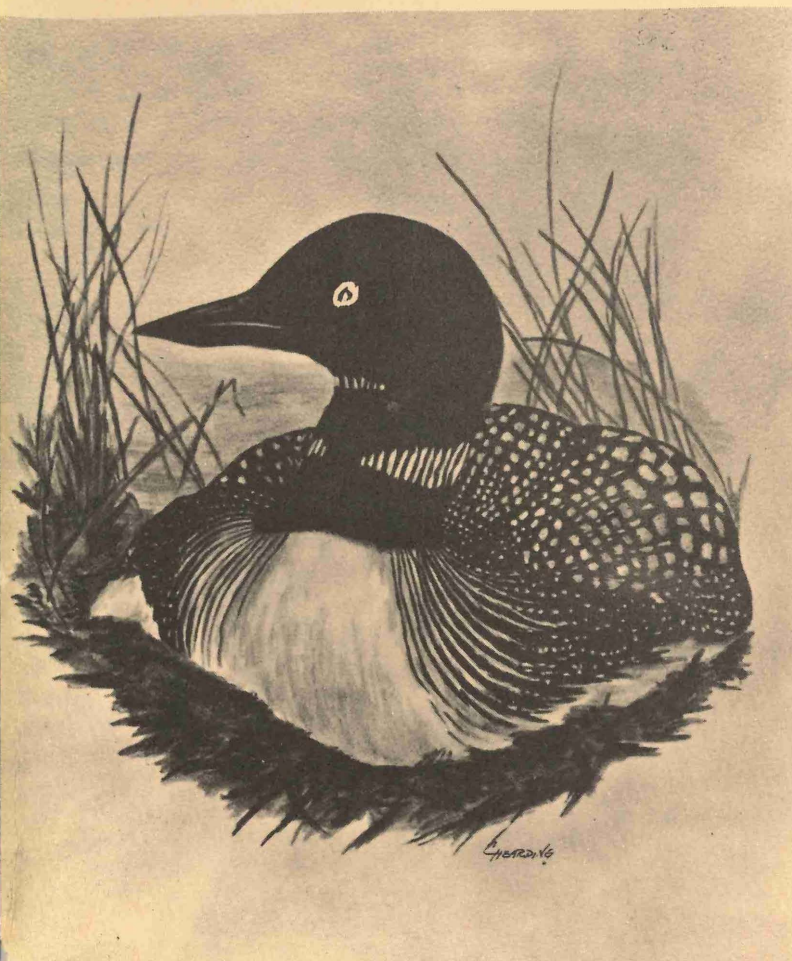


# **MINNESOTA'S LOON**



## **MINNESOTA LEGISLATIVE SUMMARY 1979 SESSION**

The first half of the 71st Session produced a surprising amount of significant legislation. While much of the media attention focused on the stadium and taxes, solid work was done in other areas despite a noticeable lack of leadership from the Governor's Office.

Some 1,643 bills were introduced in the House of Representatives and 1,600 in the Senate. Of these, 348 passed both bodies, including three in the Special Session. Five bills were vetoed by the Governor. By comparison, in the 1977 session there were 1,701 introductions in the House, 1,568 in the Senate and 455 passed to become law, none being vetoed by Governor Perpich.

The 146 acts briefly summarized here are those that seemed most important or most likely to have a direct impact on the people of Minnesota. If you need additional information about these or any other acts, don't hesitate to call.

DFL House and Senate Caucus Staff

#### COVER:

The Loon (*gavia immer*) became Minnesota's state bird in 1961. It is also known as the Common Loon and the Great Northern Diver. The Loon is a large bird, with wing spans up to five feet and body lengths up to three feet. Though awkward in flight, the Loon excels at swimming and diving.

## TABLE OF CONTENTS

	Page
<b>AGRICULTURE</b>	
Family Farm Security Program Amendments	1
Hay Loads on Public Roads	1
Minnesota Logo	1
Pipeline Construction Regulated	1
Preservation of Agricultural Lands	2
Prohibiting Trespass	2
Wetlands and Public Waters Defined	3
<b>APPROPRIATIONS</b>	
Building Bills	4
Omnibus Health, Welfare and Corrections Bill	4
Omnibus State Departments Bill	5
Semi-State Appropriation	6
<b>BUSINESS</b>	
Additional Adult Voc-Ed Small Business Management Programs	7
Bank Credit Card Interest Rates	7
Business Assistance Center	7
Expansion of State Small Business Set-Aside Program	8
Federal Small Business Institute Matching Grants	8
On-Sale Liquor Licenses	8
Small Business Pollution Control Loans	9
U of M Small Business Set-Aside	9
<b>CRIMINAL JUSTICE</b>	
Arson Reporting Immunity Law	10
Complaints Against Peace Officers	10
Criminal Code Changes (Omnibus Crime Act)	10
Discharge of Firearm by Security Guard	11
Domestic Abuse Act	11
Domestic Assault	11
Licensing of Constables	12
Licensing Part-time and Reserve Peace Officers	12
Obscene Movies	12
Prostitution	13
Son-of-Sam: Limits Commercial Profits from Crime	13
Stolen Property	13
<b>EDUCATION</b>	
Education Scholarships and Grants	14
Omnibus Higher Education Bill	14
Omnibus School Aids Bill	15
School Bus Passing Law Amendments	18
School District Pairing	19
Teachers' Files - Expungement	19
Textbook Substitutes	19
<b>ELECTIONS</b>	
Compensation for Election Judges	20
Recounts for Local Elections	20

TABLE OF CONTENTS  
(Continued)

	Page
OCCUPATION LICENSURE	
Building Mover Regulation	53
Public Accountant Licensing	54
PENSIONS AND RETIREMENT	
Amortization Date Extension	54
Correctional Officer Retirement	54
Mandatory Retirement Changes	55
Minneapolis Municipal Employees	63
Pre-73 Retirees, TRA Deficit	55
Volunteer Firefighters' Pensions	56
RECREATION	
Omnibus Parks and Recreation Bill	56
Revised Stadium Bill	57
Stadium Liquor Tax Repeal	58
SENIOR CITIZENS	
Notice of Nursing Home Rate Increases	58
Pets in Nursing Homes	58
TAXES	
Exempting Senior Citizen Associations from Sales and Use Tax	59
Omnibus Tax Bill	59
TRANSPORTATION	
Amtrak Resolution	65
Bridge Bonding	65
County and Municipal State-Aid Roads	65
Department of Transportation Appropriation	66
Metropolitan Transit Commission Debt	67
Moped Operator's Permit Fee	68
Senior Citizen/Handicapped Crossings	68
Town Road and Bridge Funds for Cartways	68
VETERANS	
Affirmative Action for Vietnam-Era Veterans	69
WORKERS COMPENSATION	
Claims Settlement	69
Closely Held Corporation	69
Employees Outside the State	70
Omnibus Workers Compensation Act	70
Partnerships	72
Recovery of Insurance Premiums	73



## AGRICULTURE

### Family Farm Security Program Amendments

	H.F. 406	Fjoslien, Mann, Stadum, Wenzel Clawson
*	S.F. 420	Nichols, Strand, Gunderson, Sikorski

Allows more participation in model 1976 loan program by raising maximum net worth an applicant may have from \$50,000 to \$75,000. Increases from \$100,000 to \$135,000 the maximum net worth a recipient may have to continue receiving 4% interest break on the loan. Extends state guarantee to bona fide secondary market purchasers of the mortgages.

Effective: August 1, 1979.

C. 236

### Hay Loads on Public Roads

*	H.F. 103	Johnson, D., Den Ouden, Anderson, B., Anderson, G., Jennings
	S.F. 109	Setzepfandt, Moe, Hanson, Strand, Sillers

Authorizes issuance of annual permits for transportation of round hay bales on vehicles or loads up to 11½ feet in width, with certain restrictions. Requires permit fee of \$25.

Effective: immediately.

C.44

### Minnesota Logo

*	H.F. 373	Anderson, G., McDonald, Brinkman, Luknic, Mann
	S.F. 395	Strand, Penny, Nichols, Engler, Hanson

Directs commissioner of agriculture to establish and regulate use of an identifiable label for Minnesota grown processed or manufactured food products. Use of logo is discretionary.

Effective: August 1, 1979.

C.36

### Pipeline Construction Regulated

	H.F. 376	Anderson, G., Corbid, Erickson, Searle, Kalis
*	S.F. 332	Setzepfandt, Purfeerst, Willet, Strand, Engler

Prevents negotiation or acquisition of pipeline easements before completion of a 90-day process which includes: (a) notifying the EQB and affected county boards of the project, (b) paying the EQB \$25,000 to prepare an information book for each landowner, and (c) waiting until public meetings have been held in each county (process will not apply to pipelines with an approved

## AGRICULTURE

### Pipeline Construction Regulated - Con't.

EIS or those that have acquired 85% of the easements and have filed a certificate of need as of the effective date). Requires burial 4½ feet deep when crossing agricultural land, public drainage facilities or roads unless this is waived. Allows county boards to establish standards to protect and restore agricultural land during pipeline construction. Sets a county fee of \$500 per mile to finance inspection activities. Frees landowners from liability for pipeline damage caused by normal agricultural operations but requires advance notice of drainage tile repairs. Violation of the 90-day process requirement is a gross misdemeanor and violation of the depth provision and county ordinances is a misdemeanor. Effective: immediately, except that interstate natural gas pipelines constructed under eminent domain authority of the federal natural gas act do not have to comply with the 90-day siting procedure and those subject to safety regulations under the federal natural gas pipeline safety act do not have to comply with the minimum depth requirements.

C.194

### Preservation of Agricultural Lands

*	H.F. 1091	Kalis, Clawson, Redalen, Valan, Lehto
	S.F. 1015	Wegener, Olhoft, Dunn, Merriam, Hanson

Declares a state policy that prime agricultural and open space lands must be preserved. Establishes a 16-member joint legislative committee on farmland preservation, which will disband by June 30, 1982. Directs state planning agency to coordinate state agency activities. Effective: immediately.

C.315

### Prohibiting Trespass

*	H.F. 60	Wieser, Redalen, Clawson Den Ouden, Brinkman
	S.F. 930	Purfeerst, Wegener, Penny, Engler, Olson

Redefines "agricultural lands" as lands containing plowed or tilled fields, standing crops or their residues or lands with a maintained fence for the purpose of enclosing livestock including all lands up to the water's edge of streams and lakes (was defined as lands used to raise agricultural products or enclosing domestic livestock except lands within 66 feet of the water's edge of streams and lakes). Prohibits trespass only for those hunting big or small game or pleasure driving and not for any other recreational purpose. Prohibits all persons from

Prohibiting Trespass - Con't.

entering another's lands from leaving gates open or destroying property. Violation of the law is a misdemeanor and conviction results in the cancellation of the license used.

Effective: August 1, 1979.

C. 291

Wetlands and Public Waters Defined

H.F. 1178	Anderson, G., Peterson, Eken Searle, Munger
* S.F. 808	Nichols, Dunn, Willet, Peterson

Includes nine types of waters in the definition of "public waters" (were defined as any waters having a material beneficial public purpose). Redefines "wetlands" as federal types 3, 4 and 5 which are greater than 10 acres in unincorporated areas or greater than 2½ acres in incorporated areas. Extends eligibility in the water bank program to all wetlands, not just those of 50 acres or less. Requires the DNR to complete the public waters and wetlands inventory by December 31, 1982. Requires county boards to conduct public meetings on the DNR's preliminary designation and to make recommendations to the DNR. Allows the boards and individuals to file petitions for public hearings on the designation of specific waters and to appeal the order of a hearings unit (composed of one person appointed by the county board, one appointed by DNR and a board member of the local soil and water conservation district).

Allows landowners to request review of the status of designated wetlands after 10 years and to use the wetlands for agricultural purposes which do not result in drainage. Designation as public waters does not grant public access and state-owned wetlands may be used as part of a public drainage system.

Effective: August 1, 1979.

C.199

SEE ALSO:

Flood Plain Management	p.23
Insurance Premium Finance Companies	p.43
Omnibus Tax Bill (Property Tax Relief)	p.60
Unemployment Compensation - Family Farms	p.48

## APPROPRIATIONS

### Building Bills

*	H.F. 1605	Norton
*	H.F. 1606	Norton

Major items in a \$74.5M bonding law and a \$2.3M non-bonding law include: \$2.2M to the department of administration for energy conservation; \$225,000 to plan a \$4.2M building at the Minnesota Braille School; \$1.0M for a \$2.0M energy education center at Red Wing AVTI (a special levy is also authorized); \$4.7M for a physical education building at St. Cloud State; \$300,000 to plan a \$5.5M library/classroom/college center building and a \$2.5M fine arts building at metro community college; \$15.8M to the university of Minnesota civil and mineral engineering building (Minneapolis); \$160,000 to plan a \$4.0M addition to the U of M business administration tower (Minneapolis); \$7.1M for the U of M vocational technical education building (St. Paul); \$13.6M for the U of M veterinary medicine hospital addition (St. Paul); \$2.0M for the U of M poultry research and teaching facility (St. Paul); \$3.3M for the U of M business and economics building (Duluth); \$3.4M for the U of M physical education complex (Crookston); and \$10.2M for cost overruns at the new prison.

Requires the commissioner of administration to present a monthly report to the legislature concerning work progress on the new prison, particularly factors that may result in increased costs.

Effective: immediately.

C. 338

C.339

### Omnibus Health, Welfare & Corrections Appropriation

*	H.F. 1518	Norton
---	-----------	--------

Appropriates \$1.3 billion/biennium for human service needs. Provides increased funding of state's share for community health services and community corrections programs. Extends catastrophic health insurance eligibility. Provides \$698.0M for income maintenance programs, including a 7% annual increase for AFDC, GA and MA recipients. Appropriates \$3M to expand "battered women" programs and implement a treatment program for the violent partner. A comparison with the 1977 omnibus act, by major area, follows:

	<u>Biennium</u> <u>1977-79</u>	<u>Biennium</u> <u>1979-81 (a)</u>
Public Welfare	\$860.5M	\$1,099.9M
Economic Security (b)	10.3M	31.2M
Health	35.6M	47.1M
Corrections	97.0M	116.1M
Health-Related Boards	2.9M	3.1M
Ombudsman for Corrections	.4M	.5M
Sentencing Guidelines Comm.	---	.4M



## APPROPRIATIONS

### Omnibus Health, Welfare & Corrections - Con't.

(a) Adjusted for salary increases.

(b) The 1977-79 appropriation was solely for department of vocational rehabilitation. Economic security also includes the former department of employment services and governor's manpower office.

Also designates \$400,000 for training and experimental programs to prevent and treat child abuse and neglect; grants \$50,000 to new bridge, a "safehouse" for juvenile prostitutes; earmarks \$1.4M for grants to small acute care hospitals that convert to nursing homes; and designates \$500,000 for grants to programs serving victims of sexual assault.

Effective: July 1, 1979

C.336

### Omnibus State Departments Bill

H.F. 1553 Norton  
\* S.F. 1510 Moe

The 1979-81 state departments appropriation totals \$819M for all funds (of which \$684M is from the general fund), and includes 1979 salary increases for the biennium totaling \$27.5M. Excluding transfers not included in the state departments bill last biennium, appropriation is a 15% increase over 1977-79 spending level.

### Budget highlights:

<u>Department</u>	<u>1977-79</u> <u>Biennium</u>	<u>1979-81</u> <u>Biennium</u>
Administration	\$ 27.9M	\$ 32.3M
Finance	9.5M	9.8M
Personnel	4.7M	5.8M
Revenue	43.5M	49.7M
Agriculture*	21.5M	50.6M
Natural Resources	91.5M	107.7M
Pollution Control Agency	10.0M	9.6M
Energy Agency	2.6M	2.7M
Commerce	9.5M	11.4M
Labor & Industry	9.5M	11.5M
Economic Development	4.9M	6.2M
Human Rights	1.4M	2.0M
Public Service	7.1M	7.7M
Public Safety	91.0M	106.6M
Other Departments & Agencies (including transfers)**	156.7M	241.2M
Other Transfers (Debt service conversion)***		164.0M
TOTAL	\$ 491.4M	\$ 818.8M

\*includes transfer of shade tree grants program to agriculture department, \$25M.

## APPROPRIATIONS

### Omnibus State Departments Bill - Con't.

\*\*includes direct appropriation of federal funds to crime control planning board, undedication of several special accounts, inclusion of separate salary-related bills in 1977, and other new and recurring appropriations from separate bills in 1977.

\*\*\*represents conversion of debt service from open appropriation to direct appropriation.

Effective: July 1, 1979.

C.333

### Semi-State Appropriations

	H.F. 1552	Norton
*	S.F. 1504	Moe

Appropriates \$20.7M for various semi-state agencies and activities, an increase of \$5.1M over the 1978-79 spending level. Major appropriations are:

	1978-79 Biennium	1980-81* Biennium
MN Historical Society	\$ 10.8M	\$ 13.5M
State Arts Board	4.0M	5.9M

(\*adjusted for salary supplements.)

Appropriates \$100,000 per year for matching grants (was \$150,000 per year) and \$240,000 per year for a new block grant program or a total of \$680,000 during the biennium for the state's six public television stations. Appropriates \$200,000 for a new matching grant program to assist up to 20 public radio stations.

Effective: July 1, 1979.

C.337

### SEE ALSO:

DOT Appropriations	p.66
Omnibus Higher Education Bill	p.14
Omnibus School Aids Bill	p.15



Additional Adult Voc-Ed Small Business Management Programs

* H.F. 223	Eken, McEachern, Esau, Johnson, C., Knickerbocker
S.F. 315	Merriam, Dieterich, Hughes, Anderson, Sillers

Article V, Section 32, Subd. 10 provides \$280,000 for the biennium for adult voc-ed programs in small business management in locations where such programs are not currently offered.

Effective: July 1, 1979.

C.334

Bank Credit Card Interest Rates

* H.F. 859	Heinitz, Ellingson, Corbid, Brinkman, Anderson, D.
S.F. 913	Tennessen, Bang, Kleinbaum, Penny, Engler

Allows banks or other financial institutions operating bank credit card programs (like VISA) to charge 1½% per month or 18% per year (was previously 1% per month or 12% annually) on open-end charge accounts, provided that no annual fee is charged to the credit card holder. Also requires banks charging 1½% per month with no annual fee to have available as an option to credit card holders a plan for finance charges or no more than 1% per month plus an annual fee of up to \$15.

Effective: immediately.

C.101

Business Assistance Center

H.F. 996	Pehler, Kalis, Pleasant, Vanasek, Ewald
* S.F. 787	Staples, Nelson, Peterson, Frederick, Bang

Creates a business assistance center in the department of economic development consisting of (1) a bureau of small business, to serve as an information clearinghouse and referral service (including a toll-free telephone service); and (2) a bureau of business licenses, to help businesses obtain required permits and licenses in Minnesota and to study and recommend changes in state licenses and licensing activities (final report by January 1, 1981). Issuance of all state licenses for business operation to be transferred to the new bureau between July 1, 1981, and July 1, 1982, but enforcement authority is to remain with the agencies formerly issuing the licenses.

Effective: August 1, 1979.

C.246

## BUSINESS

### Expansion of State Small Business Set-Aside Program

*	H.F. 913	Biersdorf, Osthoff, Metzen, Ainley, Heap
	S.F. 929	Peterson, Lewis, Knoll, Keefe, S., Staples

Expands the small business procurement act of 1975 by requiring up to 20% (was 10%) of all state contracts for goods and services to be set aside for small businesses. Also requires 15% (was 10%) of the value of procurements designated as small business set-aside to be awarded, if possible, specifically to small businesses owned and operated by socially and economically disadvantaged persons.

Effective: October 1, 1979.

C.283

### Federal Small Business Institute Matching Grants

*	H.F. 1526	Norton
---	-----------	--------

Section 3, Subdivision 14 requires the Higher Education Coordinating Board to provide state matching grants to colleges and universities in Minnesota receiving small business institute grants from the federal small business administration for business management assistance. Appropriation: \$90,000.

Effective: July 1, 1979.

C.335

### On-Sale Liquor Licenses

	H.F. 1502	Brinkman, Peterson, Greenfield, Adams, Ainley
*	S.F. 1025	Bang, Tennesen, Spear, Ashbach, Kleinbaum

Allows persons to hold more than one on-sale liquor license. Law previously allowed only one liquor license per person; now that restriction only applies to offsale liquor licenses.

Effective: August 1, 1979.

C.249

Small Business Pollution Control Loans

*	H.F. 183	Jacobs, Munger, Eloff,
		Carlson, D., Dean
	S.F. 1274	Willet, Luther, Dunn, Olson,
		Peterson

Requires pollution control agency to prepare certification statements for small businesses applying for federal pollution control equipment loans and allows PCA to identify and assist small businesses eligible for such loans. Also requires PCA to provide information and assistance to small businesses regarding federal SBA guarantees on payments of pollution control facility revenue bonds.

Effective: August 1, 1979

C.147

University of Minnesota Small Business Set-Aside

	H.F. 845	Osthoff, Nelson, Biersdorf, Piepho,
		Metzen
*	S.F. 935	Peterson, Nelson, Moe, Hughes,
		Sillers

Extends the small business set-aside program to the university of Minnesota, requiring the board of regents to set aside for small businesses 20% of the value of procurement contracts for goods and services that are paid from funds appropriated by the legislature. Requires at least 15% of the value of procurement set aside to be awarded, if possible, to businesses owned and operated by socially and economically disadvantaged persons.

Effective: July 1, 1979

C.86

SEE ALSO:

Labor Category	p.47
Minimum Wage	p.47
Occupation Licensure Category	p.53
Omnibus Tax Bill (Business Tax Relief)	p.64
Omnibus Tax Bill (Income Tax Relief)	p.59
Unemployment Compensation --	p.48
Seasonal Businesses	
Workers Compensation Category	p.69

## CRIMINAL JUSTICE

### Arson Reporting Immunity Law

- |   |                        |  |
|---|------------------------|--|
| * | H.F. 1324<br>S.F. 1484 | Drew, Jennings, Novak, Norman<br>Dieterich, Sieloff, Solon, Luther |
|---|------------------------|--|

Requires insurance companies to report, in writing, suspected arson. Allows specific authorized persons to request and receive information from insurance companies when investigating fire loss. Grants immunity from civil or criminal liability when insurance company releases information in good faith. Failure to comply with act constitutes a misdemeanor offense. (Arson has recently become a Part I crime, the most serious classification.)

Effective: August 1, 1979.

C. 226

### Complaints Against Peace Officers

- |   |           |   |
|---|-----------|---|
|   | H.F. 1379 | Pavlak, Moe, Lehto, Minne,<br>Jennings    |
| * | S.F. 1376 | McCutcheon, Schaaf, Dunn, Moe,<br>Schmitz |

Authorizes peace officers standards and training board to receive written complaints, to require investigation if peace officer is alleged to have violated law or rule which board is empowered to enforce, and to take further action, including a license revocation hearing.

Effective: immediately.

C.117

### Criminal Code Changes (Omnibus Crime Act)

- |   |          |   |
|---|----------|---|
| * | H.F. 555 | Crandall, Kelly, Novak, Pavlak,<br>Laidig |
|   | S.F. 492 | Hanson, Strand, McCutcheon                |

Extends current minimum mandatory sentence provisions to attempts of crime with a gun and to accomplices of offenders using firearms. Replaces present assault and aggravated assault statutes with four degrees of assault. Provides that state need not prove "coercion" for 2nd and 4th degree criminal sexual conduct. Enacts misdemeanor of "interference with privacy" (window peeping). Defines bureau of criminal apprehension agents as peace officers. Repeals statutes requiring presentence examination of sex offenders.

Effective: August 1, 1979; except repeal of sex offender examinations is effective immediately.

C.258



## CRIMINAL JUSTICE

### Discharge of Firearm by Security Guard

	H.F. 1064	Lehto, Clark, Crandall, Rothenberg, Zubay
*	S.F. 363	McCutcheon, Lewis, Schaaf, Davies, Keefe, J.

Defines "security guard" as privately-paid protector of person or of property. Requires guard to report each gun discharge, other than in training, to chief of municipal police or county sheriff. BCA superintendent to prepare annual summary of incidents.

Effective: August 1, 1979.

C.196

### Domestic Abuse Act

*	H.F. 521	Clark, Byrne, Sieben, M., Laidig, Forsythe
	S.F. 214	Lewis, Coleman, McCutcheon, Kirchner, Sikorski

Defines "domestic abuse" as infliction or fear of physical assault or criminal sexual conduct between members of a household, regardless of marital status. Enacts a new court procedure to obtain an order for protection similar to relief available in divorce proceedings. After notice and hearing, court may issue an order to restrain an individual from further abusive acts, exclude him or her from the home, award temporary support or child custody, require counseling, or order other relief. Authorizes temporary relief order, up to 14 days, if immediate danger is alleged. Requires law officers to assist in execution of the order. Prescribes penalties for violation of order.

Effective: immediately.

C.214

### Domestic Assault

*	H.F. 99	Nelson, Laidig, Sieben, M., Piepho, Pavlak
	S.F. 705	McCutcheon, Lewis, Sikorski, Kirchner

Provides immunity from civil liability for peace officers who make good faith domestic assault arrests without warrant. Allows arrest away from assailant's residence if assault recently occurred and assailant is threatening to return.

Effective: immediately.

C.204.

## CRIMINAL JUSTICE

### Licensing of Constables

*	H.F. 107	Lehto, Sherwood, Begich, Zubay, Berkelman
	S.F. 440	Willet, McCutcheon, Schaaf, Knoll

Allows constables who hold office prior to July 1, 1979, automatic POST licensure for subsequent terms of office if: within 6 months he has met certain minimum qualifications, within 12 months he has completed courses in first aid and firearm training, and within 24 months he has passed the part-time officer licensing examination.

Effective: immediately.

C.254

### Licensing Part-Time and Reserve Peace Officers

*	H.F. 866	Lehto, Jennings, Pavlak, Moe, Nysether
	S.F. 996	Willet, Gearty

Declares a public policy that part-time officers must meet minimum training requirements to maximize public safety and minimize local government liability. Further states that part-time officers should only "supplement" the regular, fully trained officer. Defines part-time peace officer as one who works less than 14 hours/week but has powers of arrest and authority to carry a gun. Requires current and replacement part-time officers to meet certain minimum qualifications within 6 months, complete certified courses in first-aid and firearm use within 12 months and pass part-time officer licensing exam within 24 months. Specifies topic areas for licensure courses. Freezes number of part-time officer positions at 110% of 1978 level. Requires part-time officer to meet full-time requirements if he replaces other than a part-time officer. Allows for emergency appointments. Requires supervision of all part-time officers. Provides no state mandated requirements of reserve officers who are defined as supplementary officers without authority to carry firearms or to arrest. Appropriates \$10,000 to POST board.

Effective: immediately.

C.282

### Obscene Movies

*	H.F. 13	Sherwood, Johnson, D., Waldorf, Thiede, Battaglia
	S.F. 162	Menning, Setzepfandt, Bernhagen, Schmitz, Schrom

Prohibits the showing of obscene movies at drive-in theatres. Subjects theatre owners or managers who show obscene movies to misdemeanor charge. Provides for imprisonment between 20 days and 1 year and fine up to \$1,000 for anyone who violates this act within 2 years of prior conviction.

Effective: August 1, 1979

C.290



## CRIMINAL JUSTICE

### Prostitution

\* H.F. 123 Nelson, Crandall, Otis,  
Clark, Levi  
S.F. 670 Sikorski

Rewrites criminal prostitution statutes to ease prosecution. Redefines "prostitution" to include sexual contact as well as sexual penetration. Prohibits soliciting persons to engage in prostitution, promoting prostitution of others, or receiving profit from a prostitute; penalties vary in relation to age of prostitute or patron and by type of inducement used. Equalizes penalties for prostitute and patron; lessens penalties for consenting adults. Eliminates certain defenses to prosecution.

Effective: August 1, 1979.

C.255

### Son-of-Sam: Limits Commercial Profit From Crime

H.F. 1022 Byrne  
\* S.F. 186 Chmielewski, Davies, Merriam,  
Sikorski

Escrows with the crime victims reparations board the royalties of an offender who has sold the account of his felony. Monies accrued would be used to compensate victims or their survivors if (a) the offender has been convicted or found not guilty by reason of insanity and (b) the victim has obtained a monetary judgment award through civil action. After 5 years, if no judgments are pending, available monies revert to offender.

Effective: immediately.

C.234

### Stolen Property

H.F. 1233 Pavlak  
\* S.F. 118 Davies, Sieloff, McCutcheon,  
Strand, Lessard

Redefines crime of receiving stolen property to include as criminal acts the "possession" or "transfer" of goods that are known to be stolen. Raises from \$100 to \$150 the value of goods at which felony charges can be brought.

Effective: August 1, 1979.

C.232

### SEE ALSO:

Correctional Officer Retirement	p.54
Judicial Reform Category	p.45
Littering from Motor Vehicles	p.23
Omnibus Health, Welfare & Corrections	
Appropriation	p.4
School Bus Passing Law Amendments	p.18

## EDUCATION

### Education Scholarships and Grants

H.F. 381	Faricy, Searle, Johnson, C., Sieben, M., Erickson
* S.F. 435	Penny, Hughes, Dunn, Moe, Ulland

Increases maximum financial stipends for state scholarship winners and grant-in-aid recipients from \$1,100 to \$1,250 in 1980-81, and to \$1,400 in 1981-82 and subsequent years. (Does not affect other limits imposed on the stipend amount—i.e., the lesser of one-half of an applicant's financial need or an amount which when added to an applicant's federal BEOG grant equals 75% of need.)

Further provides that starting with 1980-81 grants-in-aid programming any undergraduate can apply for and receive a grant-in-aid. (Through the 1979-80 school years, first-year and transfer students and second-year students who receive no grants for their first year are the only ones eligible.) Also prohibits renewal of scholarships and grants after a student has been enrolled full-time for a period of time normally required to complete a BA degree.

Also makes veterans and anyone else over age 21 eligible for AVTI tuition subsidies, in addition to students under age 21. Maximum aggregate amount of revenue bonds that can be issued by HECB for student loans increased from \$125M to \$200M.

Appropriations: \$3.67 million to HECB to fund increased costs resulting from increases in stipends and eligibility for state scholarships and grants-in-aid, plus \$476,000 for the privage college contract program to implement the bill.

Effective: immediately.

C.238

### Omnibus Higher Education Bill

* H.F. 1526	Norton
-------------	--------

Appropriates \$800.3M in general funds to the department of education, HECB, and the three higher education systems. An increase over the last biennium of \$111.9M or 16%.

	1977-79 Biennium	1979-81 Biennium
Department of Education	\$ 46.6M	\$ 44.5M
University of Minnesota	378.0M	438.6M
State Universities	136.0M	151.6M
Community Colleges	62.1M	72.3M
Higher Education Coordinating Board (includes nursing scholarships)	62.8M	90.3M
Mayo Medical School	2.4M	2.9M
	<u>\$ 688.4M</u>	<u>\$ 800.3M</u>

(These totals do not include civil service salary increases.)

## EDUCATION

### Omnibus Higher Education Bill - Con't.

About 43% of the total increase in the bill is due to faculty salary and fringe increases. Another 25% of the increase results from changes in funding for student aid programs including:

	<u>1977-79</u> <u>Biennium</u>	<u>1979-81</u> <u>Biennium</u>
Scholarships and Grants	\$ 47.0M	\$ 45.3M
Work-Study	3.6M	5.2M
Interstate Tuition Reciprocity	---	19.4M
AVTI Tuition Subsidy	---	3.6M
Private College Contracts	9.2M	9.3M

Note that most of the HECB increase is due to AVTI tuition subsidy and interstate tuition reciprocity not directly appropriated to HECB in the omnibus higher education act last biennium. Remaining increases reflect program increases for academic programs and research at the university of Minnesota as well as general program increases at state universities and community colleges.

Effective: July 1, 1979.

C.335

### Omnibus School Aids Bill

* H.F. 223	Eken, McEachern, Esau, Johnson, C., Knickerbocker
S.F. 315	Merriam, Dieterich, Hughes, Anderson, Sillers

Appropriates nearly \$2 billion in state support of primary, secondary and vocational education for the next biennium - an increase of 10.3% over the current biennium. Major features include:

1. Foundation Aids: sets 1979-80 aid at \$1,182 per pupil unit and basic maintenance mill rate in 1979 at 23 mills times EARC (for 1980-81 school year); also sets 1980-81 aid at \$1,265 per pupil unit and mill rate in 1980 at 21 mills times EARC for 1981-82 school year).

Also in 1979-80:

—increases declining enrollment weighting in 1979-80 from 3.25-year averaging to 4-year averaging,

—removes 2% or more growth requirement in order for a district to qualify for fast growth aid,

## EDUCATION

### Omnibus School Aids Bill - Con't.

- requires state to pay special education aid, transportation aid, and secondary vocational aid in high property wealth districts with less than 950 pupil units (rather than recapture those aids as is currently done),
- establishes a sparsity aid program for sparsely populated and isolated school districts,
- and limits EARC growth to 19% of preceding year's EARC or 40% of difference between current year unlimited EARC and preceding year's EARC, whichever is greater.

#### Also in 1980-81:

- declining enrollment, fast growth and sparsity aids folded into one equalized aid and replacement levy;
- provides  $\frac{1}{2}$  mill state aided equalized discretionary levy (state guarantees  $\frac{1}{2}$  mill will raise \$27.50 per pupil unit,
- equalizes the grandfather levies with state aid for low property wealth districts, and stabilizes grandfather levies in districts with declining enrollments (can use total dollars raised in 1980-81 or dollars per pupil unit, whichever is greater),
- sets a minimum aid for high property wealth districts (where agricultural land makes up more than 60% of the valuation) of \$600 per pupil less ag differential and homestead credit.

Also sets 1981-82 aid at \$1,354 per pupil unit and mill rate at 21 mills.

2. State Transportation Aid: Provides over 17% increase in state transportation aids based on a new linear formula and limits gain or loss to a school district under the new formula to \$20 per pupil transported.
3. Special Education Aid: Changes the special education aid formula to the greater of 70% of salary or 69% of salary up to \$12,000 plus 5% (which is the current formula).
4. Community and Adult Education Aid: Increases state community education aid from 50¢ per capita to the greater of 75¢ per capita of \$5,000 in 1979-80 and 75¢ per capita or \$7,000 in 1980-81. Also increases allowable community education levy in 1979 (payable 1980) to \$2.50 per capita (was \$2.00).



## EDUCATION

### Omnibus School Aids Bill - Con't.

5. Vocational Education Aid: Provides a 7% increase in AVTI foundation aid to \$2,400 (was \$2,240) for 1979-80. Also increases AVTI tuition by 6.7% in 1979-80 to \$128 per quarter but with no further increase in 1980-81.
6. Other Aids and Levies, Miscellaneous:
  - establishes a basic skills program modeled after right-to-read (technical assistance to schools for reading, writing, computation);
  - increases state payment for pre-school health screening to \$25 per child in 1979-80 and \$27 in 1980-81 (was \$23);
  - increases authorized capital expenditure levy and aid to \$80 per pupil unit (was \$75);
  - establishes a new program of state aid for gifted and talented students, paying each district \$30 per qualifying student up to a limit of 2½% of total school district enrollment;
  - increases state aid for school lunches to 4.9¢ per lunch in 1979-80 and 5.3¢ in 1980-81 (was 4¢). (NOTE: School districts receive substantial federal aid for their school lunch programs.)
7. Council on Quality Education: Increases CQE to 19 members (was 17); also increases number of early childhood and family education programs to 36 (was 22) and creates a special categorical program grant for AFDC areas.
8. Teacher Mobility: Adds AVTI teachers to teacher mobility provisions; increases early retirement incentive grants for 55-year old teachers to \$10,000 (was \$7,500) and to \$15,000 in districts implementing desegregation plans. Also increases state share of early retirement incentives to 50% (was 25%). Allows districts which have approved early retirement incentives under old law (\$7,500 maximum and 25% state support) to elect to use either the old or the new one (\$10,000 maximum and 50% state support).

Effective: Generally, July 1, 1979, except that deficiency appropriations and teacher mobility provisions (generally) are effective immediately.

## EDUCATION

### COMPARISON OF STATE SCHOOL AIDS

	<u>1977-79</u>	<u>1979-81</u>
Foundation Aid	\$ 1,250.54M	\$ 1,316.62M
Transportation Aid	155.12M	181.74M
Declining Enrollment Aid	3.78M	----
Special Education Aid	147.46M	178.49M
Other Special Education	5.38M	1.23M
G.E.D.	.16M	.16M
Adult Education	1.19M	1.86M
Community Education	3.30M	6.75M
AVTI Foundation Aid	115.77M	61.74M
AVTI Categorical Aid	15.31M	4.50M
AVTI Instructional, Supply, Support Aid	----	74.30M
AVTI Capital Expenditure	12.00M	18.00M
AVTI Debt Service	15.42M	15.47M
Other AVTI	4.78M	.50M
Adult Vocational	9.95M	13.28M
Vets Farmer Training	2.94M	2.03M
Secondary Vocational	32.20M	43.87M
Small Business Mgmt.	----	.28M
Other Vocational	.01M	5.96M
ECSU	1.19M	1.99M
Capital Expenditure Aid	.86M	.36M
Basic Skills	----	1.35M
Health Screening*	----	2.86M
Emergency Aid	.40M	.30M
Early Childhood	1.70M	3.42M
CQE Innovative Grants*	----	1.55M
Teacher Mobility	3.00M	2.78M
Libraries*	----	7.57M
Miscellaneous	5.14M	24.06M
	<u>\$ 1,788.00M</u>	<u>\$ 1,973.02M</u>

\*Transferred from Department of Education Budget  
C.334

#### School Bus Passing Law Amendments

* H.F. 317	Wenzel, Johnson, C., Jude, Rose, Fjoslien
S.F. 1016	Wegener, Purfeerst, Strand, Knutson, Sillers

Allows a peace officer to arrest a driver who he has probable cause to believe has violated the school bus passing law within the past 2 hours. Provides a penalty up to \$100 for owner or lessee of a vehicle violating this law, unless it was stolen or another person was found to be guilty.

Effective: August 1, 1979.

C.308



## EDUCATION

### School District Pairing

*	H.F. 487	McEachern, Nelsen, B., Levi, Den Ouden, Ludeman
	S.F. 163	Wegener, Schrom, Engler, Strand

Allows school boards of two or more school districts to agree to discontinue any grades K-12 or portions of them in one district and provide instruction in the discontinued grades in another cooperating district. (Any district discontinuing any grades must still maintain a school with at least three grades.)

Also provides that a district discontinuing any grades shall continue to count any pupils attending school in another district for calculation of state school aids, and shall continue to provide transportation and collect transportation aids for pupils sent to a cooperating district to attend school.

Further provides that there be negotiated a plan for teachers whose positions are eliminated as a result of a pairing agreement, including assignment in a cooperating school district and that, as far as possible, teachers with continuing contract rights must be protected.

Effective: immediately; no grades may be discontinued prior to the 1979-80 school year.

C.211

### Teachers' Files - Expungement

	H.F. 305	Heap, Tomlinson, Johnson, C., Laidig, Carlson, L.
*	S.F. 334	Merriam, Ulland, J., Davies

Extends to school principals and other supervisory personnel the right to expungement proceedings for challenging personal file information they think may be false or inaccurate (currently only teachers have this remedy).

Effective: August 1, 1979.

C.139

### Textbook Substitutes

*	H.F. 270	Pehler, Dempsey, Osthoff, Faricy, Den Ouden
	S.F. 338	Sieloff, Merriam, Sillers, Kleinbaum, Menning

Expands the definition of "textbook" for non-public school aid by adding materials used as "book substitute" intended for use as a major source of study material for students.

Effective: August 1, 1979.

C.34

SEE ALSO:

Pre-73 Retirees, TRA Deficit

p.55

## ENERGY AND UTILITIES

### Omnibus Energy Bill - Con't.

Sets a July 1, 1979, deadline for gas lamp ban variance requests; clarifies testing of air conditioner efficiency; provides enforcement of insulation standards (part of 1978 law); changes the certificate of need program by raising fees for large power plants and power lines from \$50,000 to \$100,000 and requiring the agency to encourage citizen participation.

Effective: July 1, 1979.

C.2 - Special Session

### Telephone Rate Regulation

* H.F. 218	Fjoslien, Anderson, G., Anderson, R., Eken, Aasness
S.F. 372	Olhoft, Moe, Penny, Gunderson, Jensen

Removes cooperative telephone associations and municipal telephone utilities from public service commission rate regulation unless the board of directors or majority of members of a cooperative officially elect to be regulated or the governing body of the municipality or a majority of customers of a municipal telephone utility officially elect to be regulated. Gives the PSC the authority to investigate complaints regarding rates and services and to issue correction orders.

Effective: immediately, including rate cases pending before the PSC.

C.319

### SEE ALSO:

Housing Finance	p.35
Omnibus Tax Bill (Residential Energy Credit)	p.60
Pipeline Construction Regulated	p.1
Public Service Commission/Department Conflict of Interest	p.27
State Building Code Referenda	p.50

Dam Repair and Reconstruction

*	H.F. 1241	Lehto, McEachern, Luknic, Brinkman, Anderson, D.
	S.F. 1109	Willet, Purfeerst, Dunn, Engler

Appropriates \$3,275,000 from the sale of state bonds to provide grants-in-aid and loans to local governments for dam repair and reconstruction as well as to reconstruct a state dam at Cold Spring. Appropriates \$500,000 for the repair and reconstruction of small state dams. Allows local governments to request loans to cover up to 90% of the local share of projects approved by the legislature and to repay them for up to 20 years. Requires legislative approval for state dam repairs or local grants of \$150,000 or more (was \$100,000) and state executive council approval for those between \$75,000-\$150,000 (was \$50,000-\$100,000).

Effective: immediately  
C.300

Flood Plain Management

	H.F. 1326	Corbid, Nysether
*	S.F. 1243	Hanson, Lessard, Engler, Nichols, Rued

Allows local governments to adopt and enforce flood protection levels at an elevation one foot lower than the department of natural resources rules would allow. Allows counties which are members of the southern Minnesota river basin areas II management board to levy an ad valorem tax to provide a 12.5% match to local governments receiving state soil and water conservation board grants for flood control projects as well as to finance administrative, engineering and legal expenses of common benefit to area II.

Effective: August 1, 1979.  
C.253

Littering from Motor Vehicles

	H.F. 258	Welch, Nelsen, M., Rose, Patton, Sherwood
*	S.F. 303	Wegener, Purfeerst, Engler, Sikorski

Imposes civil liability upon the owner of a vehicle if a person in that vehicle litters except for owners of vehicles transporting persons for hire or transporting school children. Establishes a procedure for persons and governmental bodies to bring a civil action and recover damages. Prevents public agencies from commencing both civil action and criminal prosecution in cases where criminal penalties can be applied.

Effective: August 1, 1979.  
C.235

## ENVIRONMENT

### Small Timber Sales on Tax Forfeited Lands

	H.F. 865	Elioff, Anderson, I., Battaglia
*	S.F. 466	Lessard, Johnson, Willet, Hanson, Chmielewski

Increases the appraised valuation ceiling from \$750 to \$1,500 for timber that may be sold to private individuals without published notice or call for bids. Requires that sales involving a total appraised value of \$200 or more (was \$100) be subject to final settlement on the basis of a scale of cut products.

Effective: August 1, 1979.

C.78

### Taconite/Semi-Taconite Companies -- Eminent Domain

*	H.F. 31	Begich, Munger, Pahl, Minne, Anderson, I.
	S.F. 398	Johnson, Perpich, Stokowski, Lessard

Repeals the statutes giving taconite and semi-taconite companies the right to exercise eminent domain. Authorizes the DNR to grant permits, licenses or leases to taconite and semi-taconite companies for the use of state land.

Effective: immediately.

C.145

### Water Pollution Control Fund

*	H.F. 1111	Stadum, Stoa, Ainley, Metzen, Blatz
	S.F. 1465	Willet, Johnson, Chmielewski, Peterson, Dunn

Authorizes increases in PCA water pollution bonding authority from \$124M to \$144M to provide the state match for municipal waste water treatment facility construction projects receiving federal water pollution control act funds. State share is 15% of project costs for federal grants of 75% and 9% for federal grants of 85%.

Effective: July 1, 1979.

C.285

### SEE ALSO:

Omnibus Tax Bill (Feedlot Pollution Control Credit)	p.64
Omnibus Tax Bill (Pollution Control Credit)	p.64
Pipeline Construction Regulated	p.1
Shade Tree Disease Control	p.49
Shooting Ranges Exempted from Noise Standards	p.25
Small Business Pollution Control Loans	p.9
Wetlands & Public Waters Defined	p.3



## GAME AND FISH

### Game and Fish Law Changes

*	H.F. 1198	Fjoslien, McEachern, Wieser, Munger, Wigley
	S.F. 1292	Peterson, Willet, Lessard

Deletes the requirement that a person must get a license to take beaver before the third day of the open season for that year. Allows the muskrat, mink and otter season to start October 25 instead of November 1, and beaver season to start October 25 instead of December 1. Prohibits hunting big game with a bow and arrow while possessing a firearm. Provides that the owner of any dog found killing deer, moose or domestic livestock is guilty of a petty misdemeanor. Allows the commissioner of the department of natural resources to authorize the use of snowmobiles in Lake of the Woods county for checking traps or transporting beaver and otter. Prohibits the possession of dip nets between February 16 and April 30, but allows the possession of dip nets, spears, bows and arrows, and other devices used for taking rough fish between sunrise and sunset after April 30. Allows the use of seines or traps for taking minnows for bait. Prohibits the use of dip nets between sunset and sunrise except for taking smelt in season or game fish by angling.

Effective: immediately.

C.298

### Perch Season Established

	H.F. 732	Sherwood, Den Ouden, Thiede, Reding, Lehto
*	S.F. 732	Willet, Lessard, Schrom, Bernhagen

Removes perch from the definition of rough fish and minnows.

Effective: August 1, 1979.

C.244

### Shooting Ranges Exempted from Noise Standards

	H.F. 51	Reding, Begich, Redalen, Fjoslien, Anderson, I.
*	S.F. 188	Schmitz, Setzepfandt, Frederick, Penny, Kleinbaum

Exempts skeet, trap or shooting sports clubs from state noise pollution standards.

Effective: August 1, 1979

C.304

## GAME AND FISH

### Tampering with Traps

	H.F. 592	Reding, Redalen, Kalis, Fjoslien, Lehto
*	S.F. 737	Lessard

Makes it a misdemeanor for anyone but the trapper, his agent, the landowner, a lessee of the land or an agent of DNR to remove or tamper with any legally set trap. Increases non-resident fees for hunting raccoon from \$50 to \$100.

Effective: immediately for tampering; March 1, 1980, for new license fee.

C.73

### Violation of Game & Fish Laws

	H.F. 910	Nelsen, M., Reding, Munger, Long
*	S.F. 799	Lessard, Hanson, Willet, Dunn, Peterson

Prohibits persons from receiving a big game license for three years if they are convicted of a gross misdemeanor relating to big game, fail to have a required big game license, or receive a second conviction within three years for any other violation relating to big game. Present law prohibits receipt of a big game license for three years for any big game violation. Requires the commissioner of DNR to review conviction records and allow relicensing of persons penalized under the old law but eligible for a license under the new law.

Effective: immediately.

C.247

### Wild Turkey Licenses

*	H.F. 282	Stowell, Wieser
	S.F. 452	Laufenburger

Expands the present moose license statute to include wild turkey. Limits eligibility for the separate selection of 20% of an area's licenses for moose or wild turkey to landowners or tenants on 40 acres or more (was any amount of land). Requires persons successful in the separate selection for a wild turkey license to allow turkey hunting on their land during the season.

Effective: August 1, 1979.

C.122



## GOVERNMENT OPERATIONS

### Achievement Awards Abolished

	H.F. 234	Reding, Zubay, Esau, Kalis, Lehto
*	S.F. 219	Nelson, Nichols, Sikorski, Ashbach, Ulland

Abolishes annual achievement award pay for department heads of the executive branch and deputy constitutional officers. Increases the maximum limit on local government employee salaries from the salary plus achievement award pay of the state commissioner of finance to 105% of the salary of the state commissioner of finance.

Effective: immediately.

C.192

### Peacetime Emergency Declaration

*	H.F. 299	Hoberg, Zubay, Adams, Piepho, Reding
	S.F. 741	Strand, Ashbach, Nelson, Penny, Ogdahl

Allows the governor to declare a 5-day peace-time emergency due to an act of nature, industrial accident or hazardous materials accident which may be extended by the executive council up to 30 days. Appropriate portions of the state comprehensive civil defense plan may be used during the emergency.

Effective: August 1, 1979.

C.65

### Public Service Commission/Department--Conflict of Interest

*	H.F. 222	Jude, Ewald, Greenfield, Rothenberg, Rees
	S.F. 1250	Luther, Johnson, Chenoweth, Keefe, S., Sikorski

Requires any commissioner or employee of the department who is in the civil service schedule A or management classification level and whose duties are related to public utilities or transportation regulation to report to the ethical practices board regarding any conflict of interest by April 15 each year.

Effective: August 1, 1979.

C.206

## GOVERNMENT OPERATIONS

### State Employees and Executive Pay Increases

*	H.F. 1467	Sieben, M., Pehler, Knickerbocker, Ainley, Johnson, D. S.F. 1519	Coleman, Gearty, Nelson
---	-----------	--	-------------------------

### Labor Agreements

Implements all negotiated and arbitrated settlements with state employees. Provides an additional 2½% in pay over the negotiated settlement for the highway patrol.

### Public Employee Labor Negotiation Process

Establishes a joint legislative commission consisting of six members from each body to directly oversee and participate in labor negotiations, to monitor the state civil service system and to conduct two studies: (1) public employee labor relations laws by November 15, 1980, and (2) merit pay, progression, cost-of-living adjustments, establishment of a full-time board to hear unfair labor practice cases by July 1, 1981.

Defines essential employees as firefighters, highway patrol officers, guards at correctional institutions, employees of public hospitals other than state hospitals, and registered nurses employed by a state hospital or nursing home.

Requires arbitrators to use a procedure called "final offer arbitration" which will sunset on July 1, 1981.

Removes the statutory authority permitting the legislature to modify negotiated and arbitrated agreements.

### State Employment Reductions

Requires the commissioner of finance to submit to the senate finance and house appropriations committees and the legislative commission on employee relations by October 1, 1980, a plan for reducing the number of state-funded positions by 4% during the 1981-83 biennium to be accomplished by normal attrition and by elimination of all positions which have been vacant for more than 90 days.

### Executive and Judicial Salary Increases

Provides salary increases for state department heads, their deputies, constitutional officers, officers of metropolitan agencies, supreme court justices, district court and county court judges.

Increases deputy agency heads' and deputy constitutional officers' pay from 90% to 95% of the salary of their superiors. Total cost for salary and fringe benefit increases is approximately \$148M over last biennium.

Effective: Final offer arbitration for local governments, June 30, 1980; attrition plan implementation, July 1, 1981; legislative commission on employee relations, definition of essential employees, personnel system study, immediately; all other provisions, July 1, 1979; final offer arbitration for state employees, expires July 1, 1981; much of the state civil service law will sunset July 1, 1981.

C.332

## GOVERNMENT OPERATIONS

### State Financial Reports

*	H.F. 1084	Moe
	S.F. 1107	Ashbach

Appropriates \$246,300 to the department of finance to prepare an annual financial report.

Effective: July 1, 1979.

C.314

### SEE ALSO:

Business Assistance Center	p.7
Elections Category	p.20
Government Data Practices Act	p.38
Judicial Reform Category	p.45
Local Government Category	p.48
Municipal Gas Agencies	p.20
Occupation Licensure Category	p.53
Omnibus Energy Bill	p.21

### HANDICAPPED

#### Auto Insurance Discrimination

*	H.F. 546	Wynia, Kelly, Heinitz, Blatz, Ellingson
---	----------	--

Prohibits discrimination in auto insurance solely on the basis of disability if handicap is compensated for by special training, equipment or medication. Individual must be licensed to drive and must use only specially-equipped cars when necessary. Violation to be remedied as an unfair insurance practice.

Effective: August 1, 1979.

C. 215

#### Gas Station Attendant Services

*	H.F. 642	Berkleman, Blatz, Welch, Metzen, Welker
	S.F. 751	Solon, Anderson, Vega, Benedict, Perpich

Requires all gas stations which offer both full and self-service to have an attendant to dispense gas at the self-service price into cars displaying handicap license plates or parking certificates.

Effective: August 1, 1979.

C.160

#### Parking Privileges for the Handicapped

*	H.F. 52	Nelson, Clark, Levi, Heap, Jennings
	S.F. 213	Keefe, S., Olhoft, Sikorski

Allows issuance of handicapped parking certificate to persons who transport physically handicapped persons. Special privileges pertain only when handicapped person is being transported.

Effective: immediately.

C.31

## HANDICAPPED

### Parking Privileges for the Handicapped

* H.F. 451	Berkelman, Sarna, Nelsen, B., Hokanson, Schreiber
S.F. 561	Hughes, Gunderson, Spear, Frederick, Engler

Broadens definition of "physically handicapped" for purposes of obtaining handicapped license plates to include material disability of one or both arms or legs or any other disability impairing ability to walk. Accords same parking privileges to vehicles with handicapped plates as those with handicapped parking certificates. Allows out-of-state vehicles displaying equivalent handicapped identification to park in designated handicapped spots. Unauthorized parking in handicapped spots constitutes petty misdemeanor with fine between \$15 and \$100 (was \$10).

Effective: immediately.

C.277

### SEE ALSO:

DOT Appropriation	p.66
Life Support Transportation Service	p.32
Medical Assistance Eligibility	p.41
Notice of Nursing Home Rate Increases	p.58
Omnibus School Aids Bill (Special Education Aid)	p.16
Omnibus Tax Bill (Personal & Dependent Credits)	p.59
Pets In Nursing Homes	p.58
Senior Citizen/Handicapped Crossings	p.68

## HEALTH

### Certificate of Need for Health Facilities

* H.F. 260	Carlson, L., Berglin, Swanson, Kaley, Heinitz
S.F. 477	Staples, Perpich, Kirchner, Nelson, Keefe, J.

Amends the 1971 certificate of need law to bring Minnesota into compliance with federal requirements and to improve the process. Covers intermediate care facilities for the mentally retarded, state hospitals and kidney disease treatment centers but HMO's only if federal regulation requires (hospitals, nursing homes and ambulatory surgical centers are already covered). Covers activities like predevelopment, new facilities, new institutional health services, increases of 10 beds or 10% (was bed changes costing \$50,000 or more), capital costs of \$150,000 or more per item (was \$100,000), and equipment purchased by physicians costing \$150,000 or more per item (was \$100,000). Transfers rule making from state planning agency to department of health. Requires preconstruction notice, a review to determine the completeness of an application, new data in the application, new criteria for review of applications and reports from recipients.



Certificate of Need for Health Facilities - Con't.

Allows affected persons to request that certificates be required. Also allows emergency waivers, application revision, extension of review period and formal review of department of health decisions. Shortens the application process from 150 to 90 days and extends expiration of certificates from one year to 18 months. Allows denial of certificate to hospitals and nursing homes if license revocation or suspension is in process. Expands membership on health systems agency. Also allows the commissioner of health to exempt from rate review those hospitals which expect an increase in rates less than an established percentage.

Effective: August 1, 1979

C.323

Comprehensive Health Insurance

H.F. 1246	Swanson, Heinitz, Rice, Brinkman, Reif
* S.F. 1191	Sikorski, Chemielewski

Requires self-insurers to report annually to the commissioner of insurance. Includes reasonable mileage for transportation to a kidney dialysis center as a minimum benefit of a qualified plan, and delays inclusion of routine physical and multi-phasic screening benefits from July 1, 1980, to July 1, 1982. Holds the comprehensive health association plan premiums to a maximum of 125% of the average of rates charged by the 5 major insurers of each type of plan and requires annual determination of the 5 insurers. Makes association losses due to claim expenses which exceed premiums paid the liability of commercial companies (was blue cross, HMOs, fraternal and self-insurers as well) and allows commercials to offset the losses against their state income tax or premium tax payable that year.

Prohibits non-residents from purchasing coverage through the state comprehensive health association.

Effective: immediately but tax offset provision expires on July 1, 1981.

C.272

Health Insurance for Welfare Recipients

* H.F. 1251	Wynia, Waldorf, McCarron, Mehrkens, Corbid
S.F. 1440	Spear

Prohibits denial or reduction of private health insurance benefits for recipients of the following services: cost of care for emotionally disturbed or mentally retarded children, foster care, or child welfare costs. Provides counties with right to recover, upon written notice, costs they incur for these services when covered by insurance.

Effective: immediately.

C.174

## HEALTH

### Health Maintenance Organization Demonstrations

- |            |   |
|------------|---|
| H.F. 150   | Carlson, L., Kaley, Swanson,<br>Adams, Heinitz  |
| * S.F. 856 | Staples, Nelson, Gunderson,<br>Lewis, Keefe, J. |

Authorizes the commissioner of health to approve HMO demonstration projects for up to 6 years which extend coverage to: (1) persons enrolled in the federal medicare program; (2) any group of less than 50 employees covered by a single group health policy; (3) individuals not eligible for enrollment in a group health maintenance contract and (4) low-income population groups. Allows the commissioner to waive compliance with rules which would prohibit the operation of a demonstration project but requires projects to provide, at a minimum, the health benefits available in the federal medicare program. Requires HMO's with approved projects to file an annual report.

Effective: immediately.

C.268

### Life Support Transportation Services

- |            |  |
|------------|--|
| H.F. 155   | Swanson, Reif, Berkelman,<br>Carlson, L., Forsythe |
| * S.F. 202 | Nelson, Perpich, Lewis,<br>Solon, Kirchner         |

Requires licensure of emergency ambulance services, renamed "life support transportation service", and deletes reference to land, air, emergency and non-emergency ambulances from the statutes. Eliminates licensure requirements for non-emergency ambulance services. Requires the commissioner of health to define basic, advanced, scheduled, employer-provided and non-profit life support transportation services by April 1, 1980. Allows local governments to set stricter standards. Sets up a new process for operators who want new licenses or who wish to expand existing services which involve health systems agency recommendation and public review. Requires the license to specify the primary service area. Requires the commissioner to approve license transfers. Allows the commissioner to set standards for drivers and attendants as part of the human services occupation licensure law. Requires 24-hour service and the presence of qualified staff. Prohibits denial of service because of ability to pay or source of payment. Provides guidelines for DPW reimbursement requiring cost based rates for non-emergency transportation and services provided by a public agency or nursing home as well as lower rates for additional passengers than the first on a single trip. Effective: August 1, 1979.

C.316

### SEE ALSO:

- |                                       |      |
|---------------------------------------|------|
| Hospitalization & Commitment Appeals  | p.38 |
| Omnibus Health, Welfare & Corrections |      |
| Appropriation                         | p.4  |
| Senior Citizens Category              | p.58 |

City Housing Finance Programs

* H.F. 261	Schreiber, Casserly, Adams, Pehler, Friederich
S.F.-859	Humphrey, Merriam, Anderson, Olhoft

Requires public hearings for any industrial development projects prior to applying to the commissioner of security for approval of the project. Also prohibits use of industrial revenue bonds for rental housing projects. (Does not apply to multi-family housing projects approved prior to April 17, 1979, or to single family projects in Coon Rapids and Vadnais Heights under certain conditions.)

Authorizes cities (or county HRAs under certain conditions) to develop and administer mortgage loan programs to finance single family housing for low and moderate income persons. In order to do so, a city must first develop a housing plan (specific elements of the plan are set forth in the law), hold public hearings, and submit the housing plan for review and comment to the metropolitan council if located in the metropolitan area or to the regional development commission in which it is located. All cities are also required to submit their housing finance programs to the Minnesota housing finance agency for review and approval. More specific requirements of housing finance programs are also set forth in the law which include:

—each housing program must establish limits on gross income for people served by the program; adjusted gross income cannot be more than the greater of 110% of median family income estimated by the U.S. department of housing and urban development for a non-metropolitan county or a metropolitan area, or the income limits established by the Minnesota housing finance agency (currently \$16,000 adjusted gross income -- which is total income less \$750 for each adult, up to 2 adults, plus \$500 for each other dependent).

—50% of the money for single family housing loans must go to persons or families with low incomes (gross incomes less than 90% of the program's income limits) for the first six months of the program; 20% of the money may be provided to people regardless of their income levels, if used in a development district type of project or if the city has a low or moderate income housing program and the new program will further policies of economic integration, stability and revitalization of residential areas.

Also authorizes cities (or county HRAs under certain conditions) to make loans for multi-family housing developments (for low or moderate income families or persons, for rental to elderly and handicapped persons, or for those located in certain redevelopment or development districts) under certain conditions and after public hearings and approval by the Minnesota housing finance agency.



## HOUSING

### Reverse Mortgage Loans - Con't.

Allows lenders to make investments in reverse mortgage loans in an aggregate principal amount not to exceed 5% of the lender's total deposits and savings accounts. Maximum interest rate for reverse mortgage loans shall be the same as the "floating" usury ceiling for conventional home loans. Provides that reverse mortgage loan proceeds are not to be counted in determining eligibility of a borrower for medical assistance or other public assistance.

Effective: January 1, 1980.

C.265

### Tenants' Rights for Mobile Home Residents

*	H.F. 1309	Voss, Jacobs, Begich, McDonald, McEachern
	S.F. 1280	Merriam, Vega, Schmitz, Schaaf, Keefe, J.

Establishes a series of "tenants' rights" for mobile home residents similar to those already available to apartment residents. Requires park owners to provide written notice of tenants' legal rights and duties prior to signing a lease (or by May 30th for existing tenants). Prohibits unreasonable or substantial changes in lease agreements and adoption of unreasonable park rules and regulations. Specifies the conditions under which a park owner can require a mobile home to be removed from the park. Limits the circumstances under which park owner can enter a mobile home to the prevention of damage to the park or in response to an emergency. Prohibits retaliation against a tenant for complaints to a government agency regarding building or housing code violations. Requires park owners to maintain roads to permit normal resident travel. Park owners may require the removal of a home from the park upon sale by the homeowner if the home is more than 15 years old.

Effective: immediately

C.264

### Usury—Exemption

*	H.F. 360	Brinkman, Voss, Heinitz, Norton, Ewald
	S.F. 634	Tennessen, Solon, Frederick, Bang, Laufenburger

Makes permanent the exemption of any loan over \$100,000 from the 8% usury ceiling (Minnesota Statutes, Chapter 334).

Effective: August 1, 1979.

C.276



Usury Law Extension/Changes

* H.F. 486	Adams, Patton, Ewald, Brinkman, Heinitz
S.F. 159	Kleinbaum, Dunn, Bang, Laufenburger, Penny

Extends the "floating" interest rate ceiling for conventional home loans to July 31, 1983. Requires lenders to permit assumption of a home loan by another party if the existing borrower continues after transfer to be obligated for repaying the entire remaining indebtedness; however, the borrower must be released from this obligation by the lender if the new borrower meets normal standards of credit worthiness and agrees in writing to assume the existing borrower's loan. In either case, the lender may charge a fee of no more than 1% of the remaining unpaid principal. Also changes the minimum interest rate on required escrow accounts from 4% to 5%.

Effective: August 1, 1979.

C.48

* H.F. 564	Voss, Ewald, Anderson, D., Adams, Peterson
S.F. 624	Sikorski, Staples, Setzepfandt, Ogdahl, Ashbach

Substitutes a new index on which the "floating" usury ceiling is based. New ceiling is equal to the monthly index of FNMA (federal national mortgage association) auction yields. (Old ceiling was 2% above the monthly index of long-term U.S. government bond yields. New ceiling for June, 1979, will be higher (11½%) than under the old law (10½%) for May, 1979.) New index supersedes the old index until November 30, 1982, at which time the new index provision expires. New index will put Minnesota's interest rate ceiling more in line with current national mortgage market conditions. Makes technical changes in the present usury law relating to loan commitments in financing new or existing homes and relaxes the prohibition on discount points in the original law, but only to the extent that the combination of interest rate plus discount points does not exceed the lawful maximum ceiling in any month. Also requires lenders to make available to borrowers the same premium payment plans as are available to the lender in paying private mortgage insurance premiums. (Currently, most lenders require payment of insurance premiums entirely at the time of closing. Under new law, the borrower would have the option of paying the whole premium at once or over the life of the loan.)

Effective: immediately; new index expires November 30, 1982.

C.279

## HOUSING

### SEE ALSO:

Building Mover Regulation	p.53
Home Insurance Redlining	p.43
Omnibus Energy Bill	p.21
Omnibus Tax Bill (Property Tax Relief)	p.60
Omnibus Tax Bill (Residential Energy Credit)	p.60

## HUMAN RIGHTS

### Government Data Practices Act

* H.F. 738	Stoa, Dean, Hokanson, Kempe, Ainley
------------	-------------------------------------

Provides a clear presumption that all government data is public unless otherwise classified by federal or state law or on a temporary basis by the commissioner of administration. Previously, only government data maintained on individuals was presumed to be public unless otherwise classified as private or confidential by law or an emergency classification by the commissioner of administration. Extends the current authority of the commissioner of administration to temporarily classify data on individuals as confidential or private on request of governmental units to July 31, 1980. Further authorizes temporary classification of all government data.

Establishes specific procedures for state agencies and political subdivisions for handling requests for government data. Permits private data to be disseminated to anyone upon informed consent by the subject of the data; however, informed consent statements must specify what is being consented to. Specifically classifies certain types of data: welfare data, welfare investigative data, licensing data maintained by the department of public welfare, medical data, public personnel data on job applicants, educational data, law enforcement data. Classifies correspondence between individuals and elected officials as private data on individuals, but may be made public by either the sender or the recipient.

Effective: Sections pertaining to establishment of procedures by governmental units for complying with requests for government data -- January 1, 1980; all other sections -- July 1, 1979.

C.328

### Hospitalization and Commitment Appeals

* H.F. 1227	Jude
S.F. 1362	Gearty, Knutson, Jensen, Davies, Keefe, J.

Requires the district court to hear appeals under the hospitalization and commitment act within 20 days after notice of the appeal. (Previously there was no specific time limit.)

Effective: August 1, 1979.

C.172

## HUMAN RIGHTS

### Washington D.C. Constitutional Amendment

*	H.F. 3	Wynia, Pleasant, Novak, Murphy, Jude
	S.F. 2	Lewis, Coleman, Gearty, Humphrey, Kirchner

Ratifies the proposed amendment to the U.S. Constitution which would treat the District of Columbia as a state for purposes of representation in the Congress and election of the president and vice president. Repeals the 23rd amendment, which currently allows district residents to vote for president and vice president while limiting district representation in the electoral college to that of the least populous state.

The proposed amendment must be ratified by three-fourths (38) of the states within seven years to become part of the constitution.

Effective: immediately.

C.1

## HUMAN SERVICES

### Child Abuse/Neglect Changes

	H.F. 1308	Greenfield, Niehaus
*	S.F. 1310	Spear

Amends child abuse reporting law by including in definition of neglect the failure to protect a child from serious danger to his physical and mental health. Redefines "sexual abuse" to include use of a child in pornographic works.

Effective: August 1, 1979.

C.143

### Child-Stealing

*	H.F. 1238	Byrne, Jude, Sieben, M., Haukoos
	S.F. 1370	Sikorski

Prohibits parent or other individual from taking, detaining or failing to return a child when another person has legal custody. Prescribes penalty up to 90 days and/or \$500, if child is voluntarily returned within 14 days; up to 1 year and a day and/or \$1,000 otherwise. Allows venue in county from which child was taken, county in which child was detained or county of child's residence.

Effective: immediately.

C.263

## HUMAN SERVICES

### Community Social Services Act ("Block" Grants)

*	H.F. 368	McCarron, Kaley
	S.F. 1135	Lewis (Moe, Olson, Brataas)

Restructures finance system for social services by replacing certain DPW grant or subsidy programs with a standardized formula to allocate monies directly from the state to the counties. Gives county boards the authority and responsibility for social service planning, budgeting, delivery and monitoring. Requires county boards and DPW to develop and update biennially a social service plan; first plan is due by May 1, 1980. Guarantees every county a "block grant" subsidy for 1980 and 1981 greater than the state social service funding they received in 1978. Counties must match the "block grant" they receive with local revenues. Enacts a separate formula for distribution of federal Title XX monies, starting October 1, 1979.

Appropriates \$2M to fund a two-year experimental program of community services for the chronically mentally ill. Appropriates \$300,000 for one-year planning grants to counties. (Formula will be financed with monies appropriated for certain DPW grant or subsidy programs.)

Effective: July 1, 1979. Financing through state formula begins January 1, 1980.

C.324

### Day Care Facilities in Residential Zones

*	H.F. 396	Berglin, Blatz, Byrne, Drew, Clark
	S.F. 568	Staples, Spear, Nelson, Perpich, Brataas

Increases from 6 to 10 the number of persons a licensed day care facility may serve and still be considered a single family residential use of property for zoning purposes.

Effective: August 1, 1979.

C.42

### General Assistance--Deleting Notarizing Requirement

	H.F. 1479	Niehaus, Hokanson, Esau, Berglin, Blatz
*	S.F. 432	Olhoft, Nelson, Solon, Sikorski, Kirchner

Eliminates the notarizing requirement on general assistance and general assistance medical care applications; provides that oath of the applicant is sufficient. Also allows presumptive eligibility for GAMC.

Effective: August 1, 1979.

C.237



## HUMAN SERVICES

### Human Services Act Changes

	H.F. 1300	Hokanson, Niehaus
*	S.F. 1436	Knutson

Deletes 50,000 population requirement for establishment of human service boards, allowing any county or group of contiguous counties to assume these powers and duties. Requires annual plan and budget which are to satisfy separate plan requirements; public hearings and private-sector participation in plan are required. Increases local flexibility in appointing and using advisory committees. Requires each HSB to adopt a standard chart of accounts as developed by DPW. Authorizes continuing education requirements for HSB directors. State planning agency to coordinate human service board activities. Extends from 6 months to 1 year the start-up time allowed for newly forming HSBs.

Effective: August 1, 1979.

C.118

### Medical Assistance Eligibility

*	H.F. 588	Weaver, Clawson, McCarron, Simoneau, Fudro
	S.F. 755	Anderson, Merriam, Knaak, Schaaf, Sikorski

Alters assets allowed for medical assistance eligibility by exempting a home and automobile completely; increasing cash/liquid asset limits to \$2,000, plus \$150 per dependent, if single and to \$10,000 if married; and increasing limit on cash surrender value of life insurance to \$1,500. As of July, 1979, any increase in social security or SSI will be disregarded in determining eligibility for persons who are not nursing home residents. Also allows Anoka county to contract with Anoka state hospital for community mental health services.

Effective: August 1, 1979.

C.309

### Sliding Fee Scale for Child Care

*	H.F. 272	Norton, Kaley, Hokanson, Waldorf, Anderson, R.
	S.F. 266	Spear, Tennesen, Lewis, Sielloff, Brataas

Appropriates \$1.5M for experimental, 2-year grant program for counties that choose to implement a sliding fee schedule to partially subsidize child care for lower-income families who are ineligible for fully-subsidized child care. Eligible families are those with net incomes between 60%-70% of state's median income, and who are employed, attending school, or otherwise unable to provide continuous child care. Requires a local match by county of 5% in first year and 15% in second. Requests legislative report by January 15, 1981.

Effective: July 1, 1979. Expires: June 30, 1981.

C.307

## HUMAN SERVICES

### Subsidized Adoption

* H.F. 268	Forsythe, Wieser, Hokanson, McCarron, Niehaus
S.F. 510	Lewis, Brataas, Perpich, Knutson, Staples

Implements a 100% state-funded program to subsidize adoptions of hard-to-place children. Provides subsidy for medical, psychological and/or maintenance costs, based on child's need rather than the adoptive family's income, according to prior agreement. Requires annual affidavit of continued need for subsidy; payments may not exceed amounts allowable under family foster care. Allows 100% state reimbursement for costs of adoptive home recruitment costs; encourages establishment of American Indian child adoption agency; and exempts subsidy payments from eligibility considerations for other financial programs. Appropriates \$500,000/biennium.

Effective: July 1, 1979.

C.256

### SEE ALSO:

Domestic Abuse Act	p.11
Domestic Assault	p.11
Handicapped Category	p.29
Health Category	p.30
Omnibus Health, Welfare & Corrections Appropriations	p.4
Omnibus Tax Bill (Indirect Relief)	p.61

## INSURANCE

### Advance Payment of Insurance Benefits

H.F. 545	Norton, Mehrkens, Byrne, Crandall
* S.F. 122	Davies, Hanson, Merriam, Ulland, J.

Allows insurance policy beneficiaries of insured persons who are missing or presumed dead to collect advance payment of insurance benefits, provided that in a court hearing there is evidence the insured person is missing and presumed dead and that the beneficiary is a dependent of the missing insured person and needs the advance payments.

Effective: August 1, 1979.

C.54

Home Insurance Redlining

* H.F. 227	Casserly, Norton, Pavlak, Heinitz, Anderson, I.
S.F. 636	Tennessen, Bang, Spear, Sikorski

Defines homeowner's insurance to include residential renter's insurance. Requires insurers in the Twin Cities metropolitan area and Duluth to file an annual report with the commissioner of insurance stating the number of policies written, cancelled and non-renewed and the number of applications for insurance declined, broken down by zip code areas for any city of the first class. Also allows insurance commissioner to require additional information from insurers and imposes a \$10 per day penalty for failure to file a report.

Requires insurer to give 30-day notice of its intention not to renew a homeowner's insurance policy, stating the specific reason for non-renewal. If an insurer does not offer coverage, after applicant has completed insurer's written application form, at the written request of the applicant the insurer must then supply a written specific reason for refusal to write the insurance.

Insurance policies written after January 1, 1980 must contain such non-renewal provisions. Makes it an unfair trade practice to refuse to insure, to refuse to renew coverage, or to charge differential rates for insurance because of geographic location of property, age of structure to be insured, or denial of coverage by another insurer. Insurers are allowed to use other underwriting criteria affecting the risk of loss which are applied generally in other locations of the state. Makes it an unfair trade practice if an insurance agent refuses to supply requested application forms or to transmit completed application forms to the insurer. Any cease and desist order for insurance redlining may also require the insurer to write or renew coverage for up to three years, subject to lawful cancellation or non-renewal. Effective: August 1, 1979.

C.207

Insurance Premium Finance Companies

* H.F. 877	Kelly
S.F. 1339	Bang, Solon, Laufenburger

Allows insurance premium finance companies to charge interest on insurance premium finance agreements at the same rate as for business and agricultural loans if the agreement is for business and agricultural purposes (old maximum rate was 8% add-on if less than \$300, 6% add-on if more than \$300; new rate will be 9½% for June, 1979). Also removes old maximum interest rate for agreements involving cooperatives or corporations. Effective: immediately.

C.261



## INSURANCE

### No-Fault Insurance—Compensation for Unemployment Benefits

*	H.F. 1018	Kelly, Greenfield, Pavlak, Wenzel, Faricy
	S.F. 1477	Chenoweth

Expands medical expense benefits under no-fault to include all reasonable transportation expenses incurred in traveling to receive covered medical benefits. Also provides disability and income loss compensation under no-fault to persons eligible for or receiving unemployment benefits if the injured person would lose eligibility for those benefits due to the injury. (Current no-fault law allows disability and income loss compensation of up to \$200 per week only for loss of present and future actual income.)

Effective: immediately.

C.221

### No-Fault Insurance—Coordination of Benefits

	H.F. 413	Voss, Kelly, Heinitz, Jennings, Brinkman
*	S.F. 57	Davies, Willet, Gunderson, Knutson

Allows coordination of benefits under the no-fault law only if the coordinating insurer provides a premium rate which is reduced no less than the amount of the projected reduction in benefits and claims for which the insurer is liable, less any reasonable administrative costs. Previous law required entities to provide an "equitable reduction" in direct or indirect cost of purchased benefits.)

Effective: August 1, 1979.

C.57

### No-Fault Insurance — General Changes

	H.F. 977	Voss, Kelly, Fudro, Dempsey, Luknic
*	S.F. 59	Davies, Willet, Gunderson, Knutson, Pillsbury

Clarifies no-fault law relating to ownership of leased vehicles. Limits indemnification rights of no-fault insurers paying first party benefits on commercial vehicles, restricting right of recovery to vehicles weighing more than 5,500 pounds. Raises rate of interest payable on overdue no-fault benefits to 15% annually (was 10%). Provides that anyone, other than minor children of the owner of an auto, shall be disqualified from basic economic loss benefits. Includes motorcycles in penalty provisions for failure to carry necessary insurance. (Currently motorcycle owners must carry liability insurance, but are not subject to the same penalties as for motor vehicle owners.) Also provides that as a condition of registration, motor vehicle or motorcycle owners must file satisfactory evidence that necessary insurance is being carried.



## INSURANCE

### No-Fault Insurance — General Changes - Con't.

(Expires December 31, 1979, or when such rules are promulgated.)

Effective: immediately, except interest for overdue benefits and disqualification provisions are effective July 1, 1979.

C.190

#### SEE ALSO:

Auto Insurance Discrimination	p.29
Comprehensive Health Insurance	p.31
Health Insurance for Welfare Recipients	p.31
Unemployment Compensation - Family Farms	p.48
Unemployment Compensation - Seasonal Business	p.48
Workers Compensation Category	p.69

## JUDICIAL REFORM

### Adoptive Parents Rights

H.F. 1119	Kaley, Zubay, Reding, Anderson, G.
* S.F. 1158	Brataas, Knutson, Sikorski, Frederick, Sieloff

Requires that adoptive parents and the adoptive child be made parties to court proceedings relative to termination of consent by the natural parents. Prohibits a presumption that biological parents should be favored for custody; the best interests of the child are to control. Effective: August 1, 1979.

C. 138

### Antenuptial Contracts

* H.F. 610	Crandall, Sieben, M., Dempsey
S.F. 729	Sieloff, Davies, Sillers

Outlines procedure and requirements for legally-recognized antenuptial agreements (executed between man and woman before marriage). Allows such contracts to determine the rights of each spouse to nonmarital property upon divorce, separation or death. Contract may bar each person of all rights to partner's property. Effective: August 1, 1979.

C.67

## JUDICIAL REFORM

### Claims Arising from Correctional Programs

*	H.F. 792	McCarron, Dempsey, Jude, Crandall, Casserly
	S.F. 1098	Sikorski

Allows legislative claims committee to hear and determine claims arising from death or injury to an inmate performing work on conditional release or as restitution. Disallows claims for pain and suffering. Process to be used only as last resort.

Effective: immediately.

C.260

### Divorce Law Amendments

*	H.F. 643	Faricy (Judiciary)
	S.F. 1222	Davies, Sieloff, Tennessen, Spear, Dieterich

Makes several changes to 1978 marriage dissolution law: eliminates residency requirement for legal separation action; eliminates proof of serious discord or six-month separation if neither party contests dissolution; provides for mutual restraining orders pending final action; permits retroactive modification of support orders for inability to pay; eliminates court permission before moving child under custody within the state; changes "extreme hardship" test to "unfair hardship" for court apportionment of non-marital property; other changes.

Effective: immediately.

C.259

### Inheritance by Adopted Child

	H. F. 89	Faricy
*	S.F. 81	Sieloff

Allows a child to retain inheritance rights that existed at time of a parent's death even if subsequently adopted by a step-parent.

Effective: August 1, 1979.

C.11

### Interest on Money Judgments

*	H.F. 677	Faricy, Anderson, I., Jacobs, Minne, Pahl
	S.F. 1220	Dieterich, Lessard, Sillers, Davies

Provides for a flexible interest rate to be paid on unpaid money judgments from time of verdict or during stay of execution. Directs state court administrator to determine simple annual interest rate, with 8% being the minimum.

Effective: January 1, 1980.

C.105

## JUDICIAL REFORM

### Recovery of Personal Property

*	H.F. 416	Ellingson, Sieben, M., Jude, Peterson, Friedrich
	S.F. 179	Luther, Sikorski

Enacts revised procedure for repossession of personal property prior to final court judgment which accords more "due process" to person who is alleged to be wrongfully possessing the property by virtue of nonpayment or other breach of contract. Requires that notice of hearing be given. Provides for bonding by respondent to retain, and by claimant to seize, the property. Allows seizure, prior to notice of hearing, only under certain extraordinary conditions.

Effective: August 1, 1979.

C. 18

### SEE ALSO:

Child Stealing	p.39
Domestic Abuse Act	p.11
Domestic Assault	p.11
Government Operations Category	p.27

### LABOR

#### Minimum Wage

*	H.F. 699	Byrne, Rice, Prah, Moe, Norman
	S.F. 352	Vega, Nichols, Nelson, Keefe, S., Johnson

Increases statewide minimum wage from \$2.30/hour to \$2.90/hour effective January 1, 1980, to \$3.10/hour effective January 1, 1981, and to \$3.35/hour effective January 1, 1982, for workers 18 years of age and older. Workers under the age of 18 will receive an increase from \$2.07/hour to \$2.61/hour effective January 1, 1980, to \$2.79/hour effective January 1, 1981, and to \$3.02/hour effective January 1, 1982.

Effective: August 1, 1979, except as provided.

C.281

#### Regulation of Traffic During Labor Disputes

*	H.F. 1392	Enebo, Rice, Rothenberg, Heap, Begich
	S.F. 1485	Hanson, Coleman, Ashbach, Johnson, Merriam

Requires individuals operating a motor vehicle at a place of business involved in a labor dispute to bring the vehicle to a full stop and to exercise caution while entering and leaving premises. Violation is a misdemeanor. Effective: August 1, 1979.

C.331

## LABOR

### Unemployment Compensation—Family Farms

\* H.F. 508 Stowell, Jaros, Reding,  
Sviggum, Jennings  
S.F. 1513 Engler

Exempts any family farm corporation shareholder's income from the payment of unemployment compensation tax.

Effective: August 1, 1979.

C.212

### Unemployment Compensation—Seasonal Businesses

\* H.F. 970 Haukoos, Osthoff, Piepho,  
Heinitz  
S.F. 1314 Pillsbury, Laufenburger, Bang,  
Keefe, S.

Prohibits owners of seasonal businesses and their relatives from collecting unemployment benefits unless permanently separated from employment in the business.

Effective: for new claims filed on or after July 1, 1979.

C.284

### SEE ALSO:

Achievement Awards Abolished	p.27
Omnibus Tax Bill (Income Tax Relief)	p.59
Omnibus Tax Bill (Property Tax Relief)	p.60
Pensions & Retirement Category	p.54
State Employees & Executive Pay	
Increases	p.28
Workers Compensation Category	p.69

## LOCAL GOVERNMENT

### Airport Zoning

\* H.F. 1329 Lehto, Murphy, Stowell,  
Fudro, McCarron  
S.F. 1212 Wegener, Chmielewski, Solon

Clarifies that townships shall be represented on joint airport zoning boards which are established for purposes of adopting zoning regulations for publicly-owned airports which affect two or more local units of government. Increases the number of representatives on joint airport zoning boards for cities of the first class from two to four members when the city of the first class owns and controls the airport. Adopts more stringent public hearing and notice requirements for adoption of airport zoning regulations. Requires individual, mailed notices to property owners affected by proposed airport zoning regulations. Requires the metropolitan airports commission to establish a separate joint airport zoning board for each airport under its jurisdiction.

Effective: immediately.

C.302



## LOCAL GOVERNMENT

### Petitions for Audits

	H.F. 276	Carlson, D., Minne, Johnson, D., Clawson, Wieser
*	S.F. 236	Chmielewski, Wegener, Rued, Setzepfandt, Ueland

Changes the signature requirement for petitioning the state auditor to conduct an audit of city and town financial records from 6 freeholders (property owners) for each 100 residents in towns and cities with less than 2,000 population and 4 freeholders for each 100 residents in cities and towns with more than 2,000 population to a number of registered voters equal to 20% of those voting in the previous presidential election. Retains the current "freeholder" standard for petitions requesting audits of school districts. Requires presentation of the signed petition to the appropriate city, town or school district clerk thirty days before the petition is delivered to the state auditor.

Effective: August 1, 1979.

C.82

### Reimbursements to Townships for Levy Errors

	H.F. 409	Sherwood, Prah, Nelsen, B., Carlson, D., Nelsen, M.
*	S.F. 389	Wegener, Olhoft, Renneke

Requires counties to reimburse townships for errors made by county auditors in recording township levies when the amount recorded is lower than the amount actually certified by the township within 30 days of notification of the error. Counties may recover reimbursements by adding the amount to the township levy in the following levy year.

Effective: August 1, 1979.

C.16

### Shade Tree Disease Control

*	H.F. 277	Pleasant, Kalis, Wynia, Hoberg, Sieben, H.
	S.F. 519	Olson, Luther, Dunn, Humphrey, Ulland

Changes the existing shade tree disease control program administered by the department of agriculture:

- eliminates certain eligibility requirements for cities so all cities, whatever their size or type of organization, may participate in the state grant program.
- combines the previous separate sanitation (tree removal) and reforestation grants into a single grant.
- increases maximum allowable cost for reforestation grants to cities from \$40 to \$50 per tree (or 50% of the total cost).

## LOCAL GOVERNMENT

### Shade Tree Disease Control - Con't.

—limits maximum allowable costs for reforestation grants for cities and towns of less than 4,000 population to \$60 per tree (or 90% of total costs) for the first 50 trees planted.

—extends the existing special property tax levy for shade tree disease control an additional two years.

S.F.1510 (Moe), the omnibus state departments bill, appropriated \$25M for the shade tree disease control grant programs.

Effective: July 1, 1979; applies to costs incurred on and after January 1, 1979.

C.257

### Special Legislation

	H.F. 743	Dempsey, Piepho
*	S.F. 117	Davies, Dunn, Engler, Strand, Schrom

In order to be effective, special legislation must be approved by resolution adopted by a majority vote of the governing body of the affected local unit of government, with certain exceptions.

Effective: August 1, 1979.

C.176

### State Building Code Referenda/Municipal Consolidation

	H.F. 853	Weaver, Schreiber, Clawson
*	S.F. 549	Wegener, Schmitz, Olhoft, Ueland

Allows the county board in non-metro counties to authorize a referendum on the question of adopting the state building code or, upon a petition of 5% of those voting in the last general election, requires the county board to hold a referendum. Restricts voting to electors residing outside of municipalities that adopted the building code prior to January 1, 1977. Requires that building requirements for handicapped persons apply in every county and does not prevent any city or town from adopting and enforcing the state building code. Also requires the Minnesota municipal board to appoint a consolidation commission to conduct hearings and make recommendations regarding the consolidation of two or more municipalities and bases final approval upon whether the proceeding was initiated by resolution of the city council, petition of the resident voters, or a motion of the board. (Note: 1977 and 1978 laws required all municipalities to adopt and enforce the state building code by January 1, 1979.)

Effective: August 1, 1979.

C.287

## LOCAL GOVERNMENT

### Tax Increment Financing

* H.F. 257	Casserly, Tomlinson, Pehler, Hoberg, Knickerbocker
S.F. 977	Hanson, Dieterich, McCutcheon, Davies, Sillers

### Planning

Requires cities to approve a plan for each tax increment district, conduct a public hearing on the proposed district and publish notice in a newspaper of general circulation.

Requires that counties and school districts be consulted and allowed to comment on the tax increment plan prior to formation of a district. Cities must approve or disapprove a plan within 60 days of submission by the authority or the plan is considered approved. The city may not modify the plan as proposed by the authority.

Requires annual disclosure of the financial status of the district to the county board, the school board, the state planning agency and the city.

### Limitations

Three different types of tax increment financing districts are provided: housing districts, redevelopment districts and economic development districts.

Different limitations apply depending on the type of tax increment financing district designated.

Tax increments may not be dedicated for a district if the authority has not issued bonds within three years, acquired property or constructed public improvements.

Places time limitations on the dedication of tax increments. Limits administrative expenses to 5% of total project expenditures.

Limits the amount of property which may be acquired by the authority prior to having obtained agreements with developers.

Requires rehabilitation or site preparation within 5 years of certification of the original assessed value of the district.

### Metropolitan Fiscal Disparities Law

Requires cities to choose one of two applications of the fiscal disparities law to commercial-industrial growth within a tax increment district.

Removes current exemption from fiscal disparities for housing redevelopment authority districts and the full 40% contribution required by municipal development districts.

## LOCAL GOVERNMENT

### Tax Increment Financing - Con't.

#### Tax Deferrals

Allows developers to apply to a city for deferral of taxes on improvements located in industrial development districts, municipal development districts or housing and redevelopment authority projects.

Effective: August 1, 1979; projects certified prior to the effective date are not affected with certain exemptions.  
C.322

#### Tort Liability

*	H.F. 198	Faricy, Norton, Wenzel, Kempe
	S.F. 503	Sikorski, McCutcheon

Requires local governments to indemnify and defend employees against tort claims arising out of their employment subject to certain statutory limitations.

Effective: August 1, 1979.

C.205

#### Township Attorney Fees

	H.F. 290	Esau, Berkelman, Hoberg, Fjoslien, Murphy
*	S.F. 388	Wegener, Olhoft, Renneke

Increases the amount of attorneys' fees a town board may pay without the approval of the town electors from \$1,000 to \$5,000.

Effective: immediately.

C.6

#### Township Levy Limitations

*	H.F. 389	Onnen, McEachern, Clawson, Niehaus, Ludeman
	S.F. 469	Bernhagen, Menning, Gunderson, Schmitz, Wegener

Repeals current levy limitations on townships for road and bridge purposes.

Effective: August 1, 1979.

C.153

#### Use of Special Assessments

*	H.F. 842	Wynia, Waldorf, Tomlinson, Byrne, Pavlak
	S.F. 927	Stumpf, Sieloff, Dieterich Chenoweth, McCutcheon

Authorizes cities to construct and maintain public malls, plazas and courtyards which may be financed by special



## LOCAL GOVERNMENT

### Use of Special Assessments - Con't.

assessments. Requires city annual financial audits to include the operations of municipal hospitals and nursing homes, liquor stores and public utilities.

Effective: immediately.

C.330

### SEE ALSO:

Bridge Bonding	p.65
City Housing Finance Programs	p.33
Community Social Services ("Block Grants")	p.40
County/City Federal Housing Assistance	p.34
County & Municipal State-Aid Roads	p.65
Dam Repair & Reconstruction	p.23
Elections Category	p.20
Flood Plain Management	p.23
Government Data Practices Act	p.38
Human Services Act Changes	p.41
Life Support Transportation Services	p.32
Municipal Gas Agencies	p.20
Omnibus Parks & Recreation Bill	p.56
Omnibus Tax Bill (Indirect Relief)	p.61
School District Pairing	p.19
Town Road & Bridge Funds for Cartways	p.68
Volunteer Firefighters Pensions	p.56
Water Pollution Control Fund	p.24

## OCCUPATION LICENSURE

### Building Mover Regulation

H.F. 307	Blatz, Rose, Adams, Osthoff, Biersdorf
* S.F. 779	Schaaf, Keefe, S., Ashbach, Solon, Kirchner

Requires building movers to be licensed by the public service commission after complying with new department of transportation rules regarding bonding and insuring. Allows the PSC to revoke, suspend or deny a license for failure to pay fees, failure to comply with bonding and insuring requirements, conduct which impairs use of public roads or utilities and conduct which endangers health and safety. Prohibits local governments from requiring local licenses and prohibits state or local government regulation of rates.

Effective: August 1, 1979.

C.111

## OCCUPATION LICENSURE

### Public Accountant Licensing

*	H.F. 703	Rice, Ewald, Heinitz, Berkelman, Albrecht
	S.F. 776	Davies, Kleinbaum, Brataas, Hanson, Ulland

Specifies the qualifications of licensed public accountants and requires the board of accountancy to license them (state law now requires licensure of certified public accountants). Adds two members to the board to represent licensed public accounts but reduces representation as their number in the state drops below 100. Requires that corporations of licensed or certified public accountants be licensed. Prohibits unlicensed persons, partnerships or corporations from falsely advertising titles or services which could mislead the public but allows unlicensed persons to do accounting work. Violation is a gross misdemeanor. Appropriates \$66,000.

Effective: immediately, with licensure of corporations on July 1, 1980.

C.326

### SEE ALSO:

Licensing of Constables	p.12
Licensing Part-time & Reserve Peace Officers	p.12

## PENSIONS AND RETIREMENT

### Amortization Date Extension

*	H.F. 748	Patton, Moe, Biersdorf, Kaley
	S.F. 771	Stokowski, Strand, Renneke Ogdahl

Extends statutory target date for elimination of state pension funds deficits from the year 1997 to 2009. Provides procedure to automatically extend the amortization target date in the future for deficit increases caused by actuarial assumption changes and benefit increases and changes in actuarial methods.

Effective: immediately.

C.184

### Correctional Officer Retirement

*	H.F. 907	Reding, Patton, Moe, Biersdorf Sarna
	S.F. 959	Stokowski, Strand, Peterson, Renneke

Retains mandatory retirement age for correctional workers at 55 years. Allows optional employment to age 65 for persons who obtain annual physical and mental certification that they can perform adequately as correctional officers. Final decision to be made by commissioner.

## PENSIONS AND RETIREMENT

### Correctional Officer Retirement - Con't.

Annual examinations to be paid by the state. Also transfers obligations and assets of county and probate judge survivor's account to judges retirement fund.

Effective: May 1, 1979 for correctional workers, rest is effective immediately.

C.296

### Mandatory Retirement Changes

*	H.F. 157	Enebo, Rice, Metzen, Fritz, Norman
	S.F. 265	Spear, Keefe, S., Laufenburger, Staples, Merriam

Brings the 1978 state law raising the mandatory retirement age to 70 into conformity with the 1978 federal mandatory retirement act (PL90-202). Exempts firefighters, police, pilots, correctional officers, highway patrol, and those employed in an executive or high-level policy-making position entitled to annual retirement benefits or \$27,000 or more (teachers are no longer exempt).

Requires employers to notify all employees of their option to continue working past 65, to post a general notice that the retirement age is 70 and to give a 30 days notice to all employees being terminated prior to age 70.

Effective: April 23, 1979, except that collective bargaining agreements in effect on September 1, 1977, will be honored until termination or January 1, 1980, whichever comes first; June 1, 1980, for employers with fewer than 20 employees; July 1, 1982, for tenured professors at private colleges and universities.

C.40

### Pre-73 Retirees, TRA Deficit

*	H.F. 746	Patton, Moe, Biersdorf, Sarna, Wenzel
	S.F. 816	Ogdahl, Strand, Stokowski Renneke

### Pre-73 Retirees

Appropriates \$11.6M for lump sum benefit increases for public employees who retired under a statewide pension program before July 1, 1973. Two lump sum payments will be paid on December 1, 1979, and December 1, 1980, each equal to the number of years of service multiplied by \$15. For example, a retiree with 30 years of service will receive a check for \$450 on December 1, 1979, and another \$450 on December 1, 1980.

## PENSIONS AND RETIREMENT

### Pre-73 Retirees, TRA Deficit - Con't.

#### Teachers Retirement Fund Deficit

Provides \$15M over the biennium in additional employer contributions for financing the deficits of the statewide teachers retirement association (TRA) and the first class cities' teacher retirement funds. Represents a permanent increase in the employers' contribution rate. Effective: July 1, 1979.

C.293

#### Volunteer Firefighters' Pensions

	H.F. 928	Reding, Patton, Biersdorf, Kaley, Moe
*	S.F. 961	Peterson, Strand, Stokowski, Renneke

Consolidates and revises the existing laws governing locally funded volunteer firefighters' pension funds. Permits benefits to be adjusted at the local level, instead of by the legislature. Requires each relief association to file a current copy of its bylaws with the commissioner of insurance by July 1, 1980. Failure to do so disqualifies an association for fire state aid. Requires each volunteer firefighter relief association to be managed by a nine-member board of directors--six elected from the membership and three city officials. Beginning November 15, 1981, and biennially thereafter, the state auditor must report to the legislature on the general financial condition of volunteer firefighter relief associations.

Effective: July 1, 1979.

C.201

#### Minneapolis Municipal Employees

NOTE: The Omnibus Tax Bill explains the phase-out of the Minneapolis Municipal Employees Retirement Fund.

## RECREATION

#### Omnibus Parks & Recreation Bill

*	H.F. 1253	Cassery, Heinitz, Norton, Schreiber, Pleasant
	S.F. 1032	Anderson, Kirchner, Moe, Ogdahl, Merriam

Authorizes the sale of \$48,065,000 in state bonds for:

—Metro Council acquisition and development of recreation open space such as parks and trails \$ 27,000,000

—Department of Natural Resources acquisition and development of trails, forests, fishing management land, wild life management areas, scientific and natural areas and public access \$ 16,462,500



## RECREATION

### Omnibus Parks & Recreation Bill - Con't.

#### --Department of Transportation

State Bike Trails	\$ 1,000,000
Local Bike Trails	\$ 2,000,000
	\$ 3,000,000

--Non-metro standard metropolitan statistical areas acquisition and development of parks, trails, conservatories, zoos

\$ 1,600,000

Requires the DNR to notify the public and hold a chapter 15 public hearing prior to acquiring lands for corridor trails and allows for judicial review of such decisions to acquire land. Includes a new alternative method for determining in lieu payments to local governments and school districts based on the appraised value of land purchased and used by DNR for public hunting grounds and game refuges. Authorizes DNR to acquire lands to create Tettegouche state park in Lake County, to lease up to 400 acres in the park for an environmental learning center to reimburse Lake County for the loss of taxable private property and to spend \$890,000 to acquire key private lands within the park. Appropriates \$60,000 for a new 17-member governor-appointed citizens advisory task force on the BWCA with the responsibility to conduct meetings, do research and make recommendations to federal and state agencies.

Effective: Tettegouche Park sections immediately with no land purchase allowed until after a public hearing in Silver Bay; citizens advisory task force on the BWCA July 1, 1979, to June 30, 1983; the remainder on July 1, 1979.

C.301

#### Revised Stadium Bill

H.F. 561	Patton, Schreiber, Dempsey Adams
* S.F. 1351	Keefe, S., Johnson, Hanson, Stokowski, Ogdahl

Requires the metropolitan sports facilities commission to make a revised final determination on a stadium. Makes changes in conditions to be fulfilled before revenue bonds for stadium construction can be issued, including: (1) 30-year team lease agreements may now contain an escape clause allowing a team to terminate the lease if its financial condition warrants it; (2) city where the stadium is to be built must agree to levy required city-wide back-up taxes; (3) certified construction price and performance bond to cover any potential cost overruns is required; (4) sports commission must contract with private purchasers to buy all remaining tickets to a professional sports event if 90% but less than 100% of the tickets are sold three days before game time, thus freeing the professional sports team from the blackout prohibition in the 1977 stadium law.

## RECREATION

### Revised Stadium Bill - Con't.

Back-up tax for revenue bonds changed to a hotel-motel tax and/or on-sale liquor tax to be levied in the city in which the stadium is to be built. Also prohibits use of money from the highway user tax distribution fund to construct or improve access roads to the new stadium (except municipal state-aid streets) as long as the state gasoline tax is not increased.

Effective: immediately.

C.203

### Stadium Liquor Tax Repeal

	H.F. 1	Faricy, Greenfield, Ewald, Friedrich, Pleasant
*	S.F. 20	Chenoweth, Ashbach, Davies, Schrom, Spear

Repeals the metropolitan-wide 2% on-sale liquor tax authorization granted to the metropolitan council in 1977.

Effective: August 1, 1979.

C.26

## SENIOR CITIZENS

### Notice of Nursing Home Rate Increases

*	H.F. 295	Berkelman, Heinitz, Clark, Clawson
	S.F. 418	Solon, Vega

Requires nursing homes to notify private pay residents in writing 30 days prior to increasing rates except when rates are adjusted to reflect a change in the level of care or to equalize private pay rates with medical assistance rates.

Effective: August 1, 1979.

C.35

### Pets in Nursing Homes

	H.F. 231	Kelly
*	S.F. 307	Merriam, Humphrey, Gearty, Staples, Keefe, J.

Allows nursing homes, hospitals and sanitoriums to keep pets on the premises subject to reasonable rules for the care, type and maintenance of the pet.

Effective: August 1, 1979.

C.38

## SENIOR CITIZENS

### SEE ALSO:

Antenuptial Contracts	p.45
DOT Appropriation	p.66
Handicapped Category	p.29
Housing Finance	p.35
Medical Assistance Eligibility	p.41
Omnibus Tax Bill (Income Tax Relief)	p.59
Omnibus Tax Bill (Property Tax Relief)	p.60
Pensions & Retirement Category	p.54
Reverse Mortgage Loans	p.35
Senior Citizen/Handicapped Crossings	p.68

### TAXES

#### Exempting Senior Citizen Associations from Sales and Use Tax

H.F. 21	Faricy, Wynia, Pehler
* S.F. 182	Sieloff, Frederick, Ueland, Merriam, Dieterich

Exempts sales to nonprofit associations of groups which limit membership to persons age 55 years or older from the sales and use tax. Retains the tax exemption for any nonprofit senior citizen group.

Effective: immediately.

C.191

#### Omnibus Tax Bill

* H.F. 1495	,Sieben, H., Searles, Anderson, I., Kvam, Tomlinson
S.F. 1567	McCutcheon, Coleman, Johnson, Setzepfandt, Merriam

Provides over \$700M of income, property, inheritance, sales and business tax relief — the largest tax relief bill in Minnesota's history. Major provisions include:

#### Income Tax Relief (\$463M)

1. Bracket Indexing (\$232M): will occur annually beginning 1/1/79 based on 85% of the annual increase in the Twin Cities consumer price index.
2. Personal and Dependent Credits (\$161.8M): increased from \$40 to \$55 for taxes payable 1980 and to \$60 for 1981. Seniors, blind, deaf, and quadriplegic receive an additional full credit. Fully indexed 1/1/81.
3. Standard Deduction (\$12M): increased for taxes payable 1980 from 10% of Minnesota gross income up to \$1,000 to 10% up to \$2,000 and fully indexed beginning 1/1/81.

## TAXES

### Omnibus Tax Bill - Con't.

4. Low Income Credit (\$15.8M): exclusion levels increased 1/1/79 and fully indexed beginning 1/1/81. A single individual may earn up to \$5,500 (now \$4,800) before paying state income taxes; a family of four could earn up to \$8,900 (now \$7,800).
5. Pension Exclusion (\$12.5M): restored to pre-1977 pay and the next \$2,000 of military pay if earned outside the state. National guard credit repealed.
6. Pension Income Tax Relief (\$16.3M): increases the private and public pension exclusion from \$7,200 to \$10,000; eliminates current social security and railroad pension income offsets; increases total income offset from the current \$13,000 (FIGA) to \$17,000.
7. Capital Gains on Sale of Home (\$7.5M): provides for a one-time exclusion of up to \$100,000 on sale of homes for those over 55.
8. Residential Energy Credit (\$1.6M): up to 20% of the first \$10,000 spent on a renewable energy source, an earth-sheltered dwelling or a passive solar energy system. Limited to buildings of six units or less, condominiums or townhouses when used by taxpayer as a residence.
9. Political Contribution Credit (\$1.0M): doubled to \$50 for single filers and \$100 for joint filers.
10. Other Income Tax Relief Includes:
  - deduction allowed for certain out of state losses (\$1.0M);
  - dependent care credit extended to care by a relative (\$.3M);
  - exemption for pension income of former residents;
  - exclusion of capital gains or losses resulting from a divorce settlement;
  - 10-year averaging allowed for severance pay received at business closure (\$.4M),

Unless otherwise indicated, income tax provisions are effective for tax years beginning after 12/31/78.

### Property Tax Relief (\$178M) Direct Relief to Taxpayers (\$107M)

1. Two-Year Phase Out of Limited Market Value: higher values and assessed values will result. However, the effect of 2 through 6 (below) will result in decreased taxes in most cases.



Omnibus Tax Bill - Con't.

2. Homestead Base Value: future increases will be at the rate of \$1,000 (currently \$500) for every 3½ point increase in the homestead base index.
3. Assessment Classification Ratios: reduced on agricultural non-homestead and seasonal residential (3), commercial seasonal with homestead (3a), agricultural homestead (3b), non-agricultural homestead (3c) and blind, paraplegic veterans and disabled homestead (3cc) and non-homestead residential of three units or less (3dd).
4. Agriculture Homestead Base: increased from 160 to 240 acres for taxes payable in 1980.
5. Agriculture Mill Credit (\$3.5M): homestead base credit increased from 15 to 17 mills for taxes payable in 1981.
6. Homestead Credit (\$109.8M): increased from current 45% of property tax up to a maximum of \$325, to 50% up to a maximum of \$550 for taxes payable 1980, and 55% to a maximum of \$600 for taxes payable 1981.
7. Property Tax Refund (-\$23M): maximum increased from \$475 to \$650 (\$675 to \$850 for seniors). Coinsurance rate increased from 35% to 50% up to a maximum of \$1,000 (now \$800) for taxes payable in 1980. (Although property tax refunds under co-insurance would drop, that is due to the increase in homestead credits.)
8. Rent Credit (\$17.9M): increased from 22% to 23% of rent beginning 1980, and renters covered under coinsurance.
9. Wetlands Credit (\$1M): reduces tax liability and provides a state-paid credit for taxes payable 1981. Local governments reimbursed for taxes lost.

Indirect Relief (\$71M)

1. Local Government Aid (\$29.5M)
  - A. Increased from \$59 per capita to \$64 (up 8%) per capita in 1980 and \$70 (up 9%) per capita in 1981. In addition, county governments' aid is increased \$1 per capita for 1980 and \$2 per capita for 1981 -- over the aid amounts received in 1979.

## TAXES

### Omnibus Tax Bill - Con't.

B. A new aid distribution formula adopted that relies less on population and spending and more on fiscal capacity to determine local aid. Distribution is from a single pot of money. All cities and towns receive their 1979 aid level plus an additional per capita amount that varies with their equalized mill rate. However, the percent increase allowed in any year varies with the actual per capita amount received in the previous year. Aid amounts and limits are as follows:

-- Minimum Aid Guarantee: in addition to its 1979 aid amount, a city is guaranteed an additional amount based upon an equalized mill rate factor (a 3-year average mill rate adjusted for sales ratio):

<u>Equalized Mill Rate</u>	<u>1980</u>	<u>1981</u>
10 Mills or Less*	\$1/capita	\$1/capita
10-20 Mills	\$3/capita	\$4/capita
21 Mills or more	\$5/capita	\$6/capita

(Cities of less than 2,500 population receive minimum aid.)

\*Townships with less than 10 mills receive their 1979 aid level.

--Maximum Aid Limitation: a city's aid increase is limited, depending upon the actual per capita amount it received in preceding year:

More than \$100	12%
\$76-\$100	15%
\$51-\$75	17%
\$1-\$50	20%

C. For purposes of the aid formula only, the levy limit base is increased in future years by: (1) Twin Cities CPI (note: the 6% levy limitation remains in effect); (2) increase in population; (3) debt service levy for certain capital expenditures; (4) adjustments for refuse collection and for being below 85% of the county average levy limit base per capita.

## TAXES

### Omnibus Tax Bill - Con't.

D. Aid to Minneapolis, however, will remain the same in 1980 as in 1979 (to compensate for the \$5.6M payment slated for MERF—see subd. 2, B.). The increased aid which would otherwise have been provided to Minneapolis under the local aids formula will be distributed to the remaining cities across the state. The St. Paul and Minneapolis' levy limit base is also reduced 15%.

2. Minneapolis Municipal Employees Retirement Fund (\$5.6M): payment schedule adopted to eliminate unfunded liability and a gradual phase-out approved:

A. increases employer and employee contributions and provides an annual state appropriation of \$5.6M until 2017 to reduce the unfunded liability of the MERF basic program.

B. transfers all new employees and all existing members of the coordinated plan program, as well as their employer/employee contributions and assets, to PERA;

3. State Share of State-Local Welfare Costs Increased (\$23.6M):

	<u>State Share</u>		
	<u>Present</u>	<u>1980</u>	<u>1981</u>
AFDC	60%	70%	80%
GA	50%	60%	70%
MSA	50%	70%	80%

4. In Lieu Payments (\$8.7M): to counties for DNR or state-owned land. Amount of payment varies, depending upon type of land and who administers it. Payments designated for property tax relief and a county resource development fund. (Effective: July 1, 1979.)
5. Aid reduction penalty for poor assessment delayed until 1982.
6. Shade tree levy extended until 1980.

### Inheritance Tax (\$11.2M)

Abolished and replaced with an estate tax effective for decedents dying after December 31, 1979. As a result of these changes, the tax will be eliminated for about 94% of the estates that pay the existing inheritance tax. The tax is patterned after the federal estate tax.

Filing Requirement: 1980 — federal gross estate in excess of \$161,000. 1981 — and thereafter, federal gross estate in excess of \$175,000.

## TAXES

### Omnibus Tax Bill - Con't.

Deduction: \$200,000

Marital Deduction: 50% of the estate or \$250,000 whichever is greater. (In addition to the \$200,000 deduction.)

Rates: Ranges from 7% on the first \$100,000 of Minnesota taxable estate to 12% on the excess over \$1M.

Filing Deadline: Nine months after date of death.

#### Gift Tax (\$4.8M)

The gift tax paid by the donee upon the transfer of property by means of a gift is abolished effective 12/31/79.

#### Business Tax Relief (\$41.8M not including #5 below)

1. Eliminates the 17% bracket on the personal income tax (\$6.1M). Top bracket will be 16% for taxable income over \$27,500, effective for taxes payable in 1981.
2. Pollution Control Credit (\$4.0M): 5% of equipment cost but not to exceed \$75,000 in any taxable year but allowing a 4-year carry-forward. (Effective immediately for corporate income tax and 1/1/79 for occupation tax.)
3. Railroad Taxes (\$31.7M); repeals the gross earnings tax (as required by federal law) and places railroads on the property tax. For 1980 and 1981 only, the state will collect the tax.
4. Feedlot Pollution Control Credit: eliminates 12/31/80 expiration date.
5. Property Taxes: benefits commercial-industrial properties through the change to estimated market value. In addition, they also benefit from the general relief provided through increased aids to local government and schools.

#### Sales Tax Relief (\$4.7M)

Provides an exemption for residential sewer and water sales after 6/30/79.

Effective: varies by provision. See specific section.  
C.303

#### SEE ALSO:

Revised Stadium Bill	p.57
Stadium Liquor Tax Repeal	p.58
Tax Increment Financing	p.51



## TRANSPORTATION

### Amtrak Resolution

* H.F. 472	Pehler, Fudro, Evans, Nelsen, B., Hoberg
S.F. 520	Kleinbaum, Laufenburger, Setzepfandt, Ogdahl, Sillers

Urges the President, Congress and the secretary of transportation to retain the north coast Hiawatha route (which passes through Winona, Twin Cities, St. Cloud and Moorhead) in the national amtrak transportation system.  
Effective: immediately.

RS 2

### Bridge Bonding

* H.F. 597	Patton, Anderson, D., McEachern, Fudro, Friedrich
S.F. 664	Laufenburger, Purfeerst, Engler, Chmielewski, Schmitz

Authorizes sale and issuance of an additional \$52M in state transportation bonds for grants to counties, cities and towns for construction and reconstruction of bridges. (Total bridge bonds authorized since 1976 for all roads including trunk highways is now \$177M.) Grants cannot exceed \$8.5M to counties, \$1M to cities and \$21M to towns. An additional \$19.5M is to help political subdivisions match federal-aid bridge grants, and \$2M is for grants to political subdivisions for preliminary engineering and environmental studies for bridge projects.

Effective: July 1, 1979.

C.280

### County and Municipal State-Aid Roads

* H.F. 982	Kostohryz, Fudro, Metzen, Zubay, Searles
S.F. 1045	Bernhagen, Engler, Schmitz, Purfeerst, Laufenburger

Increases mileage of municipal state-aid street system to 2,500 miles (was 2,000 miles). Allows MnDOT to grant variances from rules and engineering standards to political subdivisions for county state-aid highways or municipal state-aid streets and provides procedures for doing so, including conditions for contested case hearings. Variances granted shall be reflected in determination of money needs for a county's state-aid highway system or a city's state-aid street system.

Effective: immediately, except municipal state-aid street mileage increase is effective August 1, 1979.

C.167

## TRANSPORTATION

### Department of Transportation Appropriations

\* H.F. 1 Norton (Special Session)

Appropriates \$965M from various funds to Mn/DOT for the 1979-81 biennium. The total figure includes 1979 salary increases, and represents a 9% increase over last biennium's \$885M as initially appropriated.

#### Appropriations highlights:

	<u>1977-79 Biennium</u>	<u>1979-81 Biennium</u>
<u>Highway Operations</u>	\$ 820.5M	\$ 793.7M
Includes:		
Trunk Highway Improvement	\$ 313.2M	\$ 310.0M
County State-Aid Highways	\$ 162.0M	\$ 188.45M
Municipal State-Aid Streets	\$ 50.1M	\$ 61.6M
<u>Public Transportation Operations</u>	\$ 45.3M	\$ 48.4M
Includes:		
MTC Transit Ass't.	\$ 25.4M	\$ 24.8M
MTC Project Mobility	\$ 2.0M	\$ 5.0M
Outstate Transit Assistance	\$ 4.0M	\$ 4.0M
Metro Area Private Bus Operator Subsidy	\$ .9M	\$ 1.5M
Paratransit Services	\$ 5.5M	\$ 5.5M
Rail Service Improvement	\$ 3.0M	\$ 3.0M
<u>Aeronautics Operations</u>	\$ 18.9M	\$ 18.5M
<u>Technical Support Services</u>	---	\$ 46.4M
<u>General Support</u>	---	\$ 30.4M
<u>Policy and Planning</u>	---	\$ 8.3M
<u>1980 &amp; 1981 Salary Increases*</u>	---	\$ 19.1M
<b>TOTAL</b>	<b>\$ 885.0M</b>	<b>\$ 965.0M</b>

\*Was not appropriated but is available for salary increases.

Creates a public transit capital grant assistance program to help provide local match for federal grants (80-20 matching) to purchase or refurbish transit vehicles (state share cannot exceed 50% of the non-federal match required).

## TRANSPORTATION

### Department of Transportation Appropriations - Con't.

Requires paratransit projects receiving state assistance to make at least one vehicle accessible to the handicapped. Directs Mn/DOT and the insurance division of the commerce department to investigate the high liability insurance costs of providing paratransit services, and help paratransit providers obtain liability insurance coverage at the lowest possible cost. Requires coordination of public and private special transportation services serving the elderly and handicapped including creation of a state interagency task force on special services, promulgation of operating standards for special services, and a special demonstration project to coordinate special transportation services in the metropolitan area.

Allows contracts or grants made under the rail service improvement act to pay up to 50% of the non-federal match in any federal rail continuation project in Minnesota. Authorizes expenditures of existing state rail service improvement funds for technical assistance to rail users, payment of interest adjustments on loans under the state rail user loan guarantee program, payment of costs of capital improvement projects to improve rail service, and acquisition of certain railroad rights-of-way. Changes limits on MTC bus fares during non-peak hours for persons under age 18 from 10¢ to 20¢, and for the elderly from free fare to 10¢.

Effective: Generally, July 1, 1979; paratransit liability insurance, special transportation services, and rail service improvement provisions effective immediately.

C.1 - special session

### Metropolitan Transit Commission Debt

* H.F. 186	Schreiber, Clawson, McCarron, Novak, Pleasant
S.F. 512	Vega, Kirchner, Lewis, Gearty

Authorizes MTC to borrow money except for capital improvements unless permitted by law and directs specific means of repayment. Loans may be secured by certificates of indebtedness, bonds or other obligations which shall be tax exempt. These obligations are not considered a debt of the state or any other political subdivision. Also authorizes additional MTC obligations of \$9M for bus purchases and other capital improvements and allows metro transit tax increase to pay for any obligations thus incurred.

Effective: immediately.

C.46

## TRANSPORTATION

### Moped Operator's Permit Fees

\* H.F. 1353 Nelsen, B., Esau, Novak,  
Jacobs, Blatz

Allows mopeds (motorized bicycles) to park in the same manner as bicycles. Exempts mopeds from seat belt requirements. Establishes fees for moped operators' permits (initial exam and permit is \$2.50, renewal permit to age 18 is \$3, renewal permit after age 18, valid for 4 years, is \$5).

Effective: immediately.

C.227

### Senior Citizen/Handicapped Crossings

\* H.F. 898 Kaley, Heinitz, Berkelman,  
Zubay, Fudro  
S.F. 1037 Brataas, Laufenburger,  
Frederick, Lewis, Engler

Authorizes local authorities to establish senior citizen/handicapped street crossings near housing or residential care facilities for such persons, and requires commissioner of transportation to adopt uniform specifications for senior citizen/handicapped crossings. Also allows authorized emergency vehicles to use oscillating white lights (in addition to red lights) when responding to emergency calls.

Effective: August 1, 1979.

C.185

### Town Road and Bridge Funds for Cartways

H.F. 1249 Fjoslien, Johnson, D.,  
McEachern, Murphy, Wieser  
\* S.F. 478 Chmielewski

Requires that town or road bridge funds can be spent on a cartway only if the town board (or county board for unorganized territories) passes a resolution stating that the expenditure is in the public interest. Also allows cartways to be designated by resolution as private driveways, after which no town road or bridge funds can be spent to maintain them.

Effective: immediately.

C.83

### SEE ALSO:

Airport Zoning	p.48
Gas Station Attendant Services	p.29
Littering from Motor Vehicles	p.23
Parking Privileges for Handicapped	p.30



## VETERANS

### Affirmative Action for Vietnam-Era Veterans

	H.F. 709	McDonald, Swanson, Rose Jude, Laidig
*	S.F. 765	Chmielewski, Laufenburger Olson, Frederick

Includes Vietnam-era veterans as a protected group for the purpose of statewide affirmative action programs until 1989.

Effective: immediately.

C.245

### SEE ALSO:

Omnibus School Aids (Vocational Education)	p.17
Omnibus Tax Bill (Income Tax Relief)	p.59

## WORKERS COMPENSATION

### Claims Settlement

	H.F. 1351	Kaley, Heinitz, Nelsen, B.
*	S.F. 1047	Pillsbury, Laufenburger, Frederick, Staples

Provides that voluntary settlements of workers compensation claims shall be presumed fair, reasonable and in conformance with the state workers compensation laws when the parties to be contested claim are represented by an attorney. Requires insurers to furnish within 30 days of an employer's request a written explanation of the reasons for adjusting a workers compensation premium based on the employer's individual accident experience.

Effective: August 1, 1979.

C.271

### Closely Held Corporation

	H.F. 917	Anderson, R., McDonald, Evans Valan, Friedrich
*	S.F. 276	Peterson, Nichols, Vega, Strand, Sillers

Minnesota Laws 1978, Chapter 757, extended elective workers compensation coverage to executive officers of closely-held corporations which employed less than 11 full-time employees in the previous calendar year and if the executive officer owned at least 25% of the stock of the corporation. Chapter 92 defines "closely-held corporation" as those corporations whose stock is held by no more than 10 people. The qualification of "11 full-time employees" is replaced by a payroll standard of less than 22,880 hours of payroll in the previous calendar year.

Effective: August 1, 1979.

C.92

## WORKERS COMPENSATION

### Employees Outside the State

\* S.F. 287      Davies, Keefe, S., Laufenburger,  
Pillsbury, Brataas

Clarifies the application of Minnesota's workers compensation laws to employees of Minnesota employers stationed outside the state. Employees injured outside of the state are covered under the Minnesota law if the employee was hired or regularly performs his job duties within the state. Those employees injured outside of the state and who have been permanently transferred outside of the state are not covered by Minnesota workers compensation laws.

Effective: immediately.

C.15

### Omnibus Workers Compensation Act

\* S.F. 1      Keefe, S., Laufenburger,  
Nichols, Luther, Willet  
Simoneau, Adams, Kaley, Niehaus

#### Benefits

Allows concurrent payment of weekly benefits and permanent partial benefits, but requires permanent partial benefits to be paid in 25% installments over a 4-month period with an employee receiving full permanent partial payment after returning to work. Requires the commissioner of labor and industry to establish a benefit schedule for the loss of internal organs. Extends death benefits to both spouses unless it can be demonstrated that the spouse was living independently at the time of the injury (previously only wives were presumed eligible for death benefits). Increases supplementary benefits from 60% to 65% of the statewide average weekly wage. Provides a comprehensive system to retrain injured workers under the supervision of the department of labor and industry. Eliminates the so-called "double-dip" of concurrent payment of temporary total and retraining benefits, but increases retraining benefits to 125% of the employee's temporary total benefit rate.

#### Rate-Making Process

The Minnesota compensation rating bureau is renamed the workers compensation rating association of Minnesota. Provides a comprehensive hearing procedure under the contested case procedure of the administrative procedures act to establish workers compensation rates. Authorizes the commissioner to hire an actuary. Requires the rating bureau to make available to the commissioner more detailed information on losses, investment income on reserve funds, and reserves of over \$50,000. Prohibits assessment of additional premium retroactively. Permits insurers to offer rates lower than those established by the commissioner of insurance.

## WORKERS COMPENSATION

### Omnibus Workers Compensation Act - Con't.

#### Insurance Coverage

Establishes a mandatory reinsurance association of all workers compensation insurers and self-insurers to pay claims over \$300,000 or \$100,000, at the member's option, beginning October 1, 1979, financed by premium assessments. Establishes a joint legislative commission of six members from each body to study the feasibility of creating a state insurance fund to report to the legislature by January 1, 1981. Transfers responsibility for the regulation of self-insured employers from the department of labor and industry to the commissioner of insurance. Grants additional authority to the commissioner of insurance to establish standards and regulations for groups of employers which self-insure.

Makes several changes to the special compensation fund which is administered by the department of labor and industry on behalf of insurers to pay workers compensation benefits for certain injuries. Encourages self-insurance by political subdivisions and associations of political subdivisions by allowing the special compensation fund to indemnify losses which they cannot finance with available assets.

Creates a reopened case fund administered by the department of labor and industry and financed by assessments against insurers to assume liability for workers compensation claims that have been reopened after seven years from the date of injury or death (when no previous compensation had been paid) and seven years after the date of injury or death or three years from the date of the last benefit payment (when benefits had previously been paid).

#### Administration

Directs the commissioner of administration to conduct a study of the department of labor and industry's recordkeeping system for workers compensation claims and appeals. Expands the court of appeals from three to five members with no more than two of the judges to be non-attorneys. Requires the commissioner of labor and industry to prepare a brochure for injured employees and employers explaining their respective rights and duties under the law.

#### Medical Costs

Requires employees to obtain two medical opinions prior to undergoing non-emergency surgery. Requires the commissioner of labor and industry to conduct a study of the effect of requiring second medical opinions and to report to the legislature by January 1, 1983. Authorizes the commissioner of labor and industry to identify excessive charges for certain medical procedures and to establish reasonable charges for those procedures. Requires the commissioner of labor and industry to maintain a list of neutral physicians for consultation in contested claims.

## WORKERS COMPENSATION

### Omnibus Workers Compensation Act - Con't.

#### Other Major Provisions

Authorizes the commissioner of insurance to study the extension of experience-rating to smaller employers (those with premiums under \$750/year). Prohibits the practice of permitting higher expense allowances on assigned risk pool policies. Permits overpayments to be recovered from future employee benefits not to exceed 20% of the employee's weekly wage. Permits the commissioner of insurance to establish by rule a formula for determining the portion of an independent contractor's charges to be assessed for workers compensation premium when actual payroll cannot be determined.

Appropriations:	<u>1980</u>	
Appropriations:	<u>1980</u>	<u>1981</u>
Attorney General (4)	\$ 35,000	\$ 72,500
Commissioner of Insurance (7)	\$ 189,700	\$ 184,100
Commissioner of Labor (8)	\$ 383,600	\$ 323,700
State Competitive Fund		
Study Commission		\$ 25,000

(Numbers in parentheses are additional positions.)

Effective: rate-making provisions — immediately; reinsurance association, rating bureau name change, benefit changes — October 1, 1979; all future workers compensation benefit changes will be effective October 1st in the year of enactment; appropriations, all other provisions — July 1, 1979.

C.3 Special Session

#### Partnerships

H.F. 1157	Kalis, Stadum, Anderson, G., Biersdorf, Lehto
* S.F. 1149	Penny

Extends elective workers compensation coverage to partners of a partnership or farm, their immediate relatives and relatives of sole proprietors. Previously, coverage was elective only for sole proprietors, executive officers of closely-held corporations and relatives employed by family farm corporations and closely-held corporations. Effective: August 1, 1979.

C.74



## WORKERS COMPENSATION

### Recovery of Insurance Premiums

*	H.F. 966	Adams, Sieben, H., Kaley, Rose, Faricy
	S.F. 983	Keefe, S., Ashbach, Laufenburger, Vega, Nichols

Amends the workers compensation law to permit employers to recover insurance premium increases due to the death or injury of an employee caused by a third party.

Effective: for actions commenced after December 31, 1978.

C.81

### SEE ALSO:

Business Category  
Labor Category

p.7

p.47

NOT PRINTED AT GOVERNMENT EXPENSE

