive paid assistance for caring for their own children in a child care setting.

Many changes are technical and are needed to comply with federal standards.

Other changes include:

- creating a Child Care Advisory Task Force to make recommendations to the Legislature on removing barriers facing families applying for and receiving child care assistance;
- requiring participants in the Minnesota Family Investment Program to maintain eligibility by developing either an employment plan or family stabilization services plan;
- counties are allowed to do a background study on all household members age 13 and older of family child care providers;
- conforming state laws with federal laws in regard to MFIP and Temporary Assistance for Needy Families;
- modifying the Basic Sliding Fee allocation formula to distribute funds to counties for unmet family needs;
- a sworn statement from an applicant and a sworn statement from another person with knowledge of circumstances or credible evidence are added as acceptable documentation of family violence;
- a definition of adult adoption is added;
- amending statutes regarding the Interstate Compact for the Placement of Children to conform to national standards;
- requiring that every child in foster care or on a trial home visit be visited by a caseworker on a monthly basis, with a majority of the visits in the child's residence;
- requiring an administrative review of a child in voluntary foster care for treatment; and
- the commissioner of human services is to seek an amendment to state plans to provide targeted case management service to children with developmental disabilities who are in need of activities that coordinate and link social and other services designed to help them gain access to medical, social and educational services.

The law has various effective dates.

HF3376\*/SF3170/CH361

### **Managing state health plans**

State health plans will be subject to stricter financial management and reporting requirements, under a new law,

sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Yvonne Prettnier Solon (DFL-Duluth). Changes laid out in the new

law are a response to a February 2008 Office of the Legislative Auditor report, "Financial Management of Health Care Programs."

The report raises concerns over the state's difficulty in accessing information on administrative costs, the minimal reporting on the quality outcomes for the system's clients and guaranteeing financial reserves of county-based purchasing plans.

Under the new law:

- managed care plans must demonstrate to the human services commissioner's satisfaction that the data submitted on performance targets is accurate;
- the commissioner may periodically change the administrative measures used as performance targets in order to improve plan performance across a broad range of administrative services;
- performance targets must include efforts to contain spending on service and administrative costs;
- managed care plan and county-based purchasing plan administrative costs for a prepaid health plan cannot exceed by more than 5 percent the administrative spending for the previous calendar year as a percentage of total revenue;
- a report on the financial management of health care programs is due the Legislature by Jan. 15, 2009; and
- the health and human services commissioners are to work together to collect data on administrative spending for state health care programs.

The law also requires that county-based purchasing plans meet the fiscal solvency requirements that apply to HMOs. It also provides a phase-in schedule to meet these requirements. If a plan receives excess revenues, these excess reserves must be used, to increase provider payments, or to repay county investments or contributions, for prevention, and early intervention and health care programs.

The law has various effective dates.

HF3809/SF3322\*/CH364

## **HUMANITIES**

### **Truth in Music Advertising Act**

The next time you see your favorite doo-wop group you might not hear that song you were waiting to hear, but you should be able to count on at least one of the members on the original recording.

A new law effective Aug. 1, 2008, makes it unlawful for someone to use a false, deceptive or misleading affiliation, connection or association between a performing group and

a recording group.

"There's groups out there that pretend to be The Platters and The Drifters and The Coasters and they don't have any of the actual members," said Rep. Joe Atkins (DFL-Inver Grove Heights), who sponsors the law with Sen. Dan Sparks (DFL-Austin). "What they're doing is stealing the only product these old groups have and they also rip off fans."

The law tightens the definitions of recording group to mean a group that has at least one member of the original group without having abandoned the name or affiliation with the group and specifies a group must be the recording group to claim to be that group.

Exceptions exist if the performing group owns the name for the group, if the performance being advertised takes place in another state, if it is authorized by the recording group or if it is billed as a salute or tribute.

HF1314\*/SF1936/CH191

## INSURANCE

### Aviation liability coverage redefined

On Aug. 28, 2003, Toby Pearson learned that his wife, Kathryn, was killed in a plane crash in northern Minnesota. Miraculously, their two daughters, Grace and Lily, survived the crash. Both suffered extensive injuries and required extended hospital stays.

Shortly after Pearson took his daughters home, the medical bills began to appear. It was then that he learned that the aviation insurance company for the pilot was denying coverage, claiming that the pilot was not factual on his application.

It took another three years of litigation before a settlement was reached.

This chain of events led to the creation of a new law addressing aviation liability insurance. It takes effect Jan. 1, 2009.

Rep. Michael Paymar (DFL-St. Paul), who sponsors the law with Sen. Yvonne Prettner Solon (DFL-Duluth), said that "it narrows, but does not eliminate, the likelihood of another third-party victim having to suffer through the chaos and struggles that the Pearsons had to experience."

The new legislation states that for an aviation insurance company to deny a claim, the pilot's actions, or failure to act, must have a direct effect on the loss.

At the end of the 2007 session, a working group was established to review the aviation insurance industry and third-party issues. The law is a result of the group's deliberations.

HF2898\*/SF2491/CH182

### 'Good faith' now law

An idea that almost killed last year's omnibus public safety finance law is now law.

Effective Aug. 1, 2008, the new law states that a policyholder can sue their insurance company for not settling a claim in "good faith," meaning they can prove that the insurance company did not have a reasonable basis for denying a claim. The insurance company must also have known that it had no reasonable claim, or acted with "reckless disregard" for the lack of reason.

Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Tarryl Clark (DFL-St. Cloud) sponsor the law.

The conference committee removed a requirement that said the law would be repealed if insurance rates increase more than 20 percent as a result of the law. It was presented as an amendment by Rep. Kurt Zellers (R-Maple Grove) on the House floor.

The conference committee also adjusted compensation limits. An award cap for the insured is now \$250,000, while reimbursement for attorneys' fees is capped at \$100,000. Before the conference committee met, the caps in the bill were \$100,000 and \$40,000, respectively.

During a May 3, 2007, floor debate, House Minority Leader Marty Seifert (R-Marshall) read a letter from Gov. Tim Pawlenty that said, "This bill will be vetoed swiftly because of the provision related to 'good faith' insurance." The provision was removed and the bill was signed.

HF3115/SF2822\*/CH208

### No ambulance-chasing for profit

Health care professionals will be prohibited from contacting a recent auto incident victim, either in person, by phone or e-mail. More specifically, they cannot contact a victim with the "purpose of influencing that person to receive treatment or to purchase any good or item." They are also prohibited from sending a "runner" or someone sent on their behalf.

Sponsored by Rep. A. Willie Dominguez (DFL-Mpls) and Sen. Dan Sparks (DFL-Austin), the new law takes effect Aug. 1, 2008.

As the result of an amendment from Rep. Terry Morrow (DFL-St. Peter), the law allows for contact from a doctor if there was a prior relationship. For instance, if someone ends up in the hospital after an accident and the hospital contacts the patient's primary physician, that doctor can initiate contact. Also exempt are hospital emergency rooms and operators of ambulances who come upon an accident.

HF2721/SF2765\*/CH214

### Health insurance options

State health insurers will be required to provide information on flexible benefit plans to employers with 50 employees or less.

Sponsored by Rep. Denise Dittich (DFL-Champlin) and Sen. Kathy Saltzman (DFL-Woodbury), the law will require health carriers to display the health plans on the carriers' Web sites. Also, the information is to be delivered to each employer currently insured by the carrier at the time of the employer's renewal.

The change comes from health care reform packages passed by the 2005 Legislature that were given to small employers, Dittich said. The law is effective Aug. 1, 2008.

HF3721/SF3446\*/CH231

### No stiffing the auto shop

A new law is designed to prevent insurance companies from denying payment to auto body shops for repairs made under an insurance claim.

The law specifies that insurers cannot "unilaterally and arbitrarily disregard" the cost of auto repairs made under an insurance claim if the auto service provider used an estimating system recognized by the insurance industry.

Rep. A. Willie Dominguez (DFL-Mpls) and Sen. Mary Olson (DFL-Bemidji) sponsor the law. It takes effect Aug. 1, 2008.

HF3822/SF3508\*/CH284

### Flood insurance not automatic

Many southeast Minnesotans were caught off guard when flooding swamped parts of the area in August 2007. Hundreds of homes were destroyed, seven counties were designated federal disaster areas, and property damage was estimated to be \$67 million.

Many residents were also surprised when they learned they didn't have flood insurance.

A new law, sponsored by Rep. Ken Tschumper (DFL-La Crescent) and Sen. Kevin Dahle (DFL-Northfield), and taking effective Aug. 1, 2008, requires insurance companies to annually notify customers that their policy does not include flood coverage.

The law also requires the notice to inform policyholders that if they live in an area covered by the National Flood Insurance Program, they may be eligible for flood insurance.

HF3582/SF2980\*/CH293



### Changes to commerce provisions

With various effective dates, this year's omnibus commerce law contains technical changes to statutes regarding products and industries regulated by the Department of Commerce, including motor vehicle loans, life insurance, real estate appraisers and debt collectors.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park), highlights of the law, which is mostly effective Jan. 1, 2009, include:

- administrative fees for a motor vehicle sales finance contract may be as high as \$75, up from \$50 (Sec. 1);
- health insurance coverage for cancer screenings must include charges for an office or facility visit (Sec. 11);
- clarification that mental health and chemical dependency coverage includes alcoholism (Sec. 16);
- insurance companies must notify customers of new long-term policy services previously unavailable (Sec. 39);
- long-term providers must permit policyholders to reduce coverage and premiums, and requires notification to policyholders of the right if the policy is about to expire (Sec. 40);
- consumers have 30 days to back out of a replacement life insurance policy without penalty, up from 20 days (Sec. 48); and
- a debt collection agency must maintain a separate trust account clearly designated for customer funds, and another for regular business accounts (Sec. 55).

HF3783\*/SF3467/CH344

## LAW

### Discrimination damage cap raised

During the 2007-08 interim, a Remedies Working Group discussed issues related to the current foreclosure crisis. According to the group's report, they explored whether additional criminal or civil legislation to protect homeowners from discriminatory practices was possible. They discovered that punitive damages under the state's Human Rights Act were capped at \$8,500. A new law raises the cap to \$25,000. It is effective Aug. 1, 2008.

"The group could identify no rationale for limiting the amount of punitive damages for discriminatory practices to such an arbitrarily low amount," the report said.

Sponsored by Rep. Neil W. Peterson (R-Bloomington) and Sen. Mee Moua (DFL-St. Paul), a new law raises the cap and clarifies that any sentence imposed under new

mortgage fraud statute does not limit the state from prosecuting for conduct that may be a crime under other statutes.

HF3478/SF2915\*/CH215

### Fix to eminent domain law

If a business is displaced by a government entity, there are reimbursement payments available. A new law makes a correction to a 2006 revision of eminent domain law addressing these costs.

Changes to the law were intended to make payment of up to \$50,000 mandatory for all projects. However, because of a drafting error, the \$50,000 maximum applied only to state-funded projects, and not federal, which are capped at \$10,000.

Sponsored by Rep. David Dill (DFL-Crane Lake) and Sen. Tom Bakk (DFL-Cook), the \$50,000 maximum requirement now applies to state and federal projects.

The law is effective retroactive to Jan. 16, 2007.

HF2789/SF2379\*/CH312

### Data provisions modified

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Mary Olson (DFL-Bemidji), a new law affects local and state government data management.

Some of the changes effective Aug. 1, 2008, include:

- willful violation of the Data Practices Act by a government entity carries a penalty between \$1,000 and \$15,000, an increase from \$100 to \$10,000;
- government entities are prohibited from mailing any items with Social Security numbers displayed, and are prohibited from requiring Social Security numbers be written on the outside of submitted correspondence;
- the Department of Employment and Economic Development may share inmate employment information with the Department of Corrections for pre- and post-confinement planning;
- use of data from customers using parking facilities at the Minneapolis-St. Paul International Airport is restricted; and
- marriage dissolution documents dealing with child support or spousal maintenance must include Social Security numbers on a separate non-public document.

Effective July 1, 2009, data collected on the storage and use of explosives or blasting agents will be non-public.

HF3553/SF3235\*/CH315

### Closed meetings will be taped

All public body closed meetings must be electronically recorded, unless otherwise prohibited by attorney-client privilege, effective Aug. 1, 2008.

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Don Betzold (DFL-Fridley), the law also mandates these recordings be preserved for at least three years.

Additionally, in a case when a public body is found to have violated an official opinion, the court may award reasonable attorneys fees to the plaintiff.

HF3367\*/SF3120/CH335

## LOCAL GOVERNMENT

### Meeting on caucus night

A new law allowed local governments to hold evening meetings on March 4, 2008.

The timing of the precinct caucuses became an issue this year as the DFL and Republican caucuses were moved to Feb. 5 in order for Minnesota to be one of the states involved in the "Super Tuesday" primaries. This posed a problem for local governments that would not have been able to meet on the evening of March 4 without this law.

State statutes do not allow state or local government meetings or public school events to be held after 6 p.m. on the night of a major political party's precinct caucuses. State law also specifies that precinct caucuses are to be held on the first Tuesday in March, which, this year, was March 4.

Rep. Ken Tschumper (DFL-La Crescent) and Sen. Ann Rest (DFL-New Hope) sponsor the law, which applies only to March 4, 2008.

HF2795/SF2428\*/CH153

### Funding for historical societies

Cities of the first class have the opportunity to give some property tax revenue to county historical societies.

A new law strikes language that prohibits cities of the first class (those with a population of more than 100,000) from appropriating property tax revenues to the county historical society. Smaller cities or towns could previously appropriate up to 0.02418 percent of its taxable market value. No funds can be appropriated unless the society is affiliated with, and approved by, the Minnesota Historical Society.

Currently, Duluth, Minneapolis and St. Paul are the only cities of the first class in the state. It is expected that after certification of the next federal decennial census that

Rochester, and possibly Bloomington, will reach the 100,000 population threshold required to be a city of the first class.

Sponsored by Rep. Andy Welte (DFL-Plainview) and Sen. Ann Lynch (DFL-Rochester), the law takes effect July 1, 2008.

HF2827\*/SF2690/CH158

### **Appointed auditor-treasurer in Nicollet County**

Effective after filing with the secretary of state the local approval the new law allows Nicollet County to make the office of auditor-treasurer to be an appointed position. It also provides for the current officeholder to complete the term to which the officer was elected before the office is made appointive.

Rep. Terry Morrow (DFL-St. Peter) and Sen. Kathy Sheran (DFL-Mankato) are the sponsors.

HF2816\*/SF2472/CH160

### **Elective offices become appointed**

A new law allows Yellow Medicine County to make the offices of recorder and auditor-treasurer appointive. It permits the current officeholder to complete the term to which the officeholder was elected.

The new law takes effect upon local approval, which requires an 80 percent vote of the county board. It is subject to reverse referendum.

Rep. Aaron Peterson (DFL-Appleton) and Sen. Gary Kubly (DFL-Granite Falls) are the sponsors.

HF2907\*/SF2584/CH161

### **New powers include recognition events expenditures**

A new law authorizes expenditures for the purpose of recognizing volunteers, services efforts, retiring officials and hosting community celebrations. It takes effect Aug. 1, 2008.

The law also strikes a provision that has been interpreted as requiring a separate election for a ballot question to direct the town board to raise funds for parks. The electors will still vote at the annual town meeting on how much of a tax there should be to pay for parks.

By allowing the town's electors to authorize the town board to spend money for the purpose of recognitions and community celebrations, cities will also have the same authority.

Rep. Tom Anzelc (DFL-Balsam Township) and Sen. Tom Saxhaug (DFL-Grand Rapids) are the sponsors.

HF2636\*/SF2807/CH166

### **Watsonwan County conservation seat**

A new law allows the Watsonwan County Board to fill the vacancies on the county's soil and water conservation district by appointment and allows the appointees to hold office until those elected in November's election are able to take office. Those elected will hold office for the remainder of the current term in addition to their elected term.

The new law is in response to all five of the supervisors resigning prior to the Oct. 1 deadline for filing with the Campaign Finance and Public Disclosure Board. State law says that any vacancy occurring more than 56 days before the next state primary is filled by appointment of the district board, but because all board seats are vacant and there is no one to make the appointments.

The new law, sponsored by Rep. Brad Finstad (R-Comfrey) and Sen. Julie Rosen (R-Fairmont), is effective April 4, 2008, and expires Jan. 5, 2009.

HF3890/SF3555\*/CH170

### **Reporting date change**

County governments will have an additional month to report their budget data to the state auditor.

A new law changes the date that summary budget data must be provided to the Office of the State Auditor from Dec. 31 of the year preceding the budget year to Jan. 31 of the budget year.

The law is sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Claire Robling (R-Jordan). The issue was brought to Hilstrom's attention by the state auditor because meeting the current reporting date is impossible. Effective Aug. 1, 2008, the law makes state statutes match current reporting practice.

HF3522/SF3461\*/CH175

### **County treasurer duty assignment**

A new law modifies the responsibilities of the treasurer in Big Stone County.

The law, sponsored by Rep. Aaron Peterson (DFL-Appleton) and Sen. Gary Kubly (DFL-Granite Falls), permits the county board, by resolution, to assign to the county treasurer all duties related to delinquent real property taxes, including forfeiture of real property for nonpayment of taxes. The law requires concurrence of the county treasurer and auditor.

The law makes permanent a waiver granted to Big Stone County in 2006 by the state auditor. Peterson said that assigning the county treasurer those duties was deemed

to be the most efficient way to return tax forfeited properties to the county's tax base in a timely manner.

The law is effective upon local approval.

HF3157\*/SF2903/CH180

### **Commission expansion OK'd**

More could be merrier for the Nashwauk Public Utilities Commission.

Sponsored by Rep. Tom Anzelc (DFL-Balsam Township) and Sen. Tom Saxhaug (DFL-Grand Rapids), a new law increases the membership of the commission and modifies the term structure.

Effective upon local approval, the commission will grow from three to five members, with the members serving three-year staggered terms. No more than one member of the city council will be able to serve on the commission.

Anzelc said that with Nashwauk becoming the home to a \$1.6 billion Minnesota Steel Industries project, city council leaders think it is in the public interest to have more participation by the community on the commission.

Under state law, a commission has three members that are appointed by the city council.

Grand Rapids was given similar expansion authority in 1999, while Delano and Shakopee were granted the same in 2002.

HF2788\*/SF3192/CH183

### **Cemetery maintenance**

In the past, towns could use the interest from their cemetery funds to pay for the upkeep of cemetery grounds and other routine maintenance. They did not have access to the principal for more extensive maintenance.

Sponsored by Rep. Frank Moe (DFL-Bemidji) and Sen. Mary Olson (DFL-Bemidji), the law allows the principal as well as the interest in a town cemetery fund to be used for cemetery purposes that are determined by the town board. The principal must not be used for routine maintenance. Also, a town can appropriate up to \$10,000 annually to a public or private cemetery in which the dead of the town are buried without restriction. This is an increase from \$2,500.

The law is effective Aug. 1, 2008.

HF2932\*/SF2716/CH187

### **Memorial Day observances**

Sponsored by Rep. Laura Brod (R-New Prague) and Sen. Jim Vickerman (DFL-Tracy), a new law increases the amount a county board is authorized to spend on a

Memorial Day observance to \$3,500. It is the first increase since the amount was increased from \$1,500 to \$2,000 in 1984.

The law also increases from \$100 to \$300 the amount a county board may appropriate to each recognized military service organization or society to help pay for Memorial Day exercises — the first increase since 1979.

The law is effective April 18, 2008.

HF2599\*/SF2463/CH192

### **Annexation changes become law**

Legislation borne from the work of the Municipal Boundary Adjustment Advisory Task Force is now law.

Sponsored by Rep. Paul Marquart (DFL-Dilworth) and Sen. Rick Olseen (DFL-Harris), the new law, in part, states that joint resolutions for orderly annexation, consolidations and mergers of towns and municipalities should be encouraged.

"Even though most of the recommended changes may be technical in nature, some of those changes do have substantive impacts on boundary adjustment processes, and, more important, they reflect an ongoing commitment by task force members to find common ground through a mutual exchange of ideas," according to the group's interim report.

The task force is expected to have its final work completed by Jan. 16, 2009. The group was originally established by law in 2006. That law was amended in 2007 to extend its life and the group met last interim.

The law is effective April 18, 2008.

HF3357\*/SF3208/CH196

### **Conflict of interest clarifications**

A new law defines actions considered as a conflict of interest; establishes procedures to address such conflicts for authority members, and is designed to attract; and retain volunteers to serve on municipal economic development authorities.

The law makes the rules similar to those for members of a housing and redevelopment authority, whereby a member can declare a potential conflict of interest, abstain from discussion and abstain from voting.

The law stems from a case in Grand Rapids where what a board thought was standard operating procedure could have resulted in a gross misdemeanor for several members.

Instead of abstaining, a member had to resign because he owned a window store in town. The EDA was assembling a loan fund to expedite some economic development, and there was a chance he could ultimately sell windows to a company that obtained an EDA

loan.

Supporters said current rules make it hard to fill EDA seats, even if there are many people in the local business community who have the right skill-set and would like to participate.

The law is effective April 18, 2008; however, the criminal penalties take effect June 1, 2008 and apply to crimes committed on or after that date.

Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Tom Saxhaug (DFL-Grand Rapids) sponsor the law.

HF3295/SF2806\*/CH197

### **Spirit Mountain legal description corrected**

The Spirit Mountain Recreational Area Authority confusion over its legal description has been resolved.

Sponsored by Rep. Mike Jaros (DFL-Duluth) and Sen. Yvonne Prettner Solon (DFL-Duluth), a new law amends the legal description of the boundaries of the land administered by the authority. It was incorrectly described in the special legislation that created the authority.

Jaros said the law has no tax implications.

It is effective after filing local approval with the secretary of state.

HF3454/SF3084\*/CH198

### **Law defines political subdivision**

Political subdivisions are now more clearly defined to allow more consistency in the state auditor's oversight role.

According to Rep. Debra Hilstrom (DFL-Brooklyn Center), the law removes archaic language in state law relating to the role of the state auditor.

Sponsored by Hilstrom and Sen. Claire Robling (R-Jordan), the law defines political subdivision to mean "a county, home rule charter or statutory city, town, school district, metropolitan or regional agency, public corporation, political subdivision or special district."

It also removes from the political subdivision definition metropolitan or regional agencies audited by the legislative auditor, including the Metropolitan Airports Commission, Metropolitan Sports Facilities Commission and Metropolitan Mosquito Control Commission.

The law takes effect Aug. 1, 2008.

HF1309/SF1436\*/CH200

### **Bids and drainage authority rules**

A new law amends rules for contracting bids and drainage authorities.

Sponsored by Rep. Paul Marquart (DFL-

Dilworth) and Sen. Rick Olseen (DFL-Harris), the law increases the threshold amounts for the various methods of entering into contracts under the Uniform Municipal Contracting Law and makes related changes to the statute governing drainage authorities.

The threshold amount for sealed bids under the UMCL increases from \$50,000 to \$100,000, and the maximum amount for using quotations or open market solicitations increases from \$10,000 to \$25,000.

The law removes the specific dollar amount under which advertising for bids is required for drainage authorities; removes the dollar amount over which the drainage authorities may not levy an assessment for repairs or maintenance; and strikes the specific dollar amount threshold for bids and repair and reconstruction for drainage systems after a disaster. Each provision is tied to the updated UMCL regulations.

The law is effective Aug. 1, 2008.

HF3646/SF3622\*/CH207

### **Appointed office in Rock County**

A new law allows Rock County to make the office of auditor-treasurer an appointed position. Under current law, a county may make the office of auditor-treasurer appointive if approved by a referendum.

The law would become effective with an 80 percent vote of approval by the county board.

The decision will be subject to a reverse referendum, and the current officeholder will be allowed to serve the remainder of the current term.

Rep. Doug Magnus (R-Slayton) and Sen. Jim Vickerman (DFL-Tracy) sponsor the law.

HF3831/SF3474\*/CH209

### **Law changes plat requirements**

Water boundaries must now be shown on plat maps with a dashed line instead of a solid line. The law also requires that all plat monuments be set within a year of recording the coordinates, allows decimals of a foot to be used when surveying and modifies the size, medium and content requirements for filling out a land survey.

The law, sponsored by Rep. Paul Marquart (DFL-Dilworth) and Sen. Yvonne Prettner Solon (DFL-Duluth), takes effect Aug. 1, 2008.

HF3129/SF2936\*/CH225

### **Interstate assistance clarifications**

Interstate assistance by local governments will be authorized.

Sponsored by Rep. Ken Tschumper (DFL-La Crescent) and Sen. Rick Olseen (DFL-Harris), a new law permits political subdivisions to provide interstate assistance under the Interstate Emergency Management Assistance Compact.

The compact is a mutual aid agreement that provides a mechanism for states to share personnel, equipment and resources during emergencies and disasters

For the purpose of the Tort Claims Act, the law states that employees of political subdivisions are deemed to be "employees of the state" when providing assistance.

The law also provides that when providing assistance, the political subdivision, its officers and employees are not liable for acts or omissions made in good faith or for maintenance or use of equipment or supplies. Defined by the new law, "good faith" does not include willful misconduct, gross negligence or recklessness.

The law is effective Aug 1, 2008.

HF3456/SF3119\*/CH229

### **Cities notified of disconnections**

In an effort to prevent damage to temporarily vacant houses, utility companies will now have to notify local authorities whenever they disconnect gas or electric service from a residence during winter months.

A new law requires the notice so that officials can shut off municipal water service in time to prevent a house's pipes from freezing, thereby risking serious structural damage to the building.

Under the provision, cities can request that utilities provide them a report on Oct. 15 and Nov. 1 of each year on which properties within city limits have been disconnected. Between Oct. 15 and April 15, daily reports must be made available to cities on any newly disconnected properties.

In addition, the law provides that cities receiving this information must share it with their local fire and police departments.

Sponsored by Rep. Mike Nelson (DFL-Brooklyn Park) and Sen. Leo Foley (DFL-Coon Rapids), the law is effective Aug. 1, 2008.

Nelson said the bill would help prevent damage to houses that have been temporarily vacated because of foreclosures.

HF3229/SF2775\*/CH253

### **Park land condemnation proceeds**

The new Interstate 35W bridge being built over the Mississippi River in Minneapolis has a larger footprint than the bridge that collapsed on Aug. 1, 2007. A new law addresses the loss of park lands as a result of the new span.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls), the law authorizes the Minneapolis Park and Recreation Board to retain proceeds from the condemnation of park lands or its interest in land necessary for the reconstruction and expansion of the bridge site. It is effective May 2, 2008.

The proceeds are required to be allocated into a park land acquisition account controlled by the board. Account funds are to be invested and used solely for acquiring land adjacent to the Mississippi River for park purposes. Acquired lands must be included in the metropolitan regional recreational open space system.

Also in the law is a report requirement from the park board to be filed with the commissioner of finance and the Metropolitan Council regional administrator that outlines the use of the funds in the park land acquisition account, until the funds are expended.

HF3723/SF3331\*/CH257

### **Managing Carver County libraries**

The Carver County Board has been granted more responsibilities in managing the county library system.

A new law allows the board to control financing and administration of the system, except for duties that are specific to the library board.

In part, the library board is responsible for policies and rules, review of the annual operating budget, creation of a five-year capital plan, and it has sole authority and discretion in dealing with collections and meeting room use.

Similar authority was granted to Washington County in 2005.

Rep. Joe Hoppe (R-Chaska) and Sen. Julianne Ortman (R-Chanhassen) sponsor the law, which takes effect upon local approval.

HF3657\*/SF3451/CH261

### **Nursing home asset transfer**

Steele County is free to sell, lease or transfer a nursing home to a nonprofit corporation.

The law, sponsored by Rep. Patti Fritz (DFL-Faribault) and Sen. Dick Day (R-Owatonna), allows Steele County, one of the few remaining counties that owns and operates a nursing home, to make the transfer in order to

develop a long-term sustainable facility that will be connected to local medical service providers.

The Steele County Board has the right to appoint and remove one or more members of the governing board of the corporation. The law also provides an exception to the nursing home moratorium that allows beds to be transferred from the county-owned nursing facility to a new facility.

The asset transfer is effective the day after the governing body of Steele County and its chief clerical officer complete compliance with local approval and filing requirements.

HF4014/SF3715\*/CH285

### **Disaster relief law modified**

Legislation passed in a 2007 special session to help Southeast Minnesota flood victims is modified by a new law.

Sponsored by Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Sharon Erickson Ropes (DFL-Winona), the law adds a requirement that any local government or state agency that receives federal money for a project that was funded by the state must repay the state for any amount that is over the FEMA payment and the state match for the project.

The law takes effect Aug. 1, 2008.

HF3493\*/SF3294/CH289

### **Nonprofit riverfront revitalization**

The City of Minneapolis and the city's park and recreation board can establish a nonprofit corporation for riverfront revitalization.

Sponsored by Rep. Diane Loeffler (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), a new law creates the organization to "facilitate and support coordinated revitalization of the Mississippi riverfront within the city."

It is effective the day after the city and the Minneapolis Park and Recreation Board receives local approval. However, this approval must be complete by Aug. 1, 2008, or the act is deemed to be disapproved.

The law establishes a board of directors with between 10 and 24 members, including two representatives each from the city and the park board, with no more than half representing government entities.

A report is required to the Legislature by Jan. 15, 2010.

HF3692/SF3303\*/CH314

### **Enforcing building code**

The means of determining whether a municipality must administer and enforce the State Building Code within its jurisdictions is the essence of a new law.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Tom Bakk (DFL-Cook), the law requires code enforcement by any municipality having an ordinance adopting the code in effect as of Jan. 1, 2008. An exception is made for municipalities with populations under 2,500 that are located outside the seven-county Twin Cities metropolitan area.

The law also permits lumber mills to sell ungraded dimension lumber for use in construction regulated by the code.

Another provision permits the Duluth Entertainment and Convention Center Authority to enter into contracts to design, construct, furnish, equip and improve the Duluth Entertainment and Convention Center.

Unless otherwise noted, the law is effective May 16, 2008.

HF3574\*/SF3291/CH322

### **New local government provisions**

Subjects ranging from drainage systems to park dedication fees are covered by the 2008 omnibus local government law.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Ann Rest (DFL-New Hope), most of the provisions are effective May 17, 2008, unless otherwise noted.

The bill provisions include:

- requiring the commerce commissioner, effective Aug. 1, 2008, to create a business energy use inventory form and requiring local entities to make it available to businesses (Sec. 1);
- authorizing town boards to refund surplus taxes collected for a district, if the district is removed (Sec. 2);
- permitting the transfer of ditches in Hennepin County to a water management authority, effective Aug. 1, 2008 (Sec. 3);
- effective upon local compliance with state statute, the Minneapolis Park and Recreation Board may impose a dedication fee on new commercial and industrial equipment, along with trails to help pay for parks, playgrounds, recreation facilities, wetlands and open spaces (Sec. 12).

HF4223\*/SF3857/CH331

### **Fees, deeds and foreclosures**

Fee structures for various titles and deeds and outlines where the collected fees will be distributed, are outlined in a new law sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul).

Another section of the law focuses on transfer on death deeds and outlines

procedures for medical claims, taxes and beneficiary requirements.

Also included are provisions related to mortgage foreclosures that, among other things:

- requires a party foreclosing on a mortgage to provide information on foreclosure prevention counseling and a notice that the party will transmit the homeowner's name, address and telephone number to an approved foreclosure prevention agency;
  - states that a notice of foreclosure must include information about why a notice is being received, who the foreclosure prevention counseling agencies are and which agencies will be contacting the deed holder; and
  - requires that a notice be given to those renting a property that is in foreclosure.
- These provisions take effect Aug. 1, 2008.  
HF3420\*/SF3239/CH341

## **MILITARY**

### **Vietnam Vets have their day of honor**

Minnesota Vietnam Veterans had their first official day of honor in the state on March 29, the effective date of a new law.

The law, which commemorates the withdrawal of American troops from Vietnam on March 29, 1973, "is one small thing we can do for the men and women who served in Vietnam," said Rep. Larry Howes (R-Walker), who sponsors the law with Sen. Dan Skogen (DFL-Hewitt).

Vietnam veterans came home to jeers because of the unpopular war, and Howes said the law is an effort to raise awareness to the "cost of freedom" and "welcome them home."

HF2582\*/SF2632/CH164

### **A memorial for all veterans**

There could be a new plaque honoring state veterans in the Court of Honor on the Capitol grounds.

A new law allows for the memorial plaque to be furnished by AMVETS Mexican-American Post 5 in St. Paul. The law is effective April 11, 2008.

Sponsored by Rep. A. Willie Dominguez (DFL-Mpls) and Sen. Patricia Torres Ray (DFL-Mpls), the plaque's purpose is to "recognize the valiant service of all Minnesota veterans who have honorably and bravely served in the United States armed forces during both peacetime and war, since the founding of this great nation."

Of the nearly 20 plaques in the Veterans

Court of Honor, this will be the first one to honor all Minnesota veterans. The design would need approval from the Department of Veterans Affairs commissioner and the Capitol Area Architectural and Planning Board.

HF3240\*/SF3006/CH184

### **Obstacle to veterans memorials eliminated**

With the removal of a statutory speed bump, construction of war veterans' memorials has been put on the fast track.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Dan Larson (DFL-Bloomington), a new law removes the requirement that a city hold a referendum before building, equipping or maintaining a memorial for war veterans.

Thissen sponsored the bill because the City of Richfield was seeking state bond funding for a memorial, and the money was appropriated through the capital investment law, CH179.

The estimated cost, as determined by the governing body of the monument, parks or building must be stated in the minutes of the meeting in which the ordinance is adopted. The law states that no sum shall be expended that is more than 10 percent in excess of the amount stated in the minutes.

The law takes effect Aug. 1, 2008.

HF2896\*/SF2583/CH236

### **Korean War Armistice Day**

As a means of helping remember those who served in what is sometimes called the forgotten war, July 27 is now designated as Korean War Armistice Day. The law commemorates the 1953 signing of the Military Armistice Agreement, ending the three-year conflict.

Rep. Dan Severson (R-Sauk Rapids) and Sen. Paul Koering (R-Fort Ripley) sponsor the law, which takes effect July 27, 2008.

Severson said the established "Veterans Day" honors all veterans, but this "would honor the day of the truce, July 27, and as the day we began to bring our warriors back."

HF3672/SF3443\*/CH265

## **SAFETY**

### **Emergency management training**

It began as a response to the collapse of the Interstate 35W bridge in August 2007.

A new law, sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. Linda Higgins (DFL-Mpls), requires that within any state agency designated as a disaster or emergency response organization, at least

one employee must have completed an emergency management curriculum prepared by the Department of Public Safety's Division of Homeland Security and Emergency Management. It takes effect Aug. 1, 2008.

Kalin said that government managers responsible for directing agencies during major emergencies should be fully trained and certified in emergency management.

Rocco Forte, director of emergency preparedness for the City of Minneapolis, who has gone through the emergency management curriculum, said that emergency managers need to know how to work with different entities and disciplines in times of crisis. Forte was a leader in the rescue efforts after the bridge collapse. He said he couldn't have been successful "without the skills and relationships built through the classes."

The new law also directs the commissioner of public safety to annually report to the Legislature how state agencies are progressing with these new requirements.

HF3099\*/SF2656/CH167

### **No trespassing in tunnels**

There are approximately 600 miles of underground tunnels and sewers in St. Paul.

A new law makes entering an underground structure with utility or pipe lines without permission a gross misdemeanor. The law applies whether the structure has any type of posted warning.

Sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Mee Moua (DFL-St. Paul), the new law is effective Aug. 1, 2008.

Mark Mullen, a senior security consultant for Xcel Energy, said there have been instances where people have entered into the underground tunnels attempting to steal wiring. In one instance, the attempted theft led to a power outage in a local hospital that required the evacuation of an entire floor.

This is not only a public safety issue, Paymar said. It is critical for the state's utility and technological infrastructure.

HF3228/SF2828\*/CH217

### **Tougher nuisance law**

What it takes to call a problem a nuisance will get easier.

Under current statute, a public nuisance exists if there are two or more separate instances of various incidents such as gambling and the unlawful sale of alcohol. Effective Aug. 1, 2008, that law will be modified to make it a nuisance if there is only one instance of prostitution, unlawful drug sale or possession, or illegal use or possession of a dangerous weapon.

The law is sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Linda Higgins (DFL-Mpls).

The law also replaces the term "firearm: with "dangerous weapon" to account for objects such as knives and machetes, or any other object capable of causing serious bodily harm or death.

HF2627/SF2399\*/CH218

### **Basic life support requirement**

An increase from one to two emergency medical technicians will be required for staffing basic life support ambulances, except in rural Minnesota, under a new law.

Sponsored by Rep. Dave Olin (DFL-Thief River Falls) and Sen. Tony Lourey (DFL-Kerrick), the law allows for one EMT and one first responder in emergency situations in rural Minnesota. Those areas include primary service areas outside the seven-county Twin Cities metropolitan area, those outside the cities of Duluth, Mankato, Moorhead, Rochester and St. Cloud, or an ambulance based in a community with a population of less than 1,000 persons.

"This covers the examples in rural Minnesota where it is not practical to have two paramedics," Olin said.

An ambulance service that can provide evidence of hardship for the requirement of two EMTs can apply to the Minnesota Emergency Medical Services Board for a variance.

The law takes effect Aug. 1, 2008.

HF2591/SF2377\*/CH222

### **No radio permit for responders**

Anyone using radio equipment capable of receiving police emergency frequencies must have a permit. This includes emergency responders, such as volunteer firefighters, who may have emergency radio equipment in their personal vehicle.

A new law, sponsored by Rep. Julie Bunn (DFL-Lake Elmo) and Sen. Pat Pariseau (R-Farmington), states that if an emergency responder is a member of a public safety agency that has an FCC license for the radio equipment, the responders do not need to have an individual permit.

The law takes effect Aug. 1, 2008.

HF3374/SF3647\*/CH224

### **Safe at Home modified**

For victims of domestic abuse, sometimes the best security is knowing their abuser doesn't know where they are.

Signed into law in 2006, the Safe at Home

program gives victims of domestic violence, sexual assault and stalking some sense of comfort.

Rep. Steve Simon (DFL-St. Louis Park) described it as a witness protection program for victims. Run by the Office of the Secretary of State, the program provides a postal address victims can use for correspondence other than their actual address, which is known only by a few people in the office. The mail is then received by the office and forwarded.

A new law, sponsored by Simon and Sen. Mee Moua (DFL-St. Paul), makes modifications to the program. The changes include allowing a program participant to consent to the release of their information to someone else; a new definition of "mail" to exclude junk mail; and an allowance for participants to use their Safe at Home address on a driver's license or a state identification card. The law also makes provisions for sharing address data with law enforcement in emergency situations.

There is also a required report from the secretary of state to the Legislature detailing how many participants are in the program.

The law takes effect June 1, 2008.

HF2991/SF2642\*/CH227

### **Fake police, fire calls a crime**

It's already a misdemeanor to make a call for emergency medical or ambulance service when the caller knows that no emergency exists. Police and fire emergencies are now added to the list, effective Aug. 1, 2008.

It is sponsored by Rep. Ron Shimanski (R-Silver Lake) and Sen. Steve Dille (R-Dassel).

HF3217/SF2576\*/CH270

### **Safer school bus drivers**

Putting safer drivers behind the wheel of school buses is the goal of a new law.

Sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Rick Olseen (DFL-Harris), the law applies to "type III buses," which are vehicles such as vans, cars, station wagons and small-sized buses with a capacity of 10 or fewer passengers and a gross weight of 10,000 pounds or less.

The law places a number of new restrictions on drivers of type III vehicles, including:

- banning the use of cell phones for personal calls while driving;
- prohibiting drivers from having any level of alcohol in their bloodstream while driving;
- requiring that regular drivers pass a background check, physical examination, and drug and alcohol testing;
- banning individuals convicted of second-



third- or fourth-degree driving while impaired offenses within the last five years from operating a type III vehicle;

- disqualifying anyone convicted of a felony, controlled-substance charges, or any of a variety of sexual-related crimes from driving a type III vehicle; and
- prohibiting drivers with four or more moving violations within three years from operating type III vehicles for one year from the date of the last offense.

Bigham said the proposal was inspired by a report from the Office of the Legislative Auditor on school district student transportation.

The law takes effect Sept. 1, 2008.

HF3575/SF2988\*/CH271

### Public safety provisions now law

Sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Linda Higgins (DFL-Mpls), this year's omnibus public safety policy law comprises language from 10 different bills.

Initially drafted as a reentry omnibus bill, the new law:

- requires the Department of Corrections to develop a marketing plan with the Department of Employment and Economic Development to attract private businesses to employ inmate services through MINN-COR Industries (Sec. 3);
- requires inmates who do not have a primary address to notify local authorities where they will be going at least three days before they leave a correctional facility (Sec. 6);
- requires registration as a predatory offender for anyone convicted of a comparable offense in another state (Sec. 8);
- adjusts the timing of petitions for civil commitment hearings dealing with those who may be deemed a sexually dangerous person or have a sexually psychopathic personality (Sec. 10);
- requires a court to ask if a convicted defendant is a member or a veteran of the armed forces, whether he or she has been diagnosed with mental illness, and if so, consider appropriate treatment (Sec. 10);
- calls for a study group to consider the impact on presumption of joint physical custody of children after divorce (Sec. 25); and
- establishes a working group to discuss the state's controlled substance laws, with a report due to the Legislature by Jan. 15, 2009 (Sec. 27).

The law has various effective dates.

HF2996\*/SF2790/CH299

### Advocates not compelled to talk

Attorneys, physicians, psychologists, sexual assault counselors and clergy are not now required to disclose information about their clients or members without consent. A new law gives domestic abuse advocates the same protection.

Sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Mee Moua (DFL-St. Paul), the law defines a domestic abuse advocate as an employee or supervised volunteer of a community-based battered women's shelter or domestic abuse program. These advocates cannot be compelled to provide any opinion about or information from the victim unless ordered by the court.

Paymar said that when victims of abuse share intimate relationship details or future plans with an advocate, they need to know that the information will stay confidential.

The law is effective Aug. 1, 2008.

HF3850/SF3441\*/CH320

### Abigail Taylor Pool Safety Act

The Abigail Taylor Pool Safety Act is named for the 6-year-old Edina girl whose injuries ultimately took her life after a 2007 pool incident in which her intestines were sucked out of her body after sitting on a pool drain.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Geoff Michel (R-Edina), the law, mostly effective May 17, 2008, will require all public pool construction plans submitted for review after Jan. 1, 2009, to be certified by a state-registered engineer, and it creates new regulations for drains and suction outlets.

The health commissioner is required to report to the Legislature by Jan. 15, 2009, the number of public pools and spas under license in the state, the type of ownership of public pools, the type of drains at all licensed public pools and spas as reported by owners and licensees, and the number of pools and spas that require drain modification due to this act. The report will also include the estimated economic impact and costs of installation of a second main drain and cover for pools.

A pool operator will be required to conduct a physical inspection of the drain covers and grates on a daily basis and record the inspection. If an outlet cover or grate is missing, broken or loose, the pool must be closed immediately.

Public pools less than 4 feet deep are required, beginning Jan. 1, 2009, to have an unblockable suction outlet or drain; at least two suction outlets, connected in parallel with suction outlet covers that meet certain standards; or a gravity outlet or drain.

HF3812/SF2833\*/CH328

### Conforming bill becomes law

The third omnibus tax bill presented to the governor this biennium was signed into law.

Sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Tom Bakk (DFL-Cook), the law will affect primarily tax preparers and Minnesotans who qualify for updates to the state tax code. The law conforms to most of the changes Congress made over the year, including several new benefits for members of the military and civil servants.

The new law:

- allows members of the military to put nontaxable combat pay toward IRA contributions;
- allows a direct transfer of money from IRAs to charities;
- limits some charitable contributions, like used household items and clothes, and requires appraisals for items valued more than \$500;
- permanently increases contribution limits to several retirement plans;
- allows public safety retirees to exclude \$3,000 from government pensions to pay for qualified health insurance premiums;
- creates an itemized deduction for mortgage insurance premiums;
- allows a one-time rollover to health savings accounts;
- excludes from gross income the indebtedness on a house; and
- excludes up to \$360 of income paid to volunteer firefighters and emergency medical technicians.

Most provisions in the new law are effective March 8, 2008.

Because many of the changes apply to the current tax season, Minnesotans who have already filed must send an amended tax return in order to receive any new deductions that may apply.

The bill also includes a number of technical language changes to the sales tax law to keep the state in compliance with the national Streamlined Sales and Use Tax Agreement (SSUTA). Most of the changes dealt with the classification of telecommunications and related services, but the bill also eliminated the separate gross receipts on fur clothing and made these items once again subject to the sales tax.

Finally, the bill includes a number of non-controversial and technical provisions that had no impact on state revenues and had been included in the omnibus tax bills vetoed during the 2007 session.

HF3201\*/SF2935/CH154

## Easing the burden

A property tax levy cap, more aid to local governments and steps toward reforming the state's property tax system highlight the new tax law.

With various effective dates, the core of the law aims to ease the property tax burden of homeowners — the governor got his three-year, 3.9 percent cap on local property tax levies; the House and Senate achieved more than \$187 million in property tax relief, including targeted increases in local government aid to cities and counties. Highlights of the law, sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Tom Bakk (DFL-Cook), follow.

HF3149\*/SF2869/CH366

## Property taxes

With an allocation of \$45.9 million, the property tax refund program is expanded to help more homeowners beginning with taxes payable in 2009. In addition, the maximum property tax refund is increased by more than 27.5 percent. The program provides refunds to homeowners who pay high property taxes relative to their incomes.

Low income and disadvantaged residents could get help in preparing their 2009 tax returns and claiming a property tax refund through a one-time \$100,000 appropriation for grants to qualifying nonprofit organizations to aid with taxpayer assistance services. (Art. 1, Secs. 1, 2)

A new calculation for aid to cities is based on a formula that takes into consideration the city's population, job base and unmet need. The law also restricts cities' greater than 2,500 in population and counties' property tax levies to a 3.9 percent annual growth plus a partial increase for new household and commercial development for three years. (Art. 2, Secs 1-9). Increased aid payment to cities and counties total approximately \$131.7 million of which \$94.5 million is considered Local Government Aid funding and \$48.5 is County Program Aid..

The language allows for exemptions to the levy cap, such as:

- counties increased health and human service costs;
- costs for remediation of foreclosed or abandoned residential properties; and
- costs attributable to wages and benefits for sheriff, police and fire personnel. (Art. 3, Sec. 1)

Those who dispute the way assessments are determined in their taxing jurisdiction now have recourse, under the law. Effective May, 30, 2008, when a qualifying number of property owners make a written request, the commissioner of revenue must conduct a

review of the assessment practices. The review must be made available electronically to all interested property owners who provide an e-mail address. (Art. 6, Sec. 8)

## Tax credits

The law adds and expands existing tax credits and exemptions, including:

- military pay for training and drills will no longer be counted as taxable income, and active military members will be eligible for a tax credit equal to \$120 for each month served beginning Jan. 1, 2009, up from the current \$59;
- a credit of up to \$750 is available for disabled veterans or military service members with at least 20 years of service. This credit is limited to individuals based on income and is not available at or above \$37,500 of income. (Art. 4, Secs. 4, 8-10); and
- cattle ranchers in the northwestern part of the state affected by the outbreak of bovine tuberculosis, and having to eradicate their herds, may be eligible for a tax credit equal to the property tax on the parcel where the herd had been located, excluding any tax attributable to residential structures. The credit could be available until the Board of Animal Health certifies the state as TB-free. Further, the state would reimburse counties for the lost tax revenue. (Art. 6, Sec. 22)

## Mall of America

While there is no direct state aid for the Mall of America expansion project in Bloomington, by reconfiguring and expanding the tax increment financing district in which the mall is located, the net effect is a three-year extension offering a \$21 million local subsidy.

In addition, the law allows for the state to issue revenue bonds for a proposed parking facility, upon meeting certain criteria. These conditions do not apply if the City of Bloomington issues the bonds. The new law authorizes Bloomington to levy several local taxes to help support the new parking ramp and other public facilities as part of the expansion. (Art. 5, Secs. 27-29)

## Sales and use taxes

Before a community can enact its own sales tax to fund new capital projects, it needs legislative and voter approval. Limits have been placed on the practice by a provision that specifies that a political subdivision may not advertise, promote, expend funds or hold a referendum to support imposing a local option sales tax unless it is for extension of an existing tax or the tax was authorized by

a special law enacted prior to May 20, 2008. (Art. 7, Sec. 7)

However, several counties and cities are given legislative permission, to implement their own local sales tax to fund projects, with voter approval. Among them are: Cook County, Clearwater, North Mankato and Winona. Most of these taxes will be effective upon local compliance. (Art. 7, Secs. 15-21).

The City of Mankato is permitted to extend its existing sales tax to fund a performing arts theatre and the Southern Minnesota Women's Hockey Exposition Center, attached to the Mankato Civic Center for use by

Minnesota State University, Mankato. (Art. 7, Sec. 9)

Construction materials and supplies for the proposed Central Corridor light rail project made after June 30, 2008, will be exempt from sales tax. The same authority is retroactive for sales and purchases made after Dec. 31, 2006, by the Metropolitan Council or the Department of Transportation for vehicles and repair parts to equip operations for the Northstar Corridor Rail project. (Art. 7, Secs.2, 5)

## Minerals

New provisions in the law reflect the expanding northeastern Minnesota iron ore industry and the money it pays as part of mineral rights agreements.

A new biomass energy facility serving Virginia and Hibbing could benefit from a loan through the Taconite Economic Development Fund administered by the Iron Range Resources and Rehabilitation Board. An amount equal to 10 cents per 2007 taxable ton of taconite is to be collected for distribution in 2008 only.

Other provisions include:

- a distribution increase in 2009 by 3 cents per taxable ton, not to exceed \$50,000 annually, to cities located in the taconite tax relief area on a per capita basis. In further years, the amount is open to adjustment; and
- an increase from 2 to 5 cents per taxable ton allocation to the IRRRB to be deposited in an Iron Range higher education account for higher education programs at educational institutions in the taconite assistance area. (Art. 10, Secs. 5-15)

## Other provisions

- some exemptions to the new \$5 annual wheelage tax that can be charged by counties include: motorcycles, motorized and electric-assisted bicycles, and motorized foot scooters. (Art. 1, Sec.1)
- new or expanded tax increment financing

districts for several communities. (Art. 5, Secs. 20-38);

- the Job Opportunity Building Zone program, designed to help bring businesses to Greater Minnesota, is retained. A new provision, effective May 30, 2008, addresses a recent state legislative auditor's report by requiring the economic and employment development commissioner to provide the auditor the necessary information for audits, where possible, of job opportunity building zones. (Art. 5, Secs. 7, 16);
- a study group is created to consider existing disparities in allocating local government aid and report to the Legislature by Dec. 15, 2010 (Art. 2, Sec. 12);
- the health care access fund reimburses the General Fund for the revenue impact of another new law that creates a tax credit for eligible employers of two to 50 employees to provide Section 125 plans that will allow employees to pay for health insurance premiums with pre-tax dollars (Art. 17, Sec. 4);
- a property tax break for qualifying disabled veterans or their spouses is provided, effective for assessment year 2008. (Art. 15, Sec. 15); and
- beginning with June 2009 tax liabilities, increasing the collection percentage from 80 percent to 90 percent on June accelerated taxes. This affects sales tax, cigarette and tobacco tax and the alcohol excess tax. (Art. 8, Secs. 1-4).

## TECHNOLOGY

### Captioning grants to continue

Three years ago, a law was passed to give grants to television stations for an accessible electronic information service for persons who are blind or disabled, including real-time captioning of local news programming. These grants are funded through a telephone bill surcharge.

In order to assess the progress and effectiveness of the program, a sunset date of June 30, 2010, was set. It now has been eliminated.

Sponsored by Rep. Tom Rukavina (DFL-Virginia) and Senate President James Metzen (DFL-South St. Paul), the law takes effect Aug. 1, 2008.

HF3739/SF3147\*/CH171

### Redundant telephone rules repealed

With so many improvements in technology, the Internet and access to cell phones, certain rules regulating telephone companies have

become redundant, and in some cases, obsolete. A new law repeals some of these rules.

Sponsored by Rep. Sheldon Johnson (DFL-St. Paul) and Sen. Dan Sparks (DFL-Austin), the law takes effect Aug. 1, 2008.

Jerry Knickerbocker, Minnesota Telecom Alliance vice president of government relations, said that some of the regulations on the books were written for another time, and don't reflect what's going on in the marketplace today.

Knickerbocker said that in meetings with representatives from the Public Utilities Commission, the Department of Commerce and the Office of the Attorney General, they found that of the 54 regulations currently covering the telephone companies, at least 22 needed to be updated, 14 need to be rewritten, and eight should be repealed.

Among the repealed rules are those that required frequent inspection by Public Utilities Commission of equipment used to record information that affects a customer's bill; a telephone company to furnish information to a contractor working near a utility or telephone line; and each incorporated village to make available, at least one coin-operated public telephone, available 24-hours a day and lighted at night.

HF2414/SF2262\*/CH173

### New broadband expansion task force

Sponsored by Rep. Sandra Masin (DFL-Eagan) and Sen. Yvonne Prettnier Solon (DFL-Duluth), a new law establishes an Ultra High-Speed Broadband Task Force to develop a strategy for broadband development statewide.

Masin described the law as something that would bring Minnesota into the 21st century.

It calls for the governor to appoint 21 members to the task force, including representatives from wireless service providers, telephone companies, educational institutions, libraries, various state agencies and Internet users from both rural and urban areas. The task force expires March 1, 2010.

A report would be due to the Legislature by Nov. 1, 2009, that:

- identifies a level of broadband service, including connection speeds, reasonably needed by 2015;
- describes a set of policies and actions needed to achieve that goal, and estimated costs of doing so;
- identifies areas in the state that lack infrastructure necessary to support broadband service; and
- evaluates strategies and financing mecha-

nisms used elsewhere to support broadband development.

The law is effective April 18, 2008.

HF2107/SF1918\*/CH212

### New options for phone companies

A telephone company may now elect to be regulated under an existing alternative regulation plan of another telephone company, if the company is larger or an affiliated company, under a new law effective May 2, 2008.

Sponsored by Rep. Mike Beard (R-Shakopee) and Sen. John Doll (DFL-Burnsville), the law allows a telephone company to make this change if it agrees to operate under the plan for three years or the original term of the plan, whichever is longer.

The company must also cap rates for its services for three years at the levels in effect when the change is made.

HF3327/SF2939\*/CH254

## TOURISM

### Exploring the cabin controversy

A study will determine if some real estate companies renting out cabins are breaking the law.

The companies often rent large blocks of cabins, and compete with resort owners who are more heavily regulated, said Rep. Frank Moe (DFL-Bemidji), who sponsors the law with Sen. Dan Skogen (DFL-Hewitt).

The law requires Explore Minnesota Tourism to conduct a study of vacation rental lodging in the state and report back to the Legislature the recommendations needed to protect consumers, ensure tax compliance, promote safe rentals and promote tourism in Minnesota. Then Explore Minnesota will work with stakeholders to recommend legislation and promote vacation rental lodging. A report is due by Jan. 15, 2009.

The law, the provisions of which are also in the jobs and economic development law (HF3722), is effective May 13, 2008.

HF3356/SF3158\*/CH291

## TRANSPORTATION

### Funding transportation needs

The omnibus transportation finance law is a combination of gas tax increases, potential sales tax increase in some areas, removal of a tab fee cap and a multi-billion bonding package.

Rep. Bernie Lieder (DFL-Crookston), who

sponsors the law with Sen. Steve Murphy (DFL-Red Wing), said the law's size reflects the state's neglect of transportation "We've reached a point where it's just about impossible to plug the holes that the Department of Transportation and all of the transit organizations have. ... We can't let the infrastructure deteriorate anymore."

Gov. Tim Pawlenty vetoed the measure, in part, because of the increase in taxes and tab fees. He said the gas tax increase is too large, and that the sales tax increase for the seven-county Twin Cities metropolitan area should first go before voters. However, six House Republicans joined all DFLers to override the veto. The Senate easily overrode the governor's negativity to the plan.

"The DFL-controlled legislature's override of this veto shows they're clearly out-of-touch with Minnesotans who are facing rising gas prices, heating costs and other expenses in tough economic times," Pawlenty said in a statement.

The law is effective Feb. 26, 2008, unless otherwise noted.

HF2800\*/SF2521/CH152

### Allocation

The law provides a combined \$284.4 million to the Transportation and Public Safety departments in the current biennium. The only additional Fiscal Year 2008 appropriation is \$55 million from the Trunk Highway Fund for federal grants and aids related to the Interstate 35W bridge collapse. The Fiscal Year 2009 appropriation for this is \$77 million. (Art. 1, Sec. 5)

MnDOT is to receive \$148.4 million in Fiscal Year 2009 to be distributed: \$50.17 million for the county state-aid highway fund; \$41.4 million for infrastructure and maintenance of the state trunk highway system; \$34 million for infrastructure support; \$13.2 million to the municipal state-aid street fund; and \$7.21 million for bond debt service.

Nearly \$2.5 million from the General Fund in Fiscal Year 2009 is for Greater Minnesota transit, rail and port development, including \$250,000 for advanced preliminary engineering and other needs for a potential expansion of the Northstar Commuter rail line from Big Lake to St. Cloud. (Art. 1, Sec. 3)

Of the Fiscal Year 2009 funding, \$3.65 million is for the Department of Public Safety to add 40 state troopers. (Art. 1, Sec. 4)

The Center for Transportation Studies at the University of Minnesota is appropriated \$325,000 from the General Fund to study and provide a preliminary report to the Legislature by March 1, 2009, on "the public policy implications of financing new and improved transportation infrastructure in Minnesota

through capturing the value of the benefits created." A full report is due July 1, 2009. The center must offer a series of educational workshops for elected officials in the summer and fall of 2009. (Art. 1, Sec. 6)

### Bonding

The law authorizes \$1.84 billion in trunk highway bonding for fiscal years 2009 to 2018. (Art. 2, Secs. 2, 6-7)

Of the \$1.72 billion for trunk highway construction, \$417.7 million is to be used in Fiscal Year 2009, \$500 million one year later and \$100 million annually for fiscal years 2011 through 2018.

The law specifies that in each of fiscal years 2009 and 2010, \$300 million is designated to a trunk highway bridge improvement program, which is created for bridge maintenance and construction.

In Fiscal Year 2009, \$40 million is to be evenly split between MnDOT's metropolitan district and Greater Minnesota for construction of interchanges involving a trunk highway where the interchange will promote economic development, increase employment, relieve traffic congestion and promote traffic safety. At least \$50 million of the total appropriation must be used for accelerating transit facility improvements on or adjacent to trunk highways. Of the money for District 7, projects meeting certain criteria must be performed first. This pertains to the widening of Highway 60.

Other projects specified in the law are:

- \$50 million for local bridge replacement and rehabilitation;
- \$24.8 million for part of the local match needed for the federal Urban Partnership Agreement, that will help with traffic congestion along Interstate 35W and Cedar Avenue in the southern suburbs;
- \$23.98 million to construct a new district headquarters in Mankato;
- \$18.2 million to repair and renovate the exterior of MnDOT headquarters in St. Paul;
- \$10 million for rural road safety projects on county state-aid highways;
- \$8.6 million for a new truck station in Chaska, in partnership with Carver County;
- \$4.3 million for construction and restoration of roadside properties on the Great River Road;
- \$2 million for design of new truck stations in Maple Grove and Rochester; and
- \$400,000 to the Metropolitan Council for construction of park-and-ride facilities along Interstate 35W as part of the Urban Partnership Agreement. (Art. 1, Secs. 3, 5)

A gas tax debt surcharge is phased in to repay the bonds. A 0.5 cent per gallon surcharge takes effect beginning Aug. 1,

2008, with the surcharge updated annually to take effect at the beginning of each fiscal year. It will be 2.1 cents in Fiscal Year 2010, and gradually increase until Fiscal Year 2013, when the surcharge is the lesser of 3.5 cents or an amount needed to pay off the bond debt service. (Art. 2, Sec. 1)

### Highway user taxes

For the first time since 1988, the state's gas tax is increased by 2 cents April 1, 2008, and another 3 cents on Oct. 1, 2008. The tax on other special fuels is to be raised proportionately, effective Oct. 1, 2008. Effective with calendar year 2009 tax returns, a \$25 credit is established for the lowest tax bracket to help offset the cost. (Art. 3, Secs. 2-6)

Vehicle tab fees on newly registered vehicles are increased, tab fee caps of \$189 on the first renewal and \$99 on the second renewal are removed and the vehicle depreciation schedule is amended. The tab fee caps were implemented during the Ventura administration. The tax is limited so that the amount owed does not increase for vehicles previously owned in the state. (Art. 3, Sec. 1)

The fee on rentals and short-term leases of vehicles is raised from 3 percent to 5 percent of the sale price. After reimbursement of the rental agency for its motor vehicle registration fees, the remainder goes to the highway user tax distribution fund. (Art. 3, Sec. 7)

Effective July 1, 2009, the allocation of motor vehicle lease sales tax revenues will be modified. Instead of going to the General Fund, a phase-in begins in Fiscal Year 2009 so that four years later, after a deduction for the estimated motor fuels tax credit, 50 percent of the remainder will go to Greater Minnesota transit and 50 percent to metropolitan counties, excluding Hennepin and Ramsey, to be distributed based on population. (Art. 3, Sec. 8)

### Local option taxes

Counties in the Twin Cities metropolitan area are permitted to impose a 0.25 percent transportation sales tax without referendum and a \$20 excise tax on vehicles sold at retail.

Counties looking to impose the sales tax must first enter into a joint powers agreement. A joint powers board, which must consist of one or more commissioners of each county in the metropolitan transportation area, will be responsible for allocating the tax revenue. The tax is not imposed until 90 days after the formation of the joint powers board and must start on the first day of a calendar quarter. This provision expires Oct. 2, 2008, if the sales

tax has not yet been imposed.

Grants awards must be used for transit purposes, including transitway capital improvements; park-and-ride facilities; feasibility studies and construction of transitways; and operating assistance. For counties that contribute up to 3 percent of the total sales tax revenue, the board must allocate to the county an amount that is at least equal to that county's sales tax contribution. No more than 1.25 percent of the total awards can be allocated for pedestrian and bicycle programs and pathways. (Art. 4, Sec. 2)

Counties outside the metropolitan transportation area, or counties working together under a joint powers agreement, can impose a sales tax of up to 0.5 percent and a \$20 excise tax on vehicles sold at retail.

But unlike the metropolitan area, the money can be raised only if approved by a voter referendum, and can only be used for a specific project. The tax expires once the project is completed. This section is effective Aug. 1, 2008. (Art. 4, Sec. 3)

**Trunk highway bridge repair and replacement**

A program for repair and replacement of trunk highway bridges is established in the law.

MnDOT is to develop an inventory of bridges included in the program, to include all bridges on the trunk highway system classified as fracture-critical, structurally deficient or constitute a priority project. Each bridge is to be classified into Tier 1, 2 or 3, with Tier 1 is the highest. Repair or replacement of all Tier 1 or Tier 2 bridges must commence by June 30, 2018, or reasons for not starting must be provided by MnDOT. A program update is due the Legislature by Jan. 15 each year. (Art. 6, Sec. 5)

#### **Other provisions**

A person whose driver's license was revoked under certain circumstances will be able to pay the \$250 reinstatement fee and \$430 surcharge in two installments. This is effective July 1, 2009. (Art. 6, Sec. 6)

County regional rail authority expenditures for light rail or commuter rail projects are limited to 10 percent of capital costs. The authority has no responsibility for operating and maintenance costs. This only applies if a county has imposed the metropolitan transportation sales and use tax. It is effective the day after the metropolitan area sales tax is imposed. A county contributing operation and maintenance funds at the time of the law's enactment can continue to do so until Jan. 1, 2009. (Art. 6, Sec. 7)

Road authorities are restricted from

imposing tolls on roads, bridges or highways, except for tolling facilities already in place on Sept. 1, 2007; any additional lane, including a priced dynamic shoulder lane, high-occupancy vehicle lane or high-occupancy toll lane added to a highway after that date; or any other general purpose lane that adds capacity to a highway. (Art. 6, Sec. 2)

Road authorities are prohibited from selling or leasing transportation infrastructure if it will continue to be used for transportation purposes. (Art. 6, Sec. 3)

A 15-member task force is established to advise the governor and Legislature on management and operations strategies to improve transportation efficiency. A report is due by Dec. 15, 2008, and the task force expires May 31, 2009. (Art. 6, Sec. 9)

#### **Milk trucks exempted from certain restrictions**

Federal law requires dairy haulers to completely empty a farm's milk tank before the hose to the truck can be removed. Because larger trucks are being used to accommodate larger bulk tanks, the trucks are often overweight during the state's spring road restrictions.

Effective March 20, 2008, a new law permanently exempts milk haulers from certain truck weight restrictions, limits and prohibitions, such as those implemented during the spring when the ground is soft. A vehicle may not exceed a weight restriction of 5 tons per axle by more than 2 tons per axle.

Rep. Al Juhnke (DFL-Willmar), who sponsors the law with Sen. Betsy Wergin (R-Princeton), said previous law gave haulers two choices: running illegally or ignoring federal law by unhooking and going out with the proper weight, thus risking the loss of their federal license.

HF1219\*/SF2197/CH159

#### **New Prague registrar office to move**

A new law will permit the State Bank of New Prague to continue hosting its deputy registrar service. The problem is that by relocating four blocks away, the bank crossed from Scott County into Le Sueur County. There is a provision in rules for granting a variance, but the office move has to be within the same county. The move must take place by Dec. 31, 2008.

Rep. Laura Brod (R-New Prague) and Sen. Kevin Dahle (DFL-Northfield) sponsor the law, which is effective April 18, 2008.

HF3128/SF2755\*/CH206

#### **Temporary golfer permits**

When the world's best female golfers come to the state for the 2008 U.S. Women's Open, their courtesy cars will have temporary permits.

Sponsored by Rep. Shelley Madore (DFL-Apple Valley) and Sen. Geoff Michel (R-Edina), a new law requires the Driver and Vehicle Services Division of the Public Safety Department to issue at least 250 special permits. A \$10 fee is associated with each special permit to make the law revenue-neutral.

The same thing occurred when Hazeltine National Golf Club in Chaska welcomed the 1991 U.S. Open.

The tournament committee will be liable for any parking violations connected to a vehicle with a special permit, unless special information on the driver and employer are provided within 15 days after the committee becomes aware of the violation.

The law is effective May 1, 2008.

HF3558/SF3069\*/CH251

#### **Commuter rail control clarified**

Running the Northstar commuter rail line will be in the hands of the Metropolitan Council.

Effective May 6, 2008, a new law gives the council responsibility for the operation of all commuter rail lines serving the Twin Cities metropolitan area.

Previous law had the Transportation Department responsible for operation of commuter rail lines; however, based on the Met Council's experience with the Hiawatha light rail line, it was suggested the council oversee all commuter rail lines located in whole or in part of the seven-county metropolitan area. The Northstar line is planned to extend into Sherburne County.

Supporters said the law is needed because Northstar stations will tie into other Metro Transit services; thereby making it easier for people to connect from Northstar to other places in the Twin Cities.

The law also extends the jurisdictional authority of the Metropolitan Transit Police so it will have powers along the line, similar to current bus and rail lines.

Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Don Betzold (DFL-Fridley) sponsor the law.

HF3792/SF3137\*/CH269

#### **Enforcement of disability parking**

Statutes laying out criteria for enforcement of disability parking areas have been amended by a new law.

Sponsored by Rep. Shelley Madore (DFL-

Apple Valley) and Sen. John Doll (DFL-Burnsville), the law provides minimum requirements if a statutory or home rule charter city wants to enact an ordinance establishing a permit program for long-term disability parking. Ordinances can already be established for long-term parking.

Effective Aug. 1, 2008, if a city enacts the ordinance, a permit program for long-term disability parking must have at a minimum:

- a limitation on disability parking of a maximum of four hours during the hours of enforcement, on one-hour, 90-minute and two-hour parking meters;

- a requirement for city parking lots and ramps to provide a 50 percent discount on monthly fees for contracted parkers with disabilities or a 50 percent reduction in the hourly rate; and
- the issuance of a special needs permit to an employed person with severe disability for an all-day, on-street parking permit that will accommodate the person's access needs.

HF3727/SF3372\*/CH272

### **License reinstatement fee uniformity**

Sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Ron Latz (DFL-St. Louis Park), a new law establishes driver's license reinstatement requirements for a person whose license was revoked for violating certain laws involving sale or possession of controlled substances while operating a motor vehicle.

Effective Aug. 1, 2008, a person seeking a new license must pass a knowledge and road test and pay a \$30 reinstatement fee.

The fee is placed on many other revoked license reinstatements and is expected to bring in about \$51,000 annually to the Driver and Vehicle Services Division of the Department of Public Safety.

HF3490/SF3189\*/CH283

### **Transportation policy from 2007 gets governor's approval**

Sans an objectionable provision, an omnibus transportation policy law finally received gubernatorial approval.

Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. Steve Murphy (DFL-Red Wing), the 2007 transportation policy law addresses, in part, traffic regulations, vehicle registration, Transportation Department planning reports, towing authority, Metropolitan Council planning, railway safety and truck weight restrictions. The law is effective Aug. 1, 2008, unless otherwise noted.

Awaiting legislative action when the final

gavel fell in 2007, the law changed slightly, including shifting effective dates from 2007 to 2008; removing obsolete or duplicative provisions, such as those included in the omnibus transportation finance law; and updating some verbiage.

The final product does not include language about the state's refusal to comply with federal REAL I.D. Act language, which is designed to enhance homeland security, reduce identity fraud and help with illegal immigration issues. States have called it an unfunded mandate, and others have questioned the security associated with the plan and have expressed concern about data privacy issues. If state licenses are not in federal compliance by the end of 2009, Minnesotans would be unable to use their driver's license or state identification card for air travel or to enter federal buildings.

HF3486\*/SF3314/CH287

### **Trunk highway contracts**

Contract review and reporting requirements are established for certain contracts between MnDOT and private contractors relating to trunk highway construction and maintenance.

Under the so-called "Taxpayers' Transportation Accountability Act," MnDOT is to prepare comprehensive estimates of trunk highway project costs if it is performed by department employees or by the proposed contract recipient. This is only for contracts of at least \$100,000.

The commissioner is permitted to enter into a contract for \$250,000 or more only if four conditions are met: contract costs are below those if the project is done by the department; the quality will meet or exceed the quality if done by department employees; the contract will not reduce the number of full-time equivalent department positions; and the contract is in the public interest. An annual report is due to the Legislature beginning Sept. 1, 2009. (Art. 1, Sec. 16)

The requirement that bids on trunk highway construction projects be placed in a newspaper or periodical of general circulation is removed. Bid advertisements need only be posted on the Internet.

MnDOT can require that all bids for trunk highway projects be submitted electronically. Previously the commissioner could make the electronic request only for bids of at least \$5 million. If bid information is published on a state Web site immediately after the deadline for bid receipt, the department is permitted to not open and read the bids in public. (Art. 1, Secs. 13-14)

### **Driving and road changes**

MnDOT freeway service patrol employees can authorize the towing of disabled and unattended vehicles that are a traffic hazard within the department's eight-county metropolitan district. Previously, only law enforcement could order a tow after a citation was issued and a written towing report prepared. Towing vehicles are permitted to exceed weight and length restrictions when a tow is urgent to remove a vehicle from traffic. (Art. 1, Secs. 32, 42-43, 56)

Effective May 9, 2008, a commercial motor vehicle operator subject to federal hours of service can park continuously for up to 10 hours at any MnDOT rest area or travel information center that has parking stalls designed to accommodate a commercial motor vehicle. (Art. 1, Sec. 6)

Interstate 94 in the state is designated the "Purple Heart Trail," Highway 210 between Staples and Motley is designated the "Dallas Sams Memorial Highway," part of Highway 53 in Duluth is designated "Walter F. Mondale Drive" and the causeway over Pokegama Lake on Highway 169 is designated the "Jim Oberstar Causeway." (Art. 1, Secs. 9-12)

The Culkin Rest Area on Interstate 35 between Hinckley and Duluth is to be reopened, effective May 9, 2008. (Art. 1, Sec. 116)

### **Weights and measurements**

The single vehicle length limit is expanded from 40 feet to 45 feet; however, some exceptions remain. The 28-foot length limit for a middle vehicle in a recreational vehicle combination is removed. A combination still may not exceed 70 feet in length. The latter provision is effective May 9, 2008. (Art. 1, Secs. 51-52)

The gross vehicle weight limit on paved nine-ton routes is increased to 80,000 pounds, and a provision for access to terminals located within three miles of a 10-ton route is removed.

Effective May 9, 2008, the list of products qualifying for a permit allowing a 90,000-pound gross vehicle weight limit is expanded to include paper, pulp, oriented strand board, lumber, hardboard and barrel staves. The gross vehicle weight limit for such vehicles during the winter weight increase period is increased from 98,000 to 99,000 pounds. These vehicles must now have brakes on all wheels. A gross vehicle weight of 97,000 pounds is permitted on seven-axle vehicles operating under a special paper products vehicle permit for two-unit vehicles. An additional route is also specified on which special three-unit rigs can haul forest products. (Art. 1, Secs. 54-55, 61)



The requirement for permits to haul bales of hay on public streets or highways is amended to require the outside width of the vehicle or load be no more than 12 feet and the total height cannot exceed 14 1/2 feet. Previous law had different requirements for bound and square hay bales. The \$24 permit fee is waived. (Art. 1, Sec. 59)

New permits, ranging from \$300 to \$500, are established for higher weight limits when hauling raw or unprocessed agricultural products on six- and seven-axle vehicles. These vehicles cannot be operated in excess of the vehicle's weight rating; are subject to axle weight limits; must have brakes on all wheels; and can operate only on trunk and interstate highways and on certain designated routes. (Art. 1, Sec. 62)

### Reports and proposals

The Transportation Department is to report to the Legislature by Nov. 1, 2009, on the state's long-term transportation needs and strategies. Items to be addressed include evaluation of the current system; needs in the next 20 years; a comparison of current revenues being raised and the costs to meet long-term needs; and identification of other potential revenue raisers, such as road-use pricing. (Art. 1, Sec. 118)

Beginning with projects to be constructed after July 1, 2011, that require reconditioning, resurfacing and road repair, MnDOT is to perform a life-cycle cost analysis and award the project utilizing the paving material with the lowest life-cycle costs. If the lowest life-cycle cost is not chosen, justification for the choice must be documented. Annual reports are due the Legislature beginning Jan. 1, 2012. (Art. 1, Sec. 71)

MnDOT is to submit a legislative report on Jan. 15 of each year on the status of major highway projects — at least a \$25 million price tag in the Twin Cities metropolitan area highway construction district or \$10 million in Greater Minnesota districts — under construction or planned during the current and ensuing 15 years. The report is to include the project's history, when it was first included in the state's transportation improvement plan, its initial cost and dates of environmental and municipal approval. (Art. 1, Sec. 74)

A Public Safety Department report on Internet-based driver education for the instruction permit component is due the Legislature by Feb. 15, 2009. (Art. 1, Sec. 121)

By Feb. 1, 2009, the Public Safety Department is to submit a proposal that would allow deputy registrars and driver's license agents to accept credit and debit card payments of vehicle registration taxes, title transactions

and driver's license and identification card fees. (Art. 1, Sec. 117)

The Metropolitan Council is permitted to study the feasibility of rail transit along Interstate 394 between Minneapolis and Minnetonka, with possible expansion to Wayzata. (Art. 1, Sec. 120)

In its transportation policy plan, the Metropolitan Council is required to identify heavily traveled corridors where development of a transitway might be feasible and cost-effective. After receiving comments from the governing bodies of areas a transitway is proposed, the council must designate the locally preferred alternative transit mode with respect to the corridor. Light rail cannot be constructed in the corridor unless it is designated as the locally preferred alternative transportation mode. (Art. 1, Sec. 100)

Effective May 9, 2008, design-build can be used for light rail project development and construction. (Art. 1, Sec. 105)

### Other provisions

MnDOT is to create a state rail inspector position by Jan. 1, 2009, to inspect rail tracks, yards, rights-of-way and bridges for worker safety; review and enforce safety requirements; review maintenance and repair records; and review railroad security measures. (Art. 1, Secs. 75-76)

The maximum civil penalties for violations of certain pipeline safety requirements are increased to \$100,000 per violation per day and \$1 million per occurrence. Penalties for failure to disclose an emergency pipeline release or for altering part of the pipeline or facility where the release occurred are increased to the same levels. Previous figures for both infractions were \$10,000 and \$500,000. (Art. 1, Secs. 91-92)

Effective May 9, 2008, the Metropolitan Council can sell discount passes to registered non-profit organizations. It can also offer free youth passes to these organizations. Recipients would be restricted to use on a bus that is not operating at full capacity. (Art. 1, Secs. 110-111)

More than a dozen technical changes to some license plates, including authorizing the Public Safety Department to invalidate plates when an owner is no longer eligible, such as a firefighter or National Guard member; permitting the invalidation of collector plates on vehicles that are not housed in Minnesota; and requiring owners to pay for regular plates when special plates are removed or invalidated.

Motorized bicycles and commuter vans are added to the list of vehicles that can have personalized plates. (Art. 2, Secs. 1-14)

### Kick-start to transit project

Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. Ann Rest (DFL-New Hope), the policy law provides authority and makes changes related to the Urban Partnership Agreement, a federal grant program providing money to help reduce traffic congestion.

The law, effective May 12, 2008, contains changes in Department of Transportation authority to implement the agreement. For example, it allows user fees on high-occupancy vehicle lanes similar to those now available on Interstate 394, modifies shoulder use by buses, and requires an annual legislative report.

According to the Department of Transportation, the Urban Partnership Agreement plan includes:

- the use of priced dynamic shoulder lanes on Interstate 35W from 46th Street to downtown Minneapolis;
- the addition of a high-occupancy toll lane from 66th Street to 46th Street;
- conversion of the high-occupancy vehicle lane to a high-occupancy toll lane on I-35W from 66th Street to Burnsville Parkway; and
- expanding Cedar Avenue Bus Rapid Transit between downtown Minneapolis and Lakeville ahead of the current schedule.

The \$49 million state match comes from a couple of different means passed this session. Minnesota would have risked losing the federal dollars had the law not been signed by May 12.

HF3725/SF3058\*/CH306

### Safety issues highlight transportation law

Graduated driver's license language and other drivers training provisions are included in the law, sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. Steve Murphy (DFL-Red Wing).

Other issues include retrieval of some items from an impounded car; a ban on text messaging while driving; creation of an office to focus on pupil transportation; passing road maintenance vehicles; spotter truck changes; long-term planning; and railway walkway safety.

All provisions are effective Aug. 1, 2008, unless otherwise noted.

HF3800\*/SF3223/CH350

### Safety issues

The graduated driver's language requires that during the first six months of provisional licensure, a licensee cannot operate a vehicle carrying more than one passenger under age 20 who is not a member of their immediate family. That increases to three passengers the

following six months. These do not apply if a parent or guardian is in the vehicle.

During the first six months of provisional licensure, a person under age 18 is prohibited from driving between midnight and 5 a.m., except when the driver is going between the person's home and job or school event where no transportation was provided, the driver is driving due to a job or the driver is accompanied by a licensed driver or state identification card holder who is at least age 25. (Art. 1, Sec. 56)

Driver's training classes for class D licenses will be required to include instruction on what a driver should do when encountering a bicycle, other non-motorized vehicles or a pedestrian; by Jan. 1, 2009, the Public Safety Department must adopt rules for driver education programs to require awareness and safe interaction with commercial motor vehicles; and the driver's manual must contain information on awareness and safe interaction with commercial motor vehicle traffic. (Art. 1, Secs. 33, 57, 60)

Enrollees in a public driver training program must receive at least 30 minutes of instruction on pupil transportation laws. Previously there was no time minimum, and the regulation only applied to private, parochial and commercial driving schools. Pupil transportation laws must be included in the driver's manual and as part of the driver's license examination. (Art. 1, Secs. 37, 58-59)

Effective May 24, 2008, an Office of Pupil Transportation Safety is created within the State Patrol. A state trooper is to be appointed director of pupil transportation, and the office is to be staffed at a minimum by three state troopers — one each in the Twin Cities metropolitan area, northern Minnesota and southern Minnesota — and 15 school bus safety inspectors.

In addition to duties now performed by a pupil transportation safety director in the Public Safety Department, the director of pupil transportation is to develop a consistent recordkeeping system to document school bus inspections, out-of-service school transportation vehicles, driver turnover rate and driver files. The director must also conduct periodic audits of selected school districts to determine state and federal law compliance. Violations will be reported to the education and public safety commissioners. A report is due the Legislature by Jan. 1, 2009, on funding level, staffing and any legislative recommendations. The law appropriates \$575,000 from the Trunk Highway Fund in Fiscal Year 2009 to implement and operate the office. (Art. 1, Secs. 36, 93, 95)

Text messaging by a motor vehicle operator will be illegal. Exceptions are established for

emergency situations, if the device is operated in a hands-free or voice-activated mode, to make a phone call or by certain emergency personnel in the official course of duty. (Art. 1, Sec. 38)

Trailers weighing more than 3,000 pounds must have a braking capability in case it becomes detached from the towing vehicle. The previous required minimum weight was 6,000 pounds. Exemptions from previous trailer brake requirements for certain trailers and semi-trailers are removed. (Art. 1, Sec. 39)

When passing a freeway service patrol, road maintenance or construction vehicle with its warning lights activated that is parked or stopped on or next to a roadway having two lanes in the same direction, drivers will be required to move to the lane furthest from the vehicle, if they can safely do so. If the roadway has more than two lanes in the same direction, a driver is to move over, if safely possible, to leave at least a full lane between the driver and the service vehicle. (Art. 1, Secs. 30, 32)

#### **Impounded vehicles**

Except in Minneapolis and St. Paul, an impounded vehicle may be sold earlier than the current 45-day waiting period if the vehicle owner has transferred the title to an impound lot operator. Requirements for a notice of impounding of a vehicle are amended to ensure that the notice must be written, state that failure to retrieve the vehicle or contents within a specific time frame constitutes a waiver of rights and title and that certain vehicle owners have a right to retrieve vehicular contents.

A person who can document homelessness, is eligible for certain need-based relief, is eligible for legal aid services or has a household income no greater than 50 percent of the state median income can get back some essential contents from an impounded vehicle under certain circumstances without paying for vehicle retrieval. (Art. 1, Secs. 19-23)

#### **Studies and reports**

Effective Jan. 1, 2009, the Transportation Department is to consider prioritizing funding for trunk highway projects in the Twin Cities metropolitan area that are "consistent with policies included in the Metropolitan's Council metropolitan development guide, transportation policy plan, and regional development framework, and that have been awarded funding through the federal surface transportation program."

A statewide plan for freight and passenger rail is to be developed as part of MnDOT's statewide transportation plan.

MnDOT is to develop a transit service needs

implementation plan with a goal of meeting at least 80 percent of the Greater Minnesota unmet transit needs by July 1, 2015, and 90 percent a decade later. The plan is to include the type of service needed to meet the needs and an analysis of cost and revenue options. It must also address special transportation service readership and needs. This section is effective May 24, 2008.

The department is to produce by Feb. 15 of each year a report on transit service outside the seven-county metropolitan area, including ridership numbers and financial data. This section takes effect Jan. 1, 2009.

Each report is to be completed within current appropriation levels.

An Advisory Council on Nonmotorized Transportation is created to replace the State Bicycle Advisory Committee. The council is to annually recommend to the transportation commissioner ideas for safety, education and development programs. (Art. 1, Secs. 65-69, 86, 92)

In its annual performance evaluation, the Metropolitan Council is to include an assessment of its progress towards meeting transit goals for persons with disabilities. This is effective May 24, 2008. (Art. 1, Sec. 84)

#### **Trucks and weight issues**

Spotter trucks are defined in law as "a truck-tractor with a manufacturer's certificate of origin 'not for on road use' specification, used exclusively for staging or shuttling trailers in the course of a truck freight operation or freight shipping operation." Such trucks shall not be taxed as motor vehicles using public streets and highways. However, they are permitted to be operated on public streets under certain conditions, such as being operated within two air miles from the operation center where the vehicle is housed or going directly to and from a repair shop or gas station. The Department of Public Safety is not to issue a certificate of title for a spotter truck.

All spotter truck language is effective May 24, 2008, and sunsets June 30, 2013. (Art. 1, Secs. 8, 17, 25, 35, 40-41).

Implement of husbandry — defined in state law as any vehicle designed or adapted exclusively for agricultural, horticultural or livestock operations, or for lifting and carrying an implement of husbandry — cannot exceed 30 mph, nor can they operate on interstate highways and can only be operated or towed to the left of a roadway center if it is escorted at the front by a vehicle displaying hazardous warning lights visible in normal sunlight. Beginning Jan. 1, 2010, implements of husbandry crossing a bridge must comply with per axle and gross vehicle

weight limits. (Art. 1, Sec. 44)

The minimum gross weight for vehicles that must stop if directed is lowered from 12,000 to 10,000 pounds. This will match federal standards. (Art. 1, Sec. 48)

### License plates

If issuance is approved by the state Council on Disability, a second set of disability plates can be issued to a vehicle owner. (Art. 1, Sec. 10)

A provision allowing 60-day temporary permits to be displayed on a motor vehicle that has expired plates is expanded to include all types of plates, not just specialized ones. The permit can only be displayed if all taxes have been paid and the plate has been applied for. This is expected to help streamline the Driver and Vehicle Services Division plate administration program. Previously, at the conclusion of a 21-day permit a driver would get a regular license plate while their specialized plate is being created, and would have to return the regular plate upon receipt of the specialized plate. (Art. 1, Sec. 12)

Effective May 24, 2008, state sesquicentennial license plates are available for a \$10 fee and at least a \$25 contribution to the Minnesota Sesquicentennial Commission. Once the commission expires, the money goes to the Capitol Area Architectural and Planning Board for Capitol restoration. This section expires for the issuance of plates after June 30, 2011. (Art. 1, Sec. 13)

The law amends regulations of license plate display so that, in part, license plates must be displayed "horizontally with the identifying numbers and letters facing outward from the vehicle and must be mounted in the upright position." It also clarifies where expiration and validation stickers must be placed on a license plate. (Art. 1, Sec. 43)

### Other provisions

MnDOT is to consult with the Metropolitan Council in planning trunk highway bridge work in the Twin Cities metropolitan area to identify necessary transit related improvements in the corridor. (Art. 1, Sec. 91)

Any commuter rail proposals along Trunk Highway 12 between Willmar and Minneapolis are to be referenced as the Little Crow Transitway. (Art. 1, Sec. 88)

Two-wheeled motorized vehicles will be exempted from the wheelage tax that can be imposed by counties in the seven-county Twin Cities metropolitan area. The provision specifically references motorized foot scooters and motorized and electric-assisted bicycles. Motorcycles are already exempt. (Art. 1, Sec. 4)

The Margaret Street bridge over Trunk Highway 36 in North St. Paul is designated the "Mayor William 'Bill' Sandberg Memorial Bridge." (Art. 1, Sec. 2)

A person who duplicates, alters or forges a commercial vehicle inspection decal will be charged with a gross misdemeanor, and it will be a gross misdemeanor to possess a fraudulent decal. (Art. 1, Sec. 42)

Procedures for becoming a household goods mover are modified to be based on an application, elimination of public notice and allowing a carrier to operate statewide. (Art. 1, Sec. 75)

Railway companies must provide walkways next to portions of rail tracks where employees work on the ground performing switching activities at least one shift per day, five days per week. MnDOT can order modifications to meet set standards for walkways constructed before or after the effective date. (Art. 2, Secs. 1-2)

A railway trespass provision is modified to permit elected union officials and railroad employee access under certain circumstances. (Art. 2, Sec. 3)

## VETOES

### Bloomington board change rejected

A plan to change the framework of the Bloomington School Board met up with the veto pen.

Sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Dan Larson (DFL-Bloomington), the bill sought to establish single-member election districts for part of the Bloomington School Board to better represent the diverse population of one of the state's largest school districts, supporters say.

In his veto message, Gov. Tim Pawlenty said the bill provided a legislative solution that was not sought by either the Bloomington community or school board. "It is also unnecessary because a petition process already exists in state law for community members to seek division of a school board into election districts."

Lenczewski said that unequal representation has been a recurring problem in the district, and that this bill is needed to ensure equal representation. All members currently serve at-large, but six of the seven members live on one side of the city.

The bill would have modeled the school board makeup after that used by the Bloomington City Council, consisting of four single-seat districts with the remaining three seats being filled by at-large members.

"This bill removes local control and authority from the hands of the Bloomington school district voters," Pawlenty said. "I am also concerned that this is directed only at Bloomington and invites a piecemeal approach to legislation addressing school district elections."

HF1394/SF457\*/CH163

### Contractor bill shipped back

The Office of the Legislative Auditor provided the Legislature a report on the misclassification of employees as independent contractors. The report said that using independent contractors significantly reduces labor costs for companies, but it also means that those workers do not have access to company benefits and protections.

The report went on to recommend that the responsible state agencies work with the Legislature to conduct audits of various companies, and that the Legislature should authorize penalties for repeated misclassification of employees.

A bill sponsored by Rep. Sheldon Johnson (DFL-St. Paul) and Sen. David Tomassoni (DFL-Chisholm) would have required the employment and economic development commissioner to conduct these audits. However, the bill also would have created a problematic exemption to the rules dictating whether certain owner-operators of licensed vehicles could be designated as independent contractors. The bill was vetoed.

Gov. Tim Pawlenty wrote in his veto message, "The bill singles out owner-operators who 'deliver shipments less than 250 pounds per parcel' for different treatment than other carriers. Nothing in connection with the existing criteria would suggest that the criteria are more or less appropriate for the industry on the basis of the size or weight of the individual items being transported."

Pawlenty also said that the legislative auditor's report found that the number of trucking industry cases involving misclassified workers was "no greater than other industries," and that current law was adequate.

HF3296/SF2688\*/CH172

### Park board land purchases vetoed

A bill that would have allowed park district boards to purchase land within a city's borders was vetoed.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Dan Larson (DFL-Bloomington), the bill would have allowed a park district board to buy land within a city's boundaries without a city council resolution in support of the purchase, if the purchase

is in accordance with the city's adopted comprehensive plan.

In his veto message, Gov. Tim Pawlenty noted his support of the existing law governing property purchases within a city.

"Existing law provides local governments an opportunity to review and vote on a park district board's acquisition of real property within a city," Pawlenty wrote. "This requirement maximizes local input over land issues that directly impact land within the city."

HF3114\*/SF2820/CH193

### **Dollars to nonprofits**

Authority for political for cities, counties or towns to contribute to nonprofits has been nixed.

Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Jim Vickerman (DFL-Tracy), a bill would have authorized political subdivisions to give money or make in-kind gifts to nonprofit organizations classified as 501(c)(3) groups. Such groups are restricted from lobbying or supporting political parties.

The bill specified that gifts would have needed to be for a public purpose that supports educational, social service, health or charitable purposes and be presented and voted on at a regularly scheduled meeting of the subdivision's governing body.

"Existing law already allows political subdivisions to make grants to nonprofit organizations pursuant to specific appropriations or statutory authority," Pawlenty wrote in his veto message. "At a time when many political subdivisions are raising property taxes and requesting additional local government aid, granting political subdivisions authority to use taxpayer money to make unlimited charitable contributions or initiate new grant programs is simply not warranted."

HF3220\*/SF2929/CH237

### **REAL I.D. squashes policy bill**

Gov. Tim Pawlenty vetoed the omnibus 2007 transportation policy bill because, according to his veto message, it contained "problematic language relating to the implementation of more secure driver's licenses under the federal REAL I.D. Act."

The act's goal is to make documents harder to forge, reduce identity fraud and help reduce illegal immigration. States have called it an unfunded mandate, and others have questioned the security associated with the plan and have expressed concern about data privacy issues.

Pawlenty warned that if state licenses are

not in federal compliance by the end of 2009, Minnesotans would be unable to use their driver's license or state identification card for air travel or to enter federal buildings.

Vetoed language said that if federal dollars would pay at least 95 percent of state costs, Minnesota could comply with the act. It also sought to ensure adequate security of resident data to prevent unauthorized access.

Initial language would have prohibited the Department of Public Safety from taking any steps toward complying with federal requirements. But conference committee members moved toward the governor's position.

"The federal government's response is not complete or finalized," Pawlenty wrote. "Until it is, we should be careful not to unduly restrict our ability to at least begin preparations for implementing REAL I.D. or to undertake state initiatives to improve our Minnesota driver's licenses."

Pawlenty is also concerned about costs and privacy, but said the bill's provisions are "flawed."

"A clear description of the items or activities we expect the federal government to fund should be included in the bill. Many of the costs of REAL I.D. will overlap with security features Minnesota will pursue for its driver's licenses independently of REAL I.D. It is unrealistic for the federal government to pay for implementing those state features." Pawlenty indicated that program funding would be provided on a reimbursement basis, as is the case with many other federal programs.

Rep. Frank Hornstein (DFL-Mpls) and Sen. Steve Murphy (DFL-Red Wing) sponsor the bill, which was later signed into law (CH287) minus the REAL I.D. language.

HF1351\*/SF1971/CH239

### **Numeric oops stays in law**

An attempt to fix a one-digit error was rejected by the governor.

Sponsored by Rep. Bernie Lieder (DFL-Crookston) and Sen. Steve Murphy (DFL-Red Wing), the bill would have corrected a typo in the transportation finance law (HF2800) that was overridden early in the 2008 session.

That law provides for transition tax rates on motor fuels, including a 10 percent gas tax rate increase from 20 cents per gallon to 22 cents. Additionally, the tax rate on alternative fuels was proportionally increased by 10 percent.

A 10 percent tax rate increase on compressed natural gas would have increased it from \$1.739 per thousand cubic feet to \$1.913. However, the veto override had an extra numeral after the decimal point, listing the

new rate as \$1.1913 per thousand cubic feet.

In his veto letter, Pawlenty said he opposed the tax increase before and continues to do so.

HF3868/SF3564\*/CH264

### **Medical privacy protection**

A bill that would have prohibited health care providers from disclosing an individual patient's financial or medical debt information to another entity was vetoed.

Sponsored by Rep. Diane Loeffler (DFL-Mpls) and Sen. Linda Scheid (DFL-Brooklyn Park), the bill would have also prohibited health care providers from obtaining or using financial or medical debt information until after health care services had been provided to a patient.

Health care providers could have shared debt information with the patient and patient's insurer or authorized third-party debt management services provider.

In his veto message, Gov. Tim Pawlenty wrote the bill doesn't define "financial information," or "medically necessary," and that without the definitions there would be confusion that would likely result in "significant unintended consequences." Further, "this bill could force significant changes in the delivery of routine medical services in Minnesota and unnecessarily impact the costs to Minnesotans," he wrote.

HF3610/SF3132\*/CH279

### **Chemical bans vetoed**

Two widely used chemicals that have raised public health concerns would have been banned under a bill vetoed by Gov. Tim Pawlenty.

Sponsored by Rep. Karen Clark (DFL-Mpls) and Sen. John Marty (DFL-Roseville), the bill sought to phase out certain products containing the flame retardant decabromodiphenyl ether (deca-BDE), and also children's products containing phthalates, a family of chemicals often used to make plastic toys more flexible.

A Pollution Control Agency report released in January identified several environmental and health concerns associated with deca-BDE, which has been linked to developmental problems in animals and children. Similarly, some studies have linked phthalates to a variety of adverse health effects in children.

Though he acknowledged that products sold in Minnesota should provide "appropriate protections to public health," Pawlenty did not agree that current scientific research on the chemicals in question justifies a ban.

"I vetoed the bill for two primary reasons: 1)

Many studies regarding the impact of DECA do not support a ban; and 2) I believe our state agencies should review all available research and make a recommendation before moving forward with an outright ban," he wrote in his veto message.

In regard to the phthalates ban, Pawlenty emphasized that "no peer reviewed studies have concluded that these products pose a significant risk to human health."

Another section of the bill would have required licensed health care professionals providing prenatal care to pregnant women to provide them with information on all methods of pain relief, "including evidence-based nonpharmacological methods."

HF934/SF651\*/CH301

### **Hockey as a state sport vetoed**

Hockey could have become Minnesota's official state sport, physical education classes would have been required in high school and school technology standards would have been set. But these and other provisions in the omnibus education policy bill were vetoed by the governor.

Other provisions in the bill, sponsored by Rep. Carlos Mariani (DFL-St. Paul) and Sen. Chuck Wiger (DFL-Maplewood), included:

- allowing parents or guardians to designate another adult to participate in school conferences involving their child, and that person would have access to the same kind of information as a parent.
- providing teachers with instruction in American Indian education including information about teaching history and culture to all students; and
- requiring high school students to take half a credit of physical education, though students who demonstrated mastery of the subject matter or were participating in sports would not have to take the class.

Pawlenty termed the bill a "step backward for education accountability and high expectations," and that it contained several unfunded mandates.

He agreed with the idea behind a provision raising the student dropout age from 16 to 18 years old, but wrote: that the language doesn't adequately address the potential impact on schools such as "disciplinary issues created by students required to stay in school longer, additional space and material needs, added truancy enforcement and additional per pupil funding."

HF3316/SF3001\*/CH310

### **Paint stewardship pilot program vetoed**

A bill that would have established a pilot program to help Minnesotans recycle unused paint was vetoed by Gov. Tim Pawlenty.

Sponsored by Rep. Brita Sailer (DFL-Park Rapids) and Sen. John Doll (DFL-Burnsville), the bill would have made manufacturers responsible for recycling discarded architectural paint, and created free paint recycling drop-off sites.

To pay for the program, the bill would have established a "consumer paint stewardship assessment" of up to 40 cents per container of architectural paint sold in the state. In his veto message, Pawlenty argued that this amounted to forcing Minnesotans to pay a second time for a service their property taxes already support.

"Requiring Minnesotan consumers to pay for both public and industry based programs results in a double burden on consumers for the same purpose," the governor wrote.

The idea for the legislation came from paint manufacturers, who see the program as a favorable alternative to government regulations. Currently, the responsibility for recycling paint falls largely on counties, which pass the recycling costs on to property taxpayers.

The program, which would have expired June 30, 2010, was intended to serve as a model. It would have been administrated by a non-governmental stewardship organization composed of paint industry representatives. To this end, a provision in the bill would have exempted this organization from certain anticompetitive conduct statutes in order to allow paint companies to collaborate with each other.

The paint stewardship organization would have been required to report data on its activities to the Pollution Control Agency, which in turn would have submitted an evaluative report on the program to the Legislature by Jan. 15, 2010.

HF4051/SF3775\*/CH319

### **Minimum wage stays put**

Gov. Tim Pawlenty vetoed a bill that would have raised the hourly minimum wage paid by large employers (companies with annual sales of \$625,000 or more) to \$6.75 as of July 24, 2008, and another dollar one year later.

For companies with annual sales of less than \$625,000, the hourly minimum wage would have gone up to \$5.75 and \$6.75, respectively.

The "training wage," which allows employers to pay a lower minimum wage to employees under age 18, would have increased to \$5.35 an

hour effective July 24, 2008, and up to \$5.75 a year later.

In his veto letter, Pawlenty said that although he has supported minimum wage increases in the past, he could not sign the current proposal because it does not include a tip credit.

Minnesota is one of only a handful of states that does not recognize a tip credit at the state level, he said. "A tip credit is applied in 43 states for calculating the base wage for tipped employees. The tip credit is essential for the continued viability of many employers."

Minnesota would have the seventh-highest minimum wage in the country, if the wage was enacted, Pawlenty said.

"I am willing to consider a bipartisan minimum wage bill next session if it allows for a reasonable increase, creates a tip credit, and does not unduly burden Minnesota's employers and Minnesota's economy."

The federal minimum wage for nonexempt employees is \$5.85. It is scheduled to go up to \$6.55 per hour July 24, 2008; and \$7.25 per hour on July 24, 2009.

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

HF456/SF875\*/CH320

### **Child welfare changes vetoed**

A bill that would have provided changes to the child welfare statutes was vetoed.

Sponsored by Rep. Neva Walker (DFL-Mpls) and Sen. Patricia Torres Ray (DFL-Mpls), the bill would have:

- created a definition of adult adoption;
- standardized requirements for an adopted child's social and medical history and clarified who could receive a copy of that history;
- allowed counties to search the Minnesota Fathers' Adoption Registry;
- allowed the Health Department to directly exchange information with county agencies or private adoption agencies rather than having to go through the Human Services Department;
- amended statutes regarding the Interstate Compact for Placement of Children to be consistent with nationwide standards;
- clarified that when an agency removes a child from their home, they must have a voluntary placement agreement - or a court order;
- made "child abuse" definitions in the child protection statutes consistent with the Maltreatment of Minors Act;
- clarified that county social service agencies have the authority to access to criminal history background checks when deter-

mining whether a home is suitable for placement;  
• required administrative review of a child in voluntary foster care for treatment; and  
Gov. Tim Pawlenty said the bill would weaken previous changes to criminal background checks, and the changes would “require the agency to allow individuals, for whom there is significant and credible evidence of serious criminal conduct, to work with children and other vulnerable individuals.”

HF3564/SF3166\*/CH323

### **No sick leave eligibility increase**

Gov. Tim Pawlenty refused to expand current law that allows an employee to use employer-provided sick leave when they are sick or when they need to care for an ill minor child.

He vetoed a bill that would have expanded the definition to include an adult son or daughter, spouse, sibling, parent, grandparent or stepparent who is ill or injured.

Sponsored by Rep. Neva Walker (DFL-Mpls) and Sen. Sharon Erickson Ropes (DFL-Winona), the bill would have applied to employers with 21 or more employees at a single site that already have a sick leave policy.

Supporters said this would have helped families that, for example, have an adult child with a disability and it would have helped with an aging population.

“For public sector employers, sick leave and its usage should be left to the give-and-take of collective bargaining, not mandated by the state. Local governments have opposed this bill because it is an unfunded mandate that expands sick leave benefits outside of the collective bargaining process,” Pawlenty wrote in his veto. “The bill’s application to the state would trigger additional costs at a time when our budget is already strained.”

Employers could have continued to provide greater sick leave benefits, and the bill would not have altered an existing policy or labor agreement that allows the use of sick leave for the care of a child, spouse, sibling, parent, grandparent or stepparent.

HF219/SF1128\*/CH324

### **Health reform veto**

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), the bill would have established criteria for health care homes and care coordination fees, allowed providers to offer one-price “baskets of care” for chronic diseases in hopes of saving money and raised the percentage of federal

poverty guidelines for some services to qualify an additional 39,000 people for state-assisted medical care.

In his veto letter, Pawlenty wrote that the poverty guidelines set in the bill were too high. “A family of four with income up to \$84,800 would be eligible under this legislation. This is above the Minnesota median family income for a family of four of \$81,477.”

In response, Huntley said he would work on a compromise. He did successfully with HF3924/SF3780\*/CH358.

HF3391\*/SF3099/CH327

### **Surrogate mother legislation rejected**

Agreements are being made between couples who want to have a child and women who can serve as a surrogate.

A bill that would have established protocols for these arrangements in Minnesota was vetoed by Gov. Tim Pawlenty.

Sponsored by Rep. Kathy Tingelstad (R-Andover) and Sen. Linda Higgins (DFL-Mpls), the bill would have provided minimal requirements of any gestational carrier contract, required documentation of a medical need and mandated that the carrier and the intended parents have a mental health evaluation and legal counsel. There were also provisions for compensation and health insurance.

In his veto letter, the governor said the bill permitted women being hired as surrogate mothers. “We should encourage to the fullest extent possible surrogacy on the basis of donated services similar to how Minnesota addresses donation of bone marrow and organ donation.”

He also wrote that the bill does not allow the surrogate mother to choose her doctor — this is to be done in consultation with the intended parents — and would not expressly give the surrogate mother the right to refuse a request of the parents to terminate the pregnancy.

“The bill also fails in any manner to recognize or protect the life and rights of the unborn child,” he wrote. Because the unborn child is treated “as a chattel,” in the case of a contract dispute, the court could not apply the “best interest of the child” standard, but rather the court would have to look at the “original intent” of the contract.

HF3448/SF2965\*/CH329

### **Records access vetoed**

A pregnant unwed mother in the 1950s couldn’t have foreseen that in 2009 her child given up for adoption would possibly contact her because of having direct access to their

original birth certificate. With no affidavits to protect the mother’s identity at that time, many just thought their secret would remain silent.

A bill, sponsored by Rep. Kathy Tingelstad (R-Andover) and Sen. Ann Rest (DFL-New Hope), would have allowed adults age 19 and older to obtain a copy of their original birth certificate, if there was no affidavit of disclosure on file. But it was vetoed by the governor.

The change would have honored affidavits dating to 1981. The Health Department now has about 1,200 affidavits of nondisclosure, Tingelstad said.

“Before 1977, the law supported a birth parent’s expectation their identity and birth records would be forever sealed and confidential. Breaching that promise of confidentiality previously given to these birth parents is not appropriate,” Gov. Tim Pawlenty wrote in his veto message.

Current law allows adoption agencies to work with adopted persons to find birth parents and act as an intermediary.

HF3371/SF3193\*/CH330

### **Standalone omnibus education finance bill vetoed**

A standalone education finance bill was vetoed by the governor, though many of the provisions came back as part of the omnibus supplemental budget law, negotiated during the waning hours of the 2008 session.

Gov. Tim Pawlenty cited the funding source for a one-time, \$51 per pupil unit increase for districts as one reason for his veto. The bill proposed the money would have come from a temporary freeze in the Quality Compensation for Teachers (Q Comp) program.

“Approximately 30 additional districts and schools are in the process of applying for the Q Comp program for the 2008-2009 school year. This bill will essentially eliminate the possibility for new districts and schools to join the program,” Pawlenty wrote.

The bill was sponsored by Rep. Mindy Greiling (DFL-Roseville) and Sen. Terri Bonoff (DFL-Minnetonka).

HF6\*/SF352/CH332

### **REAL ID Act vetoed**

Gov. Tim Pawlenty vetoed a bill that would prohibit the public safety commissioner “from taking any action to implement or to plan for the implementation by this state of those sections of Public Law 109-13 known as the Real ID Act.”

In an effort to compromise, the governor instead issued an executive order to prevent



state compliance before June 1, 2009, unless legislative approval is first given.

"Throughout the debate over REAL ID I've made it clear I share many of the concerns raised regarding federal funding, privacy, state control and other issues. Opponents have also raised important constitutional questions that should be considered," Pawlenty said. "This will give us an opportunity to work with our federal partners and state legislators to resolve the valid concerns regarding this program."

A recommendation by the 9/11 Commission, the act's goal is to create uniform standards for documents such as driver's licenses and state identification cards, making them harder to forge, and thereby reducing identity fraud and tightening immigration standards. Opponents called it an unfunded mandate that would cost the state an estimated \$31.4 million over three years, questioned the security associated with the plan and expressed concern about data privacy issues.

"I am committed to work to ensure those concerns are addressed," Pawlenty wrote in his veto message. Without federal compliance, Pawlenty warned that by the end of 2009, Minnesotans would be unable to use their driver's license or state identification card for air travel or to enter federal buildings.

Rep. Carlos Mariani (DFL-St. Paul) and Sen. Mee Moua (DFL-St. Paul) are the sponsors.

HF3807\*/SF3494/CH334

### **Staggered council terms rejected**

Legislation instituting staggered terms for members of the Metropolitan Council received a veto from Gov. Tim Pawlenty.

Sponsored by Rep. Sandra Peterson (DFL-New Hope) and Sen. Kathy Saltzman (DFL-Woodbury), the legislation would have provided that council members serve staggered four-year terms, as was the case prior to 1994.

Under current law, members are appointed by the governor and serve terms that end with the term of the governor. Sixteen of the 17 members represent a district and the chair serves at-large.

"This structure was the result of reforms intended to increase Met Council accountability, and this bill reduces that accountability," Pawlenty wrote in his veto message.

HF2662/SF2605\*/CH339

### **Dependent is not redefined**

Citing the potential for expansion of domestic partner benefits, the governor vetoed a bill that would have modified the

definition of "dependents" relating to group benefits for local government employees.

Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), it would have authorized a local unit of government to define the word "dependent" for the purpose of providing group benefits to a dependent. The provision was also part of the 2007 omnibus state government bill vetoed by the governor.

"The provisions in this bill would permit unlimited expansion of employment benefits to domestic partners and others by local units of government," Gov. Tim Pawlenty wrote in his veto message. "I vetoed nearly identical language last year, and my position has not changed."

HF1097/SF960\*/CH342

### **Screening newborns**

Minnesota law requires written informed consent for the collection of any genetic information.

A bill, sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Ann Lynch (DFL-Rochester), proposed exempting newborn genetic screening from this process, requiring that testing be done unless the parents opt-out of the program. However, it was vetoed by Gov. Tim Pawlenty.

In addition to the consent exemption, the bill would have required that prior to a blood sample being taken from a newborn, parents or the legal guardian would have to be told that the sample could be used to test for hereditary and congenital disorders, held at the Health Department for at least two years and possibly used for research. The person administering the test would have to document that the parents or legal guardians received the information and had an opportunity to ask questions.

"This bill would make some improvements to the current law relating to the notice parents receive before genetic information is collected. I support these provisions," the governor wrote in his veto letter. "However, this bill would also expressly exempt the Department of Health from laws which require written informed consent for the Department to store and use personally identifiable genetic information for non-screening purposes."

Pawlenty also wrote, "Government handling and storage of genetic information is a serious matter. Removing the requirements for express authorization from parents regarding the long-term storage and potential future uses of genetic samples, especially when such storage and use is not related to newborn screening, is concerning."

HF3438/SF3138\*/CH345

### **No school employee insurance pool**

An attempt at creating a statewide insurance pool for school employees was vetoed by the governor.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Don Betzold (DFL-Fridley), the bill would have established a 14-member board to design a health insurance pool for all school employees.

Gov. Tim Pawlenty wrote in his veto message that because the bill came so late in the session, "the impacts and costs to school districts associated with this structure were not fully vetted during regular committee hearings." The impact could be significant, he noted.

The board would have offered six fully insured health plans:

- one that must provide coverage without a deductible and without other enrollee cost sharing other than reasonable co-payments for non-preventive care;
- a high-deductible plan that qualifies under federal law for use with a health savings account; and
- four with levels of enrollee cost sharing between the two plans.

HF1875\*/SF1593/CH346

### **No stem cell study expansion**

Gov. Tim Pawlenty vetoed a bill that would have allowed the University of Minnesota to spend state-appropriated funds on stem cell research.

The bill would also have changed state policy so that "research involving the derivation and use of human embryonic stem cells, human embryonic germ cells, and human adult stem cells from any source, including somatic cell nuclear transplantation, shall be permitted and that full consideration of the ethical and medical implications of this research be given."

Current statute permits research "which verifiable scientific evidence has shown to be harmless to the conceptus," which is defined in statute as any human organism "from fertilization to the first 265 days thereafter."

Supporters said stem cell research could help people with debilitating ailments, such as Parkinson's or Alzheimer's diseases. They claim that it's not enough to work just on blood cells because they don't work with all diseases. They also claim the state's biomedical industry would be diminished with stem cell research limitations.

"I support stem cell research that is consistent with sound ethical and moral standards," Pawlenty wrote in his veto letter.

The governor noted that stem cell research is rapidly evolving, and that research within the

past year has shown that adult skin cells can be reprogrammed into induced pluripotent stem cells, which are made by adding a small number of factors to the cells in a laboratory. Conversely, he noted that embryonic stem cells are obtained by destroying live embryos.

Rep. Phyllis Kahn (DFL-Mpls) and Sen. Richard Cohen (DFL-St. Paul) sponsored the bill.

HF34/SF100\*/CH351

### **Borrower Relief Act**

The Minnesota Subprime Borrower Relief Act of 2008 would have provided a one-year deferment before a foreclosed property would be put up for sale. Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Ellen Anderson (DFL-St. Paul), it was vetoed by the governor.

Though he agreed with its intent, Gov. Tim Pawlenty said the bill would have added additional business risk and could make mortgages in the state more expensive. "This will negatively impact the credit market in Minnesota by increasing interest rates for Minnesotans who are trying to refinance or purchase a new home," he wrote in his veto letter.

Under the bill, to qualify for the program, the borrower would have resided at the location for the past six months; committed to stay at the location for at least one year; made less than \$250,000 a year; have proven U.S. citizenship; agreed to work with a mortgage foreclosure counselor; and agreed to deal in good faith with the mortgage lender to work out terms of the loan.

If an agreement was reached, for one year the borrower would have paid the lesser of the monthly principal and interest when the original deal was signed or 65 percent of the monthly principal and interest at the time of default. If the borrower missed a payment, or moved from the location, the deferment period would have ended and the lender could have continued the foreclosure process.

Pawlenty said the bill "raises significant legal and philosophical concerns" and he was critical of the process the bill took to passage. "It is unfortunate this bill did not go through the bipartisan foreclosure study committee as did the 11 other mortgage foreclosure bills. A more rigorous review may have eliminated this bill's technical, constitutional problems and policy flaws."

HF3612/SF3396\*/CH352

### **Child services consolidation**

The human services commissioner won't have to consult the Legislature before relocating an enterprise activity within state-operated services.

Sponsored by Rep. John Ward (DFL-Brainerd) and Sen. Paul Koering (R-Fort Ripley), a bill vetoed by Gov. Tim Pawlenty was in response to the Department of Human Services' proposed consolidation of the Brainerd and Willmar child service facilities.

Staff from the Child and Adolescent Behavioral Health Services Program at Brainerd said its facility is consistently at bed capacity with needy and severely mentally ill children. But department statistics show Brainerd's inpatient services steadily declining since 2004. Therefore, the department recommends consolidating services to save the state \$1.2 million annually.

Current law only prohibits the commissioner from closing a center, nursing home or certain programs at a facility without legislative approval.

In his veto message, the governor wrote, "By prohibiting the closure of enterprise activities, this bill will unnecessarily force the Department to carry the costs of those activities that cannot be supported by revenues."

HF2588/SF2368\*/CH354

### **Rural cooperative contract**

Sponsored by Rep. Tina Liebling (DFL-Rochester) and Sen. Ann Lynch (DFL-Rochester), a bill, vetoed by the governor, would have directed the human services commissioner to assign those under the age of 65 who did not choose a managed care plan, to the county-based purchasing health plan in Olmsted, Winona, Houston, Fillmore and Mower counties, if the individual resides there.

In his veto message, Gov. Tim Pawlenty said the change would give preference to county-based purchasing plans instead of assigning enrollees among all participating plans. "Statutorily mandated preferences in this fashion decreases competition between managed care plans and diminished the Department of Human Services' ability to purchase health care on a statewide competitive basis."

HF2748\*/SF3199/CH359

### **New budgeting procedures**

Several bills were incorporated into a bill vetoed by the governor that would have made changes to the way budget requests are presented to the Legislature. It also included whistleblower protection for state employees.

The law, sponsored by Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Richard Cohen (DFL-St. Paul), included provisions that would have:

- permitted the Legislative Commission on Planning and Fiscal Policy to develop budget recommendations to present to the Legislature;
- required the commissioner of finance to prescribe a uniform procedure for governing state departments and agencies that must include a system for posting the date a fiscal note is requested, the estimated completion date and how to display those dates on the front page of each completed note; and
- provided whistleblower protection for an employee in the classified service of state government who communicates information that the employee, in good faith, believes to be truthful and accurate, and that relates to state services, including the financing of state services, to: (1) a legislator or an employee in the legislative branch; or (2) an elected official in the executive branch.

In his veto message, Gov. Tim Pawlenty wrote that while the bill would do little to improve the options for decision-making in relation to development of the state budget or the efficiency of state government operations, it would have created additional administrative costs for agencies. "We need to continue working on the structural alignments of spending and revenues, not creating more process."

HF3587/SF3363\*/CH360

