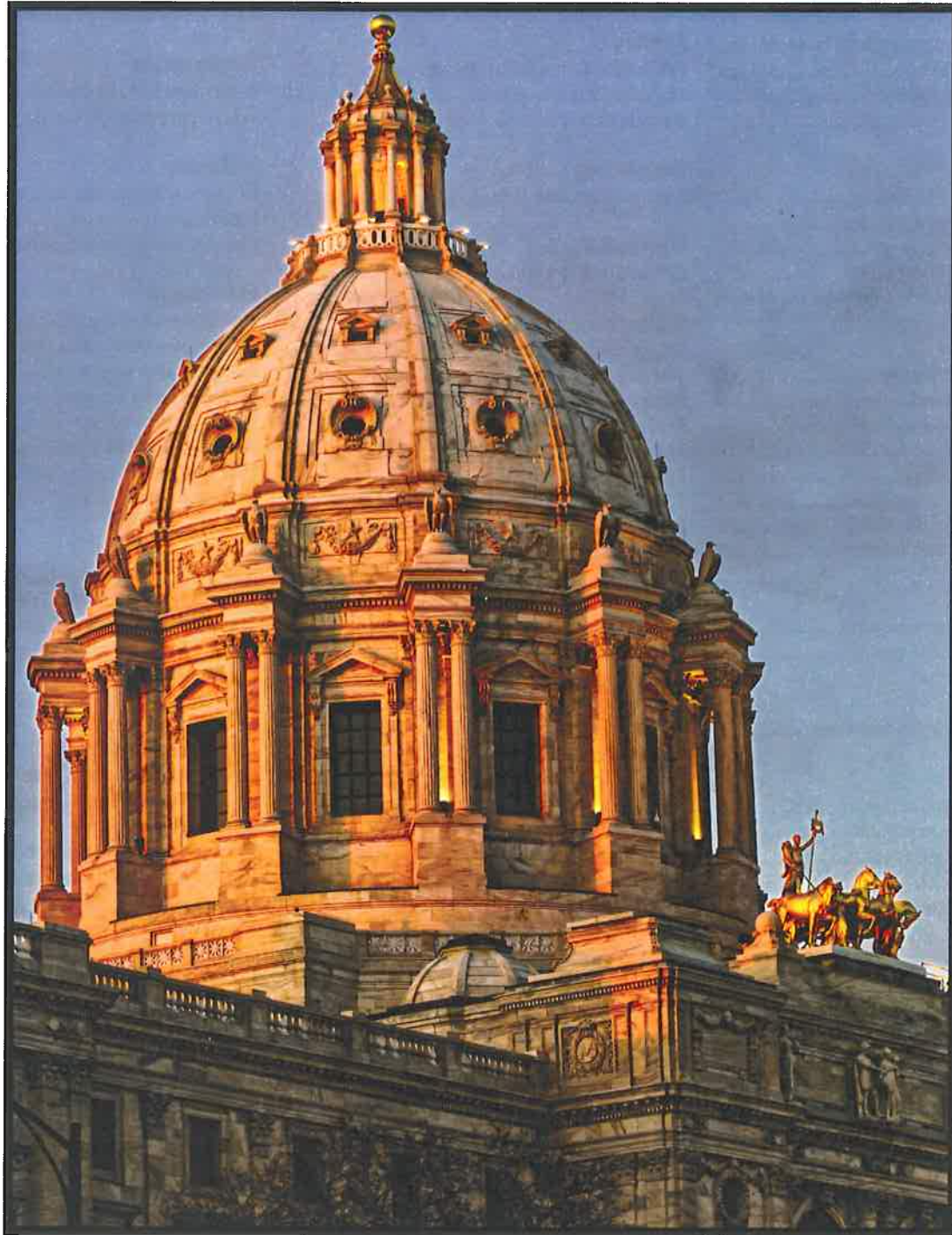


New Laws 2009



A Summary of the 2009 Regular Session

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AGRICULTURE

Funding focuses on job retention, core services

With overwhelming support in the House and Senate, the omnibus agriculture and veterans affairs finance law received nearly full support from the governor.

"We had two goals with the bill: preserve jobs and protect core services," said Rep. Al Juhnke (DFL-Willmar), who sponsors the law with Sen. Jim Vickerman (DFL-Tracy). Although the law came in a little under Gov. Tim Pawlenty's proposed budget target, the state's top official trimmed \$130,000 with two line-item vetoes.

For the 2010-2011 biennium, the law appropriates approximately \$116.8 million to the Veterans Affairs Department, \$75 million to the Department of Agriculture, \$41.7 million to the Military Affairs Department, \$10.4 million to the Board of Animal Health and \$5.6 million for the Agricultural Utilization Research Institute.

Overall, there is an approximate 3.3 percent reduction to the departments' base budget from the previous biennium. Both the governor and Legislature aimed to protect Veterans and Military Affairs departments from cuts. To do so, money was made available by delaying \$6 million in ethanol producer payments, and shifting funds from the little-used state G.I. bill account for other uses related to veterans affairs.

Pawlenty vetoed \$100,000 in sustainable agriculture grants from the law. The amount would have been available in each of the two years of the biennium. His veto eliminates the funding for the second year.

Also nixed was a \$30,000 appropriation for the development of a star farms program (similar to the state's Star City initiative), that would have recognized farms meeting certain criteria.

The laws effective date is July 1, 2009, unless otherwise noted.

HF1122*/SF1779/CH94

Agriculture

The law makes several changes to the state's noxious weed statutes.

Counties will be on the front lines of dealing with the vegetation that can quickly get out of control. Under the law, each county is to

appoint a person to carry out the state statute regarding noxious weeds. An account will be established for grant receipts or private or public funds that will be used to assist counties and municipalities in implementing the noxious weed control program. A state advisory committee will evaluate species for invasiveness and assist the commissioner in developing management criteria for each noxious weed category. (Art. 1, Secs. 17-43)

Marketing of the state's agriculture products and funding for development programming will see \$9.56 million over the biennium.

The Minnesota Grown label is becoming more familiar to consumers as its use increases and more local producers are participating (through a fee) in the Minnesota Grown program. In the next two fiscal years, the program will be allocated up to \$372,000. Of that amount, 200,000 is for grants to farmers setting up sustainable agriculture demonstration projects and \$100,000 is to increase Minnesota Grown promotional efforts in retail food establishments, grocery stores and convenience stores. Producers and farmers seeking organic certification will see help from the state in paying the \$350 certification fee. The new law sets aside \$20,000 over the biennium to help fund the cost-share program. (Art. 1, Sec. 2)

Other areas relating to agriculture receiving funding include:

- \$35 million from bond proceeds to the Rural Finance Authority to make grants through several programs including the beginning farmer program, the agricultural implement loan program and the livestock expansion loan program;
- \$24.3 million for ethanol producer payments;
- \$1.5 million for continuation of the dairy development and profitability enhancement program;
- \$1 million to Second Harvest Heartland for purchase of milk for distribution to Minnesota food shelves (Art. 1, Sec. 3 and Art. 2, Sec. 1).

Agriculture policy provisions in the law include:

- the ability to seek tenants for vacant or unused space in the Orville L. Freeman Building in St. Paul, which houses the Agriculture and Health departments;
- a green jobs food production study and report to identify green job opportuni-

ties relating to various farming methods, including organic, local, conventional and urban farming;

- new regulations on the sale and distribution of agricultural pesticides, including modifications to the fee schedule;
- establishment of a Noxious Weed Advisory Committee to advise the commissioner concerning the noxious weed control program; and
- a new Feeding Minnesota Task Force is to be established no later than Jan. 31, 2010, to study consumption of Minnesota grown produce and livestock through donations of harvested products to charities providing food for hungry people. (Art. 1, Secs. 23, 44-59, 80, 100, 106)

Military and Veterans Affairs

The Veterans Affairs Department was among the few agencies seeing an increase in biennial funding; but it took some creative maneuvering to make it happen.

"To an untrained eye," it appears that veterans programming budget would be cut substantially," Juhnke said. The law provides a more than \$900,000 increase to the department's base funding, and more than \$4.5 million to the biennial base for the state's five veterans homes. The increased funding came by deferring \$6 million in ethanol producer payments, and decreasing the relatively unused Minnesota G.I. Bill fund.

Biennial funding provides:

- \$87.5 million for use by the state's five veterans homes, including nearly \$1 million for increases in pharmaceutical costs, \$420,000 for expanding the mental health program at the Hastings Veterans Home and \$282,000 to help the veterans homes receive Medicare certification;
- \$29 million for veterans services, including \$500,000 for homeless veterans programming through the Minnesota Assistance Council for Veterans; and
- \$23.6 million for Minnesota National Guard enlistment incentives (Art. 3, Sec. 2 and Art. 4, Sec. 2).

With the increasing number of aging veterans and service personnel injured in the current wars, several communities in the state are seeking construction of new veterans home or medical facilities for combat-related injuries and treatment. The law calls for the

commissioner, along with the Veterans Affairs Strategic Planning Group and the Veterans Health Care Advisory Council, to consider options for placement of new facilities and what types of treatment and services are needed. By Jan. 15, 2010, a report is mandated to the Legislature regarding the department's construction project priority listing.

The law also calls for indentifying a location for a state veterans cemetery in northeastern and southwestern Minnesota, with a location in Redwood County being given priority (Art. 2, Secs. 23-24).

Policy provisions in the law include:

- availability of a veteran-designation on a Minnesota driver's license or state identification card;
- extending interviews to qualifying veterans who apply for state employment, and a mandated annual report, beginning in 2011, containing data regarding the number of veterans employed by state agencies;
- allowing the commissioner to award up to a 6 percent preference in procurement contract bidding for eligible certified veteran-owned businesses; and
- availability of "Gold Star License" motor vehicle plates beginning Oct. 1, 2009, to a surviving spouse or parent of a person who has died while serving honorably in active service. (Art. 2, Secs 3-6, 9, 12).

BONDING

'Bare bones' bonding

Hallmarks of the 2009 capital investment law include flood mitigation help for communities in the Red River Valley, asset preservation and money for any state match needed to acquire federal stimulus funds.

"I will tell you that this is one of those bare-bones, bread and butter bonding (laws) that takes care of the basics," said Rep. Alice Hausman (DFL-St. Paul), who sponsors the law along with Sen. Keith Langseth (DFL-Glyndon). "It focuses on both paintbrush- and shovel-ready projects that can be undertaken immediately."

The bill totaled \$343.5 million, but Gov. Tim Pawlenty trimmed \$85.16 million before signing it into law. It is effective May 17, 2009.

Pawlenty had earlier laid out concerns regarding the bill's size and scope indicating an acceptable bill should focus on "maintaining existing buildings rather than constructing new ones; funding projects that leverage available federal matching dollars; and remaining fiscally responsible."

HF855*/SF781/CH93

Disaster Relief

Flood mitigation for the Red River Valley, disaster assistance money for northwest Minnesota communities and Hugo, along with help for the St. Charles School District, which saw a decline in pupil aid as a result of an April 2009 fire, are addressed in the law.

"These are important items that need to be funded this year," Pawlenty wrote. "While many of the vetoed projects are meritorious, they should be considered next year as part of the larger, regular bonding bill."

Rep. Paul Marquart (DFL-Dilworth), who represents an area hard hit by springtime flooding, said the \$54 million for flood mitigation "is going to go a long way to protect the Red River Valley from future flooding. ... Those dollars will be saved many times over in reduced damages in the future."

Included in the disaster relief appropriations are:

- \$9.18 million to accommodate a state and local match for federal disaster assistance to qualifying individuals, state agencies and other eligible applicants (Art. 2, Sec. 3);
- \$2.7 million to the Housing Finance Agency for loans up to \$30,000 to qualifying individuals for repair or replacement of residential property (Art. 2, Sec. 7);
- \$2 million to leverage federal and other non-state money to address priority water management, emergency preparedness or hazard mitigation plans (Art. 2, Sec. 4);
- \$350,000 to the City of Hugo for debris clearance and other costs incurred as a result of a May 25, 2008, tornado (Art. 3, Sec. 1); and
- \$173,000 to mitigate the loss of per pupil funding for schools in disaster areas. (Art. 2, Sec. 5)

Asset preservation

Although \$24 million for improvements to the Bell Museum at the University of Minnesota was line-item vetoed, more than \$25 million remains for asset preservation at the university campuses. Two innovative projects related to solar energy will receive funding: \$2.15 million for a National Solar Rating and Certification Laboratory to be located on the Minneapolis campus and \$350,000 for a demonstration solar thermal and photo voltaic and monitoring system on the Morris campus. (Art. 1, Sec. 2)

The Minnesota State Colleges and Universities system saw nearly \$39 million in targeted projects line-item vetoed, but \$40 million remains for asset preservation and to address safety issues, mechanical systems and space restoration. (Art. 1, Sec. 3)

Several grants available through the

American Recovery and Reinvestment Act of 2009 will require a state match, and funding is made available for that purpose. (Art. 1, Secs. 5, 11).

Other agency allocations include:

- \$51.6 million to the Department of Transportation for intercity passenger rail projects;
- \$22.6 million to the Metropolitan Council for transit capital improvements; and
- \$2.16 million to the Minnesota Historical Society for improvements to historic sites. Of that money, \$100,000 may be used for improvements to the historic Rock Island Bridge in Inver Grove Heights, which crosses the Mississippi River. Additionally, the law prohibits demolishing or removal of any part of the bridge for two years from the law's effective date. (Art. 1, Secs. 18, 45)

Other line-item vetoes include:

- \$5.78 million for the Red Lake School District;
- \$3 million for expansion of the St. Cloud Civic Center;
- \$2 million for early childhood learning and child protection facilities; and
- \$2 million for the Minnesota Shubert Performing Arts and Education Center in Minneapolis.

BUDGET

Surplus can be used for spending, budget to be balanced for two biennia

If Minnesota is to spend federal stimulus money during fiscal years 2010-2011, state law regarding carryover funds needed to be changed.

Sponsored by Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Richard Cohen (DFL-St. Paul), a new law effective March 1, 2009, allows money remaining in the General Fund at the end of fiscal year 2009 to be appropriated in the next biennium.

According to the nonpartisan House Research Department, money from the federal American Recovery and Reinvestment Act of 2009 changes federal Medicaid reimbursement to the state, resulting in a possible positive General Fund balance at the end of the fiscal year, June 30, 2009. Federal law prohibits the state from using the Medicaid reimbursement for a budget reserve. This conflicted with state law requiring any surplus to be first used for shoring up the state's cash flow account, paying back any school funding shifts and funding the reserve account. This account was depleted as part of the governor's December

2008 unallotment to bring the current biennial budget into balance.

The law also requires a budget, proposed by the governor and enacted, for the 2010-2011 biennium to provide for a balanced General Fund budget in fiscal years 2012-2013.

HF886*/SF824/CH5

Deficiency spending approved

Sponsored by Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Richard Cohen (DFL-St. Paul), a new law effective April 7, 2009, provides a combined \$17.06 million to the Human Services and Public Safety departments, to cover deficiencies in fiscal year 2009 spending.

The law provides \$16 million for the Minnesota Sex Offender Program in Moose Lake and St. Peter and \$1.06 million to provide a final match for federal relief money for southeast Minnesota areas where flooding occurred last year.

Of the sex offender money, \$14.4 million comes from the General Fund, with the other 10 percent coming from counties.

The funding requests came from Minnesota Management and Budget through the governor's office.

HF117/SF95*/CH13

Federal stimulus oversight

A last-minute deficiency law includes funding for oversight of federal stimulus appropriations.

Sponsored by Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Richard Cohen (DFL-St. Paul), the law, effective May 22, 2009, will provide \$700,000 to Minnesota Management and Budget and \$384,000 to the Office of the State Auditor.

The money, available immediately and carrying over into the next fiscal biennium, will be used to monitor state and local use of stimulus funds from the American Recovery and Reinvestment Act of 2009.

In addition, the law, passed by the Legislature during the final hours of session, includes some changes to the session's omnibus higher education finance law. Notably, it raises the caps on tuition increases in the second year of the biennium for the University of Minnesota and Minnesota State Colleges and Universities system. For the university, the cap is raised from \$300 to \$450; for MnSCU, the cap is raised from 3 percent to 5 percent.

Rep. Tom Rukavina (DFL-Virginia) explained that the changes were needed to give some added financial flexibility for the university and MnSCU, both of which

now face possible unallotment by Gov. Tim Pawlenty.

The law also includes several smaller provisions making changes to county health care programs in a way that brings them into conformity with requirements included in the federal stimulus legislation. There is also a provision relating to the small school district in Deer River, allowing the district to continue receiving sparsity aid. Solberg said it was requested by the Education Department.

HF2251*/SF1938/CH177

BUSINESS

Helping car dealers move on

The precarious economic situation for U.S. auto manufacturers is affecting local car dealerships not only in lower sales, but through contracts they have with the vehicle manufacturer.

The goal of a new law, according to House sponsor, Rep. Joe Atkins (DFL-Inver Grove Heights), "is to help car dealers survive in this difficult time."

A new law effective May 7, 2009, will help dealerships be adequately compensated if their franchise is affected by actions of the vehicle manufacturer.

The law will:

- require successor manufacturers to offer existing dealers a franchise on similar terms as the predecessor;
- have the manufacturer recognize "blue sky" and compensate the terminated dealer for the value of the franchise over and above the physical assets; and
- allow the dealer to add another brand of motor vehicle to their existing facility.

Sen. Kevin Dahle (DFL-Northfield) is the Senate sponsor.

HF1717/SF1711*/CH34

Commercial licensing updated

A new law clarifies and modifies certain technical licensing and continuing education requirements regulated by the Commerce Department for workers such as real estate agents and appraisers, and insurance agents and adjusters.

The law modifies or clarifies provisions related to self-study and classroom- or Internet-based courses for pre-licensing or continuing education professional requirements including payment of fees, course content and examinations, approved textbooks, curriculum or materials, course management and credit hours. For example,

references to "sponsor" are changed to refer to "education provider." The sections dealing with insurance producers now align with the current version of laws and guidelines promoted by the National Association of Insurance Commissioners for insurance producers and adjusters.

The law is sponsored by Rep. Kurt Zellers (R-Maple Grove) and Sen. Kevin Dahle (DFL-Northfield). It takes effect July 1, 2010.

HF2099/SF1910*/CH63

Property interest disclaimers

A new law combines disclaimer statutes to ease use for practitioners and the public.

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Linda Scheid (DFL-Brooklyn Park), supporters said it most frequently would be used for tax purposes.

The law takes effect Jan. 1, 2010.

There are two disclaimers currently on state books that are to be combined: one that handles them during lifetime and another for those that inherit property after someone dies. The law also updates provisions relating to disclaimers.

A primary change is clarification that someone can disclaim an interest even if it is not within the nine-month limit normally required for tax purposes.

Other provisions affected include: allowing disclaimers of future interests, allowing disclaimers of jointly held property, allowing a trustee to disclaim property that might be scheduled to be distributed to a trust, allowing disclaimers of powers of appointment and other powers someone might hold over another's trust and eliminates the filing of disclaimers in district court in most situations.

Any disclaimer involving real estate would still need to comply with real estate recording requirements.

HF2082/SF1810*/CH67

Name-squatters lose their rights

A business forgetting to file its annual renewal with the Office of the Secretary of State could fall prey to name-stalkers or name-squatters. These are people who seek out business names that are not secured and try to squeeze the business owner for money to get the name back.

A new law, sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. Rick Olseen (DFL-Harris), will make it more difficult for people to "hop on the name ... an unethical practice," Kalin said.

Effective 30 days after the office certifies

it has systems in place to implement the provisions, the office will automatically file a name reservation to hold the name for a period of one year from the date of the business dissolution or termination if an annual renewal has not been filed.

The new law will also help the office upgrade its systems and practices. Primarily a technical law, there are two other provisions of note: eliminating the need for non-Minnesota businesses to file duplicate certificates from other states, as this information is readily accessible over the Internet; and strengthening of the so-called bogus filing review act that was passed by the Legislature four years ago.

HF1532/SF1288*/CH98

Miscellaneous commerce provisions regulated

A law relating to the Commerce Department can be considered a catchall of technical changes needed to areas of regulations, including Medicare, insurance providers and telecommunications.

The law, sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Dan Sparks (DFL-Austin), will affect people covered under various Medicare plans by bringing Medicare statutes into compliance for notice requirements dictated by the American Recovery and Reinvestment Act of 2009. Of significance is one provision laying out how requests for genetic information from issuers of supplemental Medicare policies are to be handled. The level of coverage for various Medicare supplement plans is also clarified.

Additionally, the law addresses marketing insurance or annuities to senior citizens. It will be considered a "deceptive act" for agents to mislead a client by implying they have special certification or training in advising or servicing seniors.

Minnesota has statutes regarding who can use "robo calls" or automated telemarketing phone calls. Under the new law, a nonprofit, tax-exempt charitable organization can use this technique if it is "solely for the purpose of soliciting voluntary donations of clothing to benefit disabled United States military veterans."

The law also sunsets the Minnesota do-not-call provision Dec. 31, 2012. Atkins said there is a similar federal law. He favored a sunset two years out, "just in case something happens with the federal law."

The law has various effective dates.

HF1853*/SF1653/CH178

CONSUMERS

Biodiesel blend specifications

The state's specifications for biodiesel blends will conform to those of the American Society for Testing and Materials, under a new law effective April 17, 2009.

Sponsored by Rep. Tim Sanders (R-Blaine) and Sen. Kevin Dahle (DFL-Northfield), the law clarifies that biodiesel blend is a blend of diesel fuel and biodiesel fuel between 6 percent and 20 percent for on- and off-road diesel-fueled vehicle use and that it must comply with ASTM specifications.

HF1615/SF743*/CH17

Kids' cups, baby bottles made safer

Health-conscious parents of babies and young children can cross one product off their no-buy list. Baby bottles and sippy cups containing the chemical Bisphenol-A, or BPA, will be off Minnesota store shelves within two years.

A new law, sponsored by Rep. Karen Clark (DFL-Mpls) and Sen. Sandy Rummel (DFL-White Bear Lake) bans Minnesota manufacturers from selling cups and bottles intended for use by children age 3 or younger that contain BPA after Jan. 1, 2010, and retailers from selling them after Jan. 1, 2011. The law is effective May 8, 2009.

Numerous peer-reviewed research studies have found BPA to be a carcinogen and endocrine disruptor. The chemical is widely used in consumer products such as eyeglasses, sports helmets, electronic toys and lining for beverage or liquid cans.

HF326/SF247*/CH40

E-waste law modified for electronics manufacturers

Under incentives built into a 2007 electronics recycling law, manufacturers collected far beyond their required amount of discarded household televisions, computer monitors and other electronic devices.

A new law, sponsored by Rep. Brita Sailer (DFL-Park Rapids) and Sen. Linda Higgins (DFL-Mpls), tweaks the Electronics Recycling Act so that manufacturers will continue to have incentives for product stewardship.

The new law:

- removes a three-year expiration for redeeming recycling credits. Although credits will no longer expire, the manufacturers can only redeem credits toward 25 percent of their annual recycling obligation per year. Previously there was no limit on applied credits;

- bases manufacturers' recycling obligations on national sales data, using a formula that multiplies the weight of devices sold nationally times the quotient of the state's population divided by the U.S. population; and
- deletes a provision that retailers must report local sales data, due to the new calculation method for determining a manufacturer's recycling obligation.

The law takes effect July 1, 2009.

HF1648/SF1486*/CH42

No lost cell phone charges

Lost your cell phone? No need to worry about being liable for charges the finder may rack up.

Effective Aug. 1, 2009, a customer will not be liable for charges resulting from unauthorized use of their cell phone, if the wireless provider has been notified that the phone is lost or stolen. The customer will have to agree, however, to suspend use of the wireless device.

The law is sponsored by Rep. John Lesch (DFL-St. Paul) and Sen. Ellen Anderson (DFL-St. Paul).

HF854/SF298*/CH54

Unfair ticket sales prohibited

A new law aims to create a ticket for those who unfairly sell tickets.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ron Latz (DFL-St. Louis Park), the law creates a misdemeanor offense for unfair ticket sales by requiring the initial seller of tickets to make available for sale all tickets under its control, and that it be done under terms directed by the event provider. As introduced, the law would have simply placed restrictions on reselling tickets over the Internet.

The new law, effective Aug. 1, 2009, requires the initial ticket seller to receive permission from the event or venue provider before initial ticket sales can be diverted to any other manner, or under any other terms.

The law also states that anyone with the intent to defraud or offer for sale altered or counterfeit tickets will be charged with a misdemeanor.

HF819*/SF759/CH61

Payday lending protections added

When people don't have bank accounts or need cash fast, some turn to "payday lenders" who charge interest rates higher than standard bank rates for short-term loans of \$1,000 or less payable within 60 days. However, the

“serial borrowing” that may occur if lenders allow customers to keep rolling over their loans can be like quicksand, sinking cash-strapped people into deep debt.

A new law adds safeguards to existing regulations to protect these borrowers from harm. Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Kevin Dahle (DFL-Northfield), it tightens payday lending rules and creates penalties for lenders who violate them.

The law requires payday lenders to:

- keep detailed records about their transactions and to track the dollar amount collected in interest payments on the loans, how many borrowers they serve, the frequency of customer borrowing, the average rate of interest charged and other data;
- submit an annual report of that data to the commerce commissioner; and
- provide the borrower with a copy of the loan agreement in the language that was used to negotiate the loan.

Penalties for noncompliance apply to any loan made to a Minnesota resident even if made on the Internet.

Except for certain reporting requirements, which are effective retroactively from Jan. 1, 2009, the law takes effect Aug. 1, 2009.

HF914/SF806*/CH68

Expansion of U stadium liquor sales

For the University of Minnesota, it's all or nothing when it comes to liquor sales at TCF Bank Stadium that is scheduled to open this fall.

A provision in the omnibus liquor law requires the university to change its plans regarding alcoholic purchases only in the premium seating area and suites.

Under the new law, mostly effective May 21, 2009, a liquor license can be issued for the facility only if sales are allowed throughout the stadium. “It should be all or nothing; you can't just have a situation that applies only in the luxury suites. If you're not in a luxury suite you can't have a beer,” said Rep. Leon Lillie (DFL-North St. Paul), who successfully offered the amendment on the House floor.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park), the law is a catchall for the various liquor-related bills acted on this session.

The law also addresses an issue Augsburg College in Minneapolis has regarding alcoholic sales by permitting the city to consider issuance of an on-sale license. The college has been serving alcohol at selected alumnae events over the years, before finding out that

it didn't have a license to do so. This provision is effective upon approval of the Minneapolis City Council.

The law also provides for consideration of liquor licenses by issuing authorities for:

- the Duluth Entertainment Convention Center for intercollegiate hockey games;
- Sporty's Pub & Grill in Minneapolis;
- the Best Western Superior Inn and Suites and East Bay Suites in Grand Marais; and
- private convention centers outside the seven-county Twin Cities metropolitan area.

Additional provisions allow for on-sale liquor hours to be expanded at the Humphrey and Lindbergh airport terminals; and license holders selling wine to hold wine-tasting events.

The law adds a device designed to ensure safe storage and monitoring of alcohol in the home to the list of items that can be sold by liquor stores.

HF1476*/SF1313/CH120

CRIME

Tougher sex trafficker penalties

As part of an overall effort to stop sex trafficking in the state, the criminal penalties will become more severe.

“Sex trafficking is not limited to foreign nationals. Girls and women are regularly trafficked every day in the state of Minnesota. The average age of a trafficked individual is 12 years old,” said Rep. Michael Paymar (DFL-St. Paul), who sponsors the law with Sen. Sandy Pappas (DFL-St. Paul). The changes are based on a report commissioned by Minnesota's Human Trafficking Task Force.

Effective for crimes committed on or after Aug. 1, 2009, the law, changes the definition of sex trafficking and increases the fine. It also contains a provision for a 25-year sentence for first- and second-degree cases involving aggravating factors, such as repeat offenders, the victim suffering bodily harm during the offense, more than one victim is involved, or the time the victim was held in debt bondage or forced labor was for more than 180 days.

The crime of “prostitution in a public place” is clarified so it is consistent throughout statutes, and the law enhances the penalty for repeat prostitution-related violations in certain instances.

The law adds language to state statute that an employer cannot retaliate against a victim of a violent crime, or the victim's spouse or immediate family, for taking reasonable time off of work to attend criminal proceedings.

HF1505*/SF1514/CH137

Prostitution penalty changes

Prostitution penalties are toughened and definitions have been clarified.

Effective Aug. 1, 2009, a new law makes prostitution arrest information more accessible.

Under current law, a crime of engaging in prostitution while acting as a patron goes on a person's record, but not on a person's driving record but it is classified as private data. That makes it hard for law enforcement personnel to access the data from their in-car computer if a person is using a motor vehicle to patronize prostitutes. The changes to the law clarify that this private data is accessible to law enforcement, and a repeat violation is further classified as public data.

A loophole is closed in the law where a second violation was enhanced if the first violation was a misdemeanor, but not enhanced if the first was a gross misdemeanor.

It also makes adds a definitional of change to “place of public accommodation,” which applies to the enhanced the penalty for prostitution in a public place, and amends the public place prostitution crime by replacing current language to make it identical to that in the other prostitution crimes.

Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Patricia Torres Ray (DFL-Mpls) sponsor the law.

HF1213/SF1009*/CH170

DEVELOPMENT

Funding for jobs, housing and more

Gov. Tim Pawlenty trimmed a little more than \$1.8 million from a new law that funds jobs, housing and cultural heritage programs for the next biennium and also designates ice hockey as the official state sport.

The law, sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm), authorizes \$260.1 million (after line-item vetoes) in net General Fund spending.

Major appropriations, reflecting cuts from earlier projected funding bases, include:

- \$115.9 million to the Department of Employment and Economic Development (a 4 percent cut);
- \$86.8 million to the Housing Finance Agency (a 3.5 percent cut);
- \$46 million to the Minnesota Historical Society (a 6 percent cut);
- \$20.2 million to Explore Minnesota Tourism (a 9 percent cut);

- \$17.2 million for the Minnesota State Arts Board (a 16.6 percent cut); and
- \$4 million for public broadcasting (a one-time 3 percent increase that includes grant money for new equipment).

The law prevents deeper cuts to DEED programs by temporarily increasing a fee paid by employers into the state's workforce development fund. The fee hike is expected to raise \$15.5 million over the next biennium. It takes effect July 1, 2009, and lasts through June 30, 2011. (Art. 2, Sec. 23)

Pawlentyline-item vetoed six appropriations. The largest, a \$1.2 million grant to the Minnesota Film and TV Board, was intended to nearly double the amount of money available to the "Snowbate" film production incentive. In his veto letter, the governor said that while incentivizing the film industry creates short-term jobs in the state, funding should focus on long-term job growth.

Other line item-vetoes include:

- a \$280,000 grant to Minnesota Public Radio to help with its conversion to a digital broadcast signal;
- \$200,000 for the Indigenous Earthkeepers environmental and cultural youth education program;
- \$100,000 for the Southeast Asian Collaborative;
- \$70,000 to the Legislative Coordinating Commission to study economic development issues; and
- \$50,000 to the Department of Administration for a workers memorial on the Capitol grounds.

Pawlenty vetoed an earlier version of the legislation (HF1169/SF2081*/CH39), partially because it included a provision that would have forgiven \$33 million of a loan St. Paul owes the state on the Xcel Energy Center. The loan forgiveness would have allowed the city to move forward on a proposed new indoor ice arena across the street from the Xcel.

While St. Paul didn't get its new ice rink, hockey fans can still take heart, as the law establishes ice hockey as the official state sport. (Art. 6, Sec. 1)

Unless otherwise specified, funding provisions in the law take effect July 1, 2009, and policy provisions take effect Aug. 1, 2009.

HF2088*/SF1926/CH78

Employment and economic development

The law adds a number of obligations and powers to the DEED commissioner's statutory duties. The changes generally relate to planning and promoting the long-term economic growth and well-being of the state. (Art. 2, Sec. 6)

A "Minnesota Green Enterprise Assistance"

provision in the law directs DEED and the Commerce Department to collaborate on a program to "advise, promote, market and coordinate" state help for environmentally focused enterprises. The objective is to use existing state resources to expedite the delivery of grants, licenses, permits and other authorizations for green economy projects. It is effective May 15, 2009. (Art. 2, Sec. 13)

The law directs DEED to lead a "Minnesota Science and Technology Economic Development Project" to maximize economic growth and foster job creation and retention. The initiative will focus on high-tech industries and will draw on expertise both from academia and the private sector. (Art. 2, Sec. 16)

Increased accountability requirements for DEED, effective May 15, 2009, are also in the law, which directs the agency to develop a set of measures to evaluate the effectiveness of its workforce development programs. Annual reports are required to the Legislature. (Art. 2, Sec. 20)

The law establishes an 18-member bipartisan Economic Development Strategy Working Group to create an overall economic growth strategy for the state. Made up of six senators, six House members and six public members, the group will work under the umbrella of the Legislative Coordinating Commission and report back to the Legislature by Feb. 15, 2010. (Art. 2, Sec. 41)

Unemployment insurance

The law includes numerous technical and policy changes to unemployment insurance statutes.

The standard of proof in matters relating to unemployment insurance claims is changed so that the state must apply unemployment insurance statutes in a way that favors the awarding of benefits. In other words, the state will essentially presume that someone is eligible to receive unemployment insurance benefits unless a preponderance of the evidence clearly shows otherwise. (Art. 4, Sec. 1)

The law removes a required step for government entities and nonprofits switching from paying unemployment insurance taxes and reimbursing the state for unemployment benefits paid. Another provision allows the commissioner to forgive unpaid unemployment interest, penalties or fees if pursuing collection is not in the public interest. This does not apply to unemployment insurance taxes or reimbursements due. (Art. 3, Secs. 1-3).

The law clarifies the employment status of temporary staffing agency workers in certain

situations, and it will allow Delta Airlines flight attendants taking unpaid furloughs as part of their contracts to collect unemployment benefits (Art. 3, Secs. 10, 12).

Labor standards and license fees

The law includes several provisions that strengthen the state's prevailing wage enforcement laws. Among other things, it requires an employer subject to prevailing wage laws to furnish a certified payroll report for each employee, including certain specified information. (Art. 5, Secs. 1-8)

Public employers will be required to purchase employee equipment and apparel made in the United States. The provision takes effect Jan. 1, 2010, or upon expiration of contracts entered into before June 1, 2009, whichever is later. (Art. 5, Sec. 9)

The law sets out the schedule for building permit fees. It also provides for a phasing-in of two-year plumbing licenses from the current one-year licenses. Two-year licenses for several other professions are also provided for in the law. (Art. 5, Secs. 11, 15-33)

Miscellaneous

The law splits the Board of Barber and Cosmetologist Examiners into two separate organizations. (Art. 6, Secs. 9-16, 19-20, 25-26)

Effective May 15, 2009, the law establishes a neighborhood development program at the University of Minnesota's Duluth and Twin Cities campuses. The program will focus on supporting quality university housing, encouraging long-term residency of students and faculty in campus-area neighborhoods and supporting business development in the surrounding community. (Art. 6, Sec. 8)

Also effective May 15, 2009, the law directs the labor and industry commissioner to appoint an advisory task force on employee misclassification and "off-the-books" payment of workers in the construction industry. The task force will report back to the Legislature on needed legislation, regulations and policies to address the issue. (Art. 6, Sec. 17)

Iron Range Resources and Rehabilitation Board

The law provides \$97.6 million in funding for the Iron Range Resources and Rehabilitation Board—an amount of money identical to the board's forecasted base budget. The IRRRB's funding has no impact on the General Fund; instead, the board derives its funding from regional taxes.

Several provisions in the law clarify that IRRRB projects and expenditures must be approved by at least seven of the board's 13

members. Most of these take effect May 15, 2009. It also establishes an early retirement incentive program for IRRRB employees. (Art. 7, Secs. 1-5, 8-18, 21, 22)

EDUCATION

McLeod West bonding authority

The McLeod West School District will be consolidating with neighboring districts, and a new law gives the district bonding authority that will minimize the financial impact on those absorbing McLeod West's 500 students.

The law, effective April 17, 2009, authorizes a general obligation bond issue without voter approval for its estimated \$3 million reorganization debt.

On May 5, voters approved the district's consolidation among the Gibbon-Fairfax-Winthrop, Buffalo Lake-Hector and Glencoe-Silver Lake districts, and that the districts will be held harmless for any negative fiscal consequences of the reorganization.

Rep. Ron Shimanski (R-Silver Lake) and Sen. Steve Dille (R-Dassel) sponsor the law.
HF1040/SF811*/CH20

Bioscience infrastructure grants

State colleges and universities will be eligible for bioscience business infrastructure grants, under a new law.

Sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. Kathy Sheran (DFL-Mankato), the law will make the University of Minnesota and the Minnesota State Colleges and Universities system eligible to receive money under the state's bioscience business development infrastructure program.

The program, run by the Department of Employment and Economic Development, allows state General Obligation bonds to be used for grants to cover capital costs for bioscience-related business facilities.

Only local governments were previously eligible for the grants. The change will address issues at Minnesota State University, Mankato and the University of Minnesota, Morris. Both schools were authorized to receive funding for bioscience projects, only to learn they could not accept it because they were not technically eligible for the program.

In addition, the law specifies that local governments or institutions receiving grant money must pay for at least half of the cost of the completed project from sources other than state bond funds.

The law takes effect Aug. 1, 2009.

HF868/SF684*/CH35

Funding young learners

Funding for public school districts and charter schools, early learning programs, special education services and the Education Department will remain steady at \$13.7 billion for the 2010-2011 biennium. This will increase to \$14.14 billion the following biennium, under a new law sponsored by Rep. Mindy Greiling (DFL-Roseville) and Sen. LeRoy Stumpf (DFL-Plummer).

The law directs \$500 million in one-time stabilization money from the American Recovery and Reinvestment Act of 2009 to replace state aid that would otherwise have been used for that purpose.

In a letter to legislative leaders, Gov. Tim Pawlenty said that he signed the law "with reluctance," noting it didn't increase education spending as he proposed, nor did it include his suggested reforms such as his Pay for Progress incentive or a Q Comp expansion.

HF2*/SF1328/CH96

Education funding

Major appropriations for the 2010-2011 biennium include:

- \$10.72 billion for general education aid;
- \$1.42 billion for regular special education;
- \$220.75 million for special education, excess;
- \$130.8 million for integration aid;
- \$44.87 million for nonpublic pupil transportation;
- \$35.14 million for nonpublic pupil education aid (textbooks, standardized tests and support services);
- \$30.3 million for statewide testing and reporting system; and
- \$22 million for inter-district desegregation/integration transportation grants.

Among smaller appropriations for the two years are:

- \$1.78 million for consolidating school districts;
- \$380,000 for American Indian teacher preparation grants;
- \$136,000 for early childhood programs at tribal schools; and
- \$130,000 to the Warroad School District to operate the one-room Angle Inlet schoolhouse. (Art. 1, Sec. 24)

The \$500 million in American Recovery and Reinvestment Act of 2009 stabilization funds is awarded in fiscal year 2010. According to the law, "Any balance does not cancel but is available for obligation until September 30, 2011." (Art. 1, Secs. 21, 22, 25)

The law permits adjusting a referendum allowance for a consolidated district in the years following a consolidation to reflect any inflation adjustments to the referendum authority. (Art. 1, Secs. 3-4)

Only foreign exchange students enrolled in a district under a cultural exchange program registered with the Secretary of State's office can be counted as resident pupils by a school district. (Art. 1, Sec. 9)

A school district that closes a school facility can receive the greater of its sparsity revenue computed under current law or the amount of sparsity revenue it received in the previous year. (Art. 1, Sec. 10)

The portion of basic alternative teacher compensation revenue that comes from state aid is clarified. Sets aid percentage at 73.1 percent of basic alternative teacher compensation revenue for fiscal years through 2009 and at 65 percent in subsequent fiscal years. (Art. 1, Sec. 11)

Voter authority to petition to revoke or reduce an existing levy referendum is rescinded. (Art. 1, Sec. 14)

A new levy is created for school districts to fund the annual costs associated with certain post-employment benefits liability under General Accounting Standards Board Statement 45, while eliminating them from the current collective bargaining agreement and limiting total levy amounts. Previous district authorization to issue other post-employment benefits, without voter approval, that would fund a trust up to the amount of the benefit liability, requires voter approval for obligations sold after Oct. 1, 2009. (Art. 1, Secs. 16, 19)

A district's Safe Schools Levy maintenance of effort requirements may be measured by its total expenditures for employee services such as social workers, psychologists and counselors, or by its prior year full-time equivalent employees in applicable services. (Art. 1, Sec. 17)

The integration revenue definition is amended to include its purpose as closing the achievement gap; school boards must approve plans before integration revenue is awarded; and Minneapolis, St. Paul and Duluth districts' integration budget plans must be approved by the Department of Education. The department is directed to analyze school district integration plans and outcomes and report to Legislature by Feb. 1, 2011. The report section is effective May 17, 2009. (Art. 2, Secs. 52-53, 63)

The 2 percent staff development set-aside is suspended for the 2010-2011 biennium. (Art. 2, Sec. 64)

The requirement that a district have a five-year facility plan approved by the education commissioner before receiving alternative facilities revenue is eliminated, effective July 1, 2009. (Art. 4, Sec. 3)

The cap on school construction projects subject to review and comment by the

Education Department increases from \$500,000 to \$1.4 million for all school districts, except those with outstanding capital loans. (Art. 4, Sec. 8)

Effective May 17, 2009, intermediate school districts can receive telecommunications/Internet access equity aid. (Art. 4, Sec. 11)

A minimum level for regional library basic system support is set, as are calculations for allowable reductions in local library support levels. The law sets absolute minimum levels of support and defines the revenue base. This is effective for support in calendar year 2009 and thereafter and for library grants paid in fiscal year 2010 and thereafter. (Art. 5, Sec. 10)

Also effective May 17, 2009, four school districts are permitted to transfer funds between accounts: Lac Qui Parle Valley, Mankato, Ortonville and St. Anthony-New Brighton. (Art. 5, Sec. 12)

The board of the state academies is to report each Feb. 1 to the Legislature on the amount of grants and gifts received from public and nonpublic sources and the purpose for which it was used. (Art. 7, Sec. 1)

The Education Department is to report to the Legislature by Feb. 15 each year on "receipts and payments from public and nonprofit private agencies for related costs for partnership or cooperative endeavors involving education activities that are for the mutual benefit of the state, the department, and the other agency." (Art. 7, Sec. 2)

More than \$20.94 million is appropriated each year of the biennium to the Education Department for agency operations including the following annual distributions:

- \$632,000 for the Board of Teaching, plus an additional \$30,000 per year for the board's licensure by portfolio activities;
- \$260,000 for the Minnesota Children's Museum;
- \$171,000 for the Board of Administrators;
- \$50,000 for the Duluth Children's Museum;
- \$41,000 for the Minnesota Academy of Science; and
- \$40,000 for an early hearing loss intervention coordinator.

The law also appropriates \$11.91 million per fiscal year to the Minnesota State Academies for the Deaf and the Blind and \$7.08 million each year to the Perpich Center for Arts Education. (Art. 7, Secs. 3-5)

Previous years' appropriation amounts are adjusted to match the February 2009 Forecast amounts. (Art. 9, Secs. 1-25)

Educational excellence

A child's parent or guardian can designate a "significant individual" to participate in

a school conference, with the parent's prior written consent provided to the school. This takes effect with the 2009-2010 school year. (Art. 2, Sec. 1)

A properly verified mental health diagnosis or treatment is added to the list of legitimate exemptions for a student's excused absence from school. (Art. 2, Sec. 2)

Minnesota World Language Proficiency Certificates or Minnesota World Language Proficiency High Achievement Certificates recognizing a student's oral, written, reading and listening skills in certain languages may be awarded consistent with elective academic standards. (Art. 2, Sec. 4)

Commissioner's school performance report cards to the Legislature must include growth indicators, rigorous coursework and preparation measures indicating readiness for college level work, school safety and student engagement as measure of school performance. The definition and school accountability portions are effective May 17, 2009. (Art. 2, Secs. 7, 10, 12-13)

Also effective May 17, 2009, students enrolled in grade 8 in any school year from 2005-2006 to 2009-2010 who do not pass the math Graduation Required Assessment for Diploma may earn a diploma if they meet all other graduation requirements and take remedial coursework and retest twice or subsequently pass the GRAD. The Office of Educational Accountability is required to annually report to the Legislature growth-based value-added data and other data study effectiveness of GRAD and other measures of accountability. (Art. 2, Secs. 8, 10)

Pre-kindergarten and elementary teacher licensure candidates must successfully complete an assessment of reading instruction, including practices in five reading skill components. (Art. 2, Secs. 14, 17)

Teachers seeking relicensure beginning July 1, 2012, must submit evidence of reflective growth in best teaching practices, including support for student learning, use of best practices, collaborative work with colleagues and continual professional development. This is effective May 17, 2009. (Art. 2, Sec. 20)

Beginning with the 2009-2010 school year, districts can have trained observers serve as mentors or coaches, and have probationary or continuing contract teachers participate in professional learning communities as part of the district's peer review process. (Art. 2, Secs. 21-24)

School district Q Comp plans developed in 2009-2010 and beyond must include a research-based professional development system; the education commissioner is to establish three dates as deadlines for Q Comp applications, which are to be reviewed

within 30 days of most recent deadline; and alternative compensation application assistance is to be offered for rural districts. (Art. 2, Secs. 25-27)

Districts may approve site-governed schools proposed by groups of teachers, parents and community members to provide innovate or alternative school models. They are exempt from the same rules and laws as charter schools, and teachers will retain district employment, union status, salary and benefits. (Art. 2, Sec. 33)

Online learning providers must provide the enrolling school district with a course syllabus, and the Education Department must have written assurance that courses meet nationally recognized professional standards. An Online Learning Advisory Council is extended until June 30, 2013. It was previously set to expire on June 30, 2008. (Art. 2, Secs. 36-40)

A Minnesota Reading Corps program is established "to provide AmeriCorps members with a data-based problem-solving model of literacy instruction to use in helping to train local Head Start program providers, other prekindergarten program providers, and staff in schools with students in kindergarten through grade 3 to evaluate and teach early literacy skills to children age 3 to grade 3." (Art. 2, Sec. 46)

A college and career-readiness workgroup is created. Headed jointly by the Education Department and University of Minnesota, it is to evaluate and recommend to the commissioner and Legislature on design of the state high school assessment system, levels of and mechanisms for accountability, postsecondary uses of the assessments and an implementation timeline. Recommendations must be reported to the commissioner by Dec. 31, 2009, who must then forward it with any related commentary to the Legislature by Feb. 15, 2010. (Art. 2, Sec. 62)

A nine-member Innovative School Advisory Council is established to make recommendations to the education commissioner on site-governed schools, school innovation, improving information about fostering innovation and learning from non-education innovators. The council expires June 30, 2011. (Art. 2, Sec. 65)

Applicable to teaching candidates beginning Jan. 1, 2012, the Board of Teaching is to administer an assessment of reading instruction for pre-kindergarten and elementary teacher licensure candidates that is part of the exam of licensure-specific teaching skills. This is effective May 17, 2009. (Art. 2, Sec. 66)

Charter school reform

In addition to providing \$85.2 million in charter school building lease aid and \$2.6 million for charter school startup funding, the law makes a number of changes to charter school initiatives.

It adds student achievement to the list of charter school purposes, and makes the list inclusive, rather than an option of the six purposes. It also clarifies that the purpose of charter schools is not to reestablish a school that would otherwise be closed.

Sponsors are to be called authorizers, organizations are listed that are eligible to authorize charter schools, and the law establishes a process for an eligible authorizer to apply to the education commissioner for approval as an authorizer. Among other requirements, eligible charitable organizations must be incorporated in Minnesota. Three single-purpose sponsors are permitted and a process to obtain commissioner approval for such sponsors is established.

Charitable organizations under the federal tax code that are nonpublic sectarian or religious institutions or their affiliates, and any charitable organizations that for federal tax purposes describe activities indicating a religious purpose, are ineligible.

The law also:

- disbands the Charter School Advisory Council;
- strengthens authorizers' and charter boards' contractual responsibilities for school operations and performance;
- increases fees authorizers may charge charter schools;
- requires commissioner-approved financial training for charter board members;
- clarifies charter board conflict of interest clarifications;
- clarifies charter administrator minimum qualifications, those without administrative license must have professional development plan;
- requires that a board-approved annual report must be published; and
- lease rules are clarified and provisions for establishing affiliated nonprofit building corporation established. (Art. 2, Secs. 41, 42)

Special programs

The law defines a child with a disability to mean "a child identified under federal and state special education law as having" a specified disability or impairment, and needs special education and related services, according to Education Department rules. (Art. 3, Sec. 1)

To be consistent with federal law and state suspension procedures, school personnel

will be allowed to suspend children with disabilities. The law establishes parameters and procedures, including alternative education services, for suspensions of children with disabilities who have been suspended for more than five or 10 cumulative school days.

Procedures are established that a school district must follow before initiating an expulsion or exclusion of a child with disability. School districts will be required to continue providing special education and related services to children with disabilities who are excluded or expelled for misbehavior that is not a symptom of their disability (Art. 3, Secs. 2-3)

School districts will be required to have, in effect, an individualized education plan for each child with a disability at the start of each school year. (Art. 3, Sec. 7)

Effective Aug. 1, 2011, school districts are required to have a publicly accessible plan for using restrictive procedures with children with disabilities. This must include that only qualified and trained professionals can use restrictive procedures, districts are to make reasonable efforts to notify parents on the day restrictive procedures and an individualized education plan team can plan for using restrictive procedures in response to behavior that constitutes an emergency. (Art. 3, Secs. 9-11)

The authority of Deaf and Hard of Hearing Resource Centers is clarified to ensure that training programs are offered. In addition, the advisory committee for the Resource Center for the Deaf and Hard of Hearing shall meet at least four times a year and submit an annual report to the education commissioner, the Legislature, and the Commission on Deaf, DeafBlind and Hard of Hearing Minnesotans. The report must include recommendations on aggregate data-based outcomes over time for deaf and hard-of-hearing children consistent with state academic standards and assessments, and a data-based plan that includes evidence-based best practices known to improve the educational outcomes of such children. (Art. 3, Secs. 16-17)

Early childhood education/lifelong learning

The law appropriates \$87.2 million for Adult Basic Education aid; \$45.5 million for early childhood family education aid; \$40.2 million for Head Start; \$20.2 million for school readiness programs; and \$7.49 million for health and developmental screening. (Art. 6, Sec. 11)

Effective July 1, 2009, a voluntary, standards-based quality rating and improvement system framework is established to ensure children have access to quality early learning settings

promoting kindergarten-readiness. The system is based on a 2008 Minnesota Early Learning Foundation pilot program. (Art. 6, Sec. 4)

School readiness program criteria are expanded: a comprehensive assessment of children is required upon entering and leaving a program; instruction must be aligned with kindergarten standards, including social, emotional, physical and cognitive skills; and staff-child ratios are specified. (Art. 6, Sec. 5)

The Human Services and Education departments are to study early learning children's services and programs as a basis for coordinating them in the future. A report is due the Legislature by Feb. 15, 2010. (Art. 6, Sec. 10)

Transportation

The maximum vehicle weight of a type A-1 school bus is increased from 10,000 to 14,500 pounds to reflect industry standards. These school buses are defined in law as "a van conversion or bus constructed utilizing a cutaway front section vehicle with a left-side driver's door." This is effective July 1, 2009. (Art. 8, Sec. 2)

New school buses purchased after Oct. 21, 2009, must conform to the higher seat back requirements specified in federal law, which will raise the seatback height to 24 inches. Current law is at least 20 inches above the seating reference point. (Art. 8, Sec. 5)

Effective May 17, 2009, and applied retroactively to Dec. 31, 2007, through Jan. 1, 2012, a tailpipe can exit a school bus on either side of the vehicle. (Art. 8, Sec. 6)

The time for the annual evaluation and license verification of a school bus driver is increased by 15 days to accommodate the shifting start days in Minnesota's school year. This is effective July 1, 2010. (Art. 8, Sec. 14)

Student lifesavers trained properly

Schools that offer students training in cardiopulmonary resuscitation and automatic external defibrillator use will be required to use certain instruction.

A new law, sponsored by Rep. Carlos Mariani (DFL-St. Paul) and Sen. Kathy Saltzman (DFL-Woodbury), requires districts that voluntarily offer students training in CPR ensure that training will be in accordance with the American Heart Association, the American Red Cross, or other nationally recognized, evidence-based guidelines.

"The mandate here isn't to provide the instruction," Mariani said, but "if the instruction is provided, we want to make sure they are following these industry standards." He said the odds of surviving cardiac arrest

are only 10 percent without the intervention, but acquiring the right kind of skills “properly trains our young people to be lifesavers as they go out into the world.”

The law is effective Aug. 1, 2009.
HF648/SF567*/CH107

EMPLOYMENT

Benefits extended for some unemployed

Some unemployed will see their unemployment benefits extended because of a new law.

Fast-tracked to the governor’s desk, the new law plugs the gap between the state’s regular unemployment benefits and a federal extension enacted earlier. The law is effective July 1, 2009, and sunsets June 30, 2010.

Sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Senate President James Metzen (DFL-South St. Paul), the law changes the way the state computes the unemployment compensation eligibility period and sets up a special state emergency unemployment compensation program for eligible applicants who do not qualify for a federally funded extension of unemployment insurance benefits.

The benefits will be funded from the Minnesota Unemployment Insurance Trust Fund.

HF4/SF4*/CH1

Unemployment stimulus dollars

Minnesota can use \$130 million in federal stimulus money from the American Recovery and Reinvestment Act of 2009 for state unemployment benefits.

Sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm), the law makes mostly technical changes to the state’s unemployment insurance statutes to make way for the money. The law takes effect Aug. 2, 2009. A provision authorizing the expenditure of federal funds is effective April 9, 2009.

In addition to the technical changes, which put the state’s unemployment insurance program in conformity with federal law, the law modifies eligibility requirements and other parts of the program. Some of these changes include:

- granting eligibility to workers who are forced to quit their jobs due to situations involving domestic abuse of themselves or family members;
- granting eligibility to workers who quit their jobs to care for an immediate family member;

- allowing a worker who quits their job to relocate with a spouse whose job has been moved to be eligible for benefits, if the commute to work from the new location is impractical; and
- calculating an applicant’s unemployment benefits using more recent wages than are currently used.

HF1227/SF1197*/CH15

Helping local business ease layoffs

Some businesses could avoid laying off workers if they apply to participate in the federally funded Workforce Investment in Regional Economic Development program.

Through WIRED, employers in certain businesses can reduce employees’ work hours while those workers take skills training and receive unemployment benefits in proportion to the amount of reduced hours.

A new law, effective April 28, 2009, sponsored by Rep. Kathy Brynaert (DFL-Mankato) and Sen. Kathy Sheran (DFL-Mankato), allows eligibility for the program to take effect; it expires June 30, 2011.

Brynaert said the measure is “a win-win for both workers and employers” and that the \$680,000 cost in unemployment benefits will be recouped from employers over a four-year period.

HF1048/SF643*/CH25

Layoff alternative now law

Some employers facing economic hardship will have an alternative to laying off their employees.

A new law, effective Aug. 2, 2009, will allow them to participate in a Department of Employment and Economic Development shared work plan that allows them to reduce some employees’ hours while those employees become eligible for unemployment benefits in proportion to the number of their reduced hours.

Employer plans must be approved by the DEED commissioner, who may reject a proposal if it is determined the reason for the application is not to prevent layoffs. Eligible employees must have worked for the employer for one year and, under the plan, must work between 20 and 32 hours a week.

The law is sponsored by Rep. Dean Urdahl (R-Grove City) and Sen. Kathy Saltzman (DFL-Woodbury).

HF2040/SF1454*/CH27

Drug testing change

A simple change in statute will allow certain state workers to receive required drug and alcohol testing from the federal government

rather than the state.

Sponsored by Rep. Paul Rosenthal (DFL-Edina) and Sen. Amy Koch (R-Buffalo), a new law extends an exemption on drug and alcohol testing currently applied to local governments to include the state as well. The change will allow state-employed drivers with commercial licenses to be covered by federal regulations instead of state regulations.

“This relieves the pressure on our administration, and also keeps in place appeal processes for employees,” Rosenthal said.

The law takes effect Aug. 1, 2009.

HF1820/SF1172*/CH55

Better workforce training

Representatives from state colleges and universities, workforce centers, school districts and other organizations are being asked to put their heads together to figure out a better way to educate low-skilled workers in Minnesota.

A new law directs the Governor’s Workforce Development Council to consult with several state agencies and establish four local collaborative projects to “plan and coordinate employment, training, and education programs and services.”

Rep. Larry Haws (DFL-St. Cloud), who sponsors the law with Sen. Tarryl Clark (DFL-St. Cloud), said the projects will be located in four different geographic areas and will focus on adults in need of workforce training. He said the law puts an emphasis on having adult basic educators play a greater role in workforce development.

Each collaborative will be required to include, at a minimum, representatives of: Minnesota State Colleges and Universities, local adult basic education, workforce centers, local school districts, community action agencies and public housing agencies.

Each local collaborative will have to implement its plan for at least one year and then report to the council on progress made. The council will then report to the Legislature.

The law is effective May 13, 2009.

HF1850/SF1569*/CH65

Workers comp rates, rules modified

Modifications are made to the workers compensation statutes under a new law sponsored by Rep. Mike Nelson (DFL-Brooklyn Park) and Sen. Tom Bakk (DFL-Cook).

They include:

- adjustments to partial disability compensation rates to account for previous gaps in the rating scale;

- changes to the Rehabilitation Review Panel membership to replace the requirement for two members from the medical field, which was determined to be too loosely defined, with two licensed or registered health care providers, and removing one member who represents chiropractors, but adding an actual chiropractor;
- changes to the Medical Services Review Board membership, replacing one member who represents hospital administrators with one who represents hospitals, adding an occupational therapist and removing a member representing the general public;
- modifications to these groups' alternate membership;
- allowance for certain group meetings to be held by telephone or electronically;
- prohibiting medical examinations by an employer's physician from being held in hotel or motel facilities;
- sharing data, including Social Security numbers, is allowed between certain state departments; and
- application by the labor and industry commissioner to Ramsey County or the county where the nearest office of the Department of Labor and Industry is located for an order compelling production of an employer's payroll and business record documents is permitted.

The law is effective May 13, 2009, except for the partial disability compensation rate changes that apply retroactively to dates of injury on or after Oct. 1, 2000.

HF1678/SF1476*/CH75

Labor contracts ratified

A number of labor contracts negotiated between Minnesota Management and Budget and various state employee unions and compensation plans for non-unionized employees for the biennium ending June 30, 2009, have been ratified.

Sponsored by Rep. Leon Lillie (DFL-North St. Paul) and Senate President James Metzen (DFL-South St. Paul), a new law ratifies contracts and compensation plans with workers in organizations as diverse as the Minnesota Nurses Association, the State Board of Investment and Minnesota State Colleges and Universities.

The legislation comprises the work of the Legislative Coordinating Commission Subcommittee on Employee Relations, which approves negotiated labor agreements and compensation plans. Affected employees or groups include:

- the Minnesota State University Association of Administrative and Service Faculty;
- the executive directors of the Teachers'

Retirement Association, Minnesota State Retirement System and Public Employees Retirement Association;

- the SBI;
- the MNA;
- the Office of the Legislative Auditor; and
- the Inter Faculty Organization.

The law caused some controversy on the House floor, where some members argued the agreed-to salaries do not reflect the current economic downturn.

Referring to a provision that authorizes raises for certain SBI employees, Rep. Mark Buesgens (R-Jordan) called it "unconscionable" to raise state workers' salaries at a time of record unemployment.

"We are not a rubber-stamp organization, members; we're here to do the right thing. And if you consider voting for a 10 percent increase for state employees when the rest of the state of Minnesota is hurting, then I don't think you understand the idea of the whole concept."

Rep. Lyndon Carlson, Sr. (DFL-Crystal) explained that it is an executive-branch initiative to retain "top-notch people" responsible for investing state pension funds.

Supporters of the legislation note that many of the contracts were negotiated prior to the beginning of the recession.

The law has various effective dates.

HF1218/SF1036*/CH85

Contractor or employee?

A new law cracks down on misclassification of some workers in the trucking and courier industry, which one of the law's sponsors, Rep. Sheldon Johnson (DFL-St Paul), called a "huge problem" in Minnesota.

He said 14 percent of Minnesota employers — and 35 percent of a sampling of those in the trucking industry — wrongly misclassify some workers as independent contractors not subject to withholding taxes, Social Security or health insurance benefits, although in practice they're treated as employees who may be required to wear company uniforms, attend trainings and adhere to a company schedule.

The law, effective Aug. 1, 2009, also lays out criteria for when an operator in the trucking and messenger/courier industry is considered an employee or as an independent contractor. There are seven factors that must all be present for a worker to be considered an independent contractor. Some of the factors include when the individual:

- owns the equipment or holds it under a bona fide lease arrangement;
- is responsible for the equipment's maintenance;

- pays for the operating costs;
 - substantially controls the means and manner of the service performance; and
 - enters into a written contract specifying that the relationship is one of an independent contractor and not that of an employee.
- Sen. David Tomassoni (DFL-Chisholm) is the Senate sponsor.

HF813/SF910*/CH89

ENERGY

Policies focus on renewables, conservation

A new law lays out policy changes regarding energy development and usage.

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Yvonne Prettner Solon (DFL-Duluth), most of the law is effective May 20, 2009.

Beginning July 1, 2009, and appropriated annually through 2012, \$5 million is earmarked for the Initiative for Renewable Energy and the Environment at the University of Minnesota. The funds are to study environmentally sound production of energy from renewable sources, energy storage methods, development of energy conservation and utilization technologies, and to analyze policy options. An annual report is due to the Legislature. (Sec. 2)

When setting utility rates, the Public Utilities Commission may consider the impact of energy conservation. The law removes direct compensation to utilities for lost revenues because of energy conservation and instead allows the commission to adopt new incentive mechanisms. (Sec. 7)

The new law includes policies that enable state-of-the-art utility planning and designing of the Central Corridor light rail transit zone, which extends from the Union Depot in St. Paul to the proposed multimodal transit station in Minneapolis. Xcel Energy, the electric utility provider for the area, has revealed plans to build a multi-source infrastructure using renewable energy delivery methods along the corridor that the company says will become a national model for future transit projects. (Sec. 9)

Community-based energy development gained ground with provisions to standardize contracts and to allow the Mountain Iron Economic Development Authority to form a company to develop a C-BED project. (Secs. 10, 34)

Various policy changes encourage increased use of renewable energy by providers and customers. For example, each utility or cooperative electric association has an annual

energy savings goal. The new law allows them to carryover energy savings, especially those earned from electric infrastructure projects, which may now be carried over for five years. (Sec. 15)

A natural gas utility will be allowed to count biomethane purchases toward its energy conservation credits. (Sec. 17)

A municipal or rural electric association may request authority from the PUC to use up to 10 percent of its total energy conservation expenditures for solar energy installations in order to meet customer demand. (Sec. 19)

Minneapolis and St. Paul, designated as solar cities under the U.S. Department of Energy Solar America Initiative, must submit reports by Oct. 1, 2009, and Oct. 1, 2010, to the Legislative Energy Commission containing strategies to accelerate the rate of solar thermal and solar electric energy installations in all building types throughout the state. (Sec. 35)

Each January, the commerce commissioner must provide a written report to the Legislature describing what electric transmission infrastructure is needed in the state for the following 15 years. The report should also describe any progress being made to meet the estimated needs of the state, as well as any barriers. (Sec. 28)

In addition, annual legislative reports must include proposals for the use of solar energy and the combustion of grasses, agricultural wastes, trees and other vegetation to produce thermal energy for heating commercial, industrial and residential buildings, if the commerce and public utilities commissioners think it will help the state achieve its goal for reducing greenhouse gas emissions. (Sec. 29)

The PUC, in consultation with the Office of Energy Security, is to study alternative forms of utility rate regulations. The study, due the Legislature by June 30, 2010, must address methods to improve customer understanding of automatic cost-recovery mechanisms. (Sec. 33)

HF863/SF550*/CH110

Energy upgrades planned with stimulus funds

An unprecedented number of homes throughout Minnesota will conserve more energy and hundreds of jobs will be created as a result of a new state law and federal funding from the American Recovery and Reinvestment Act of 2009.

Minnesota is expected to receive \$196.75 million in federal stimulus money earmarked for energy improvements. A law specifying how the money will be spent is effective May 22, 2009.

Weatherization of residential units, state government buildings and public schools, as well as incentives designed to advance renewable energy efforts in the state are part of the law sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. Ellen Anderson (DFL-St. Paul).

Hiring people for green jobs to perform energy upgrades in schools and public housing is expected to result in savings to the state's unemployment and utility coffers. Less than 3,800 homes are weatherized annually, but that number could increase to 35,000 once the federal dollars are received.

HF680/SF657*/CH138

Energy efficiency

Funds may be spent to weatherize low-income rental units, shelters, abandoned and foreclosed residential properties acquired and rehabilitated by state agencies. The Housing Finance Agency will coordinate loans, grants and rebates for energy improvements to qualified residents, including energy efficient window installation. (Art. 2, Secs. 1-2)

Competitive grants will be awarded by Sept. 1, 2009, to organizations that will perform energy conservation community outreach; local governments may apply for block grants to plan for and implement energy upgrades; Department of Education staff will help prioritize school district projects that optimize energy savings and improve the learning environment for students; and state government buildings will receive lighting upgrades, window repair or replacement and other energy upgrades. A report to the Legislature on state government building renovations is due by Jan. 15, 2011, and annually thereafter. (Art. 2, Secs. 5-8).

Minnesota will develop plans for a national energy efficiency center designed "to test energy efficiency equipment and systems to measure actual energy savings performance, to provide an ongoing assessment of energy efficiency best practices, and to coordinate with appropriate public and private entities to disseminate information and provide training on technology developments and best practices." Stakeholders will include the Center for Energy and the Environment, the Minnesota Center for Engineering and Manufacturing Excellence, and the Minnesota Technical Assistance Program at the University of Minnesota. (Art. 2, Sec. 13)

Renewable energy

A combination of grants and rebates will be used to entice and accelerate the use of renewable energy sources, including

establishment of a program that will provide grants to businesses "to assist in the development of renewable energy systems, energy storage systems, geothermal energy systems for heating and cooling, and businesses that manufacture components for these type of energy systems in the state." (Art. 3, Sec. 6)

Rebate programs will be a catalyst to encourage the use of renewable resources, such as solar or geothermal production of electricity. Both homeowners and businesses may be eligible for rebates on solar energy installations. (Art. 3, Secs. 2-3)

Schools, park districts, port authorities and local governments will be able to submit financing proposals to the commerce commissioner to help purchase and install renewable energy systems or geothermal heating and cooling systems. Among criteria used when awarding grants includes projects that use Minnesota-manufactured parts, those that will reduce greenhouse gas emissions and geographic diversity of grant recipients. Schools that accept these grants must also include information about their renewable energy project into their education curriculum. (Art. 3, Sec. 5)

A grant will be issued to the City of Kennedy to convert a former school building to use wind, solar and geothermal energy and to house a renewable energy business center. (Art. 3, Sec. 7)

Commercial and industrial sector

The St. Paul Port Authority will receive a grant to establish a revolving loan fund for sub-grants to Xcel Energy commercial and industrial customers in the state "to provide for the design, financing, and installation of energy efficiency improvements and renewable energy systems in commercial facilities, industrial facilities, and facilities owned by a nonprofit." (Art. 4, Sec. 1)

Grants will be made available to economic development authorities or owners of commercial and industrial facilities that want to make energy efficient improvements, such as installing devices that use renewable energy sources to generate electricity or to heat or cool a building. Projects that begin operation prior to July 1, 2009, are ineligible. (Art. 4, Sec. 2)

Other provisions

The commerce commissioner must notify the Legislature when releasing grants greater than \$25,000. Contracts funded by the federal stimulus dollars must, to the extent practicable, ensure that bidding contractors are qualified and participate in apprentice

and training programs for the work being performed. (Art. 1, Secs. 1-2)

The commerce commissioner, in conjunction with the Department of Employment and Economic Development, the Office of Higher Education and the Minnesota State Colleges and Universities system, is directed to develop and implement a plan to train the workforce that will perform the energy efficient projects. Hiring practices should target the unemployed, especially communities experiencing disproportionately high rates of unemployment. The commissioner must ensure access to training for low-income persons who otherwise would be unable to afford the training for residential weatherization jobs. Quarterly progress reports are due the Legislature by Sept. 1, 2009, Jan. 15, 2010, April 1, 2010, and Sept. 1, 2010. (Art. 5, Secs. 1-2)

ENVIRONMENT

Stimulus funds for clean water

A new law, effective April 9, 2009, amends current laws governing Public Facilities Authority loans from the Clean Water and the Drinking Water revolving funds.

The clean water fund is expecting \$82.56 million and the drinking water fund is expecting \$24.57 million in funds from the American Recovery and Reinvestment Act of 2009, and the law lays out guidelines for dispensation of the funds.

According to the law:

- 50 percent of the total funds must be provided as grants;
- a minimum of 20 percent of the total funds must be used for projects that address "green" infrastructure, energy and water efficiency improvements or other environmentally innovative activities; and
- projects must be listed on either the Pollution Control Agency wastewater/stormwater or Department of Health drinking water project priority lists.

Rep. Kory Kath (DFL-Owatonna) and Sen. Dennis Frederickson (R-New Ulm) sponsor the law.

HF1756/SF1329*/CH16

Environment and energy law appropriates \$737 million

Gov. Tim Pawlenty signed most of a \$737 million environment and natural resources appropriations law, with the exception of one line-item veto.

The law helps pay for work performed by, among others, the Pollution Control Agency,

Department of Natural Resources and the Board of Soil and Water Resources and the Public Utilities Commission. It also supports the Minnesota Zoo and the Science Museum of Minnesota, and lays a foundation for recording toxic chemicals found in children's products.

The law requires that departments and agencies that receive state appropriations display their budgets on a Web site, making their financing transparent to the general public.

Pawlenty vetoed a \$15 million appropriation for surface water assessment and monitoring, saying he recommends a more appropriate source of funding. "My budget recommended that these important activities be funded from the Clean Water Fund, using proceeds from the new Constitutional Amendment," Pawlenty wrote in his veto letter.

The act is effective July 1, 2009, unless otherwise noted.

Rep. Jean Wagenius (DFL-Mpls) and Sen. Ellen Anderson (DFL-St. Paul) are the sponsors.

HF2123*/SF2099/CH37

Natural resources

Nearly \$489.13 million was appropriated to the Department of Natural Resources as follows::

- \$135 million for fish and wildlife management;
- \$134.74 million for parks and trails management, including \$100,000 to provide downloadable GPS coordinates and river gauge data interpretation;
- \$77.8 million for forest management, including money to prevent forest fires and invasive species on state forest land;
- \$62.98 million for enforcement activity;
- \$28.35 million for ecological services;
- \$23.46 million for water resources management;
- \$20.8 million for land and mineral resources management; and
- \$5.93 million for operations support, including \$320,000 for grants to both the Como and Duluth zoos.

By Oct. 1, 2009, the DNR must develop "an adequate groundwater level monitoring network of wells in the 11-county metropolitan area. ... The network must be sufficient to ensure that water use in the metropolitan area does not harm ecosystems, degrade water quality, or compromise the ability of future generations to meet their own needs." (Art. 1, Sec. 4)

Other appropriations include \$17.76 million to the Metropolitan Council for parks operation and maintenance; \$13.45 million for the Minnesota Zoo; \$2.3 million for the

Science Museum of Minnesota; and \$1.89 million for the Minnesota Conservation Corps. (Art. 1, Secs. 5-9)

Effective May 8, 2009, state recreation land classified as a unit of the outdoor recreation system cannot be sold to balance the state budget. (Art. 1, Sec. 25)

A competitive grant program is established to help political subdivisions increase composting, reduce organic waste entering disposal facilities and reduce waste hauling costs. Each grant is to have an educational component on the methods and benefits of composting.

Beginning Jan. 1, 2010, residents may not put yard waste in plastic bags that are not certified as compostable by the American Society for Testing and Materials (ASTM). A city whose population exceeds 100,000 people and has an organized collection system for source separated compostable materials is exempt until Jan. 1, 2013.

The manufacture or importation into Minnesota of a plastic bag for sale labeled "biodegradable," "degradable," or a similar term, or labeled in any way that implies that the plastic bag will biodegrade, is prohibited unless a scientifically based standard for biodegradability is developed and the plastic bag is certified as meeting that standard. Bags labeled "compostable" must meet ASTM specifications for compostable plastics. This is effective Jan. 1, 2010. A report on the mixed municipal solid waste diversion rates accomplished by the composting grant program is due the Legislature by Jan. 15, 2012. (Art. 1, Secs. 3, 43, 44, 57)

Effective May 8, 2009, the so-called "Toxic Free Kids Act" requires the Minnesota Department of Health, by July 1, 2010, to generate a list of toxic chemicals of high concern found in children's projects. Minnesota "may cooperate with other states in an interstate chemicals clearinghouse regarding chemicals in consumer products." The law stops short of requiring the agency to ban products or require safer alternatives by manufacturers. Two interim reports are due the Legislature by Jan. 15, 2010 and a final report is due by Dec. 15, 2010. (Art. 1, Secs. 47-52, 63)

Fish consumption advisory signs must be displayed in at least four languages, including English, to "fairly represent the population of the state." (Art. 1, Sec. 67)

Licensing and permits

Consumers will be able to purchase gift cards and certificates from the DNR that may be used to buy licenses, permits, products or services. The cards will be valid until used. (Art. 1, Sec. 11)

Effective Jan. 1, 2010, the law prohibits a nonresident from operating an all-terrain vehicle on a state or grant-in-aid trail unless carrying a nonresident ATV state trail pass. Establishes a \$20 annual fee for the pass that will be valid from Jan. 1 to Dec. 31. Fee proceeds will be deposited in the ATV account, except for the commission received by the department from the electronic licensing system that must be used for grants-in-aid to counties and municipalities for ATV organizations to construct and maintain ATV trails and use areas. An exception is provided for federal, state or other ATVs, or those being operated only on a portion of a trail that is owned by the ATV operator or that person's spouse, child or parent. (Art. 1, Sec. 18)

Any veteran with a total and permanent service-connected disability, as determined by the U.S. Department of Veterans Affairs, is given free entrance to state parks. (Art. 1, Sec. 21)

Effective Jan. 1, 2010, commercial horse riding establishments can purchase annual trail passes instead of daily passes. The fee for a commercial annual horse trail pass is \$200 and includes issuance of 15 passes. Additional passes can be bought for \$20 each. (Art. 1, Secs. 22-24)

The following application fees are established for new permits to mine: \$25,000 for a taconite mining operation; \$50,000 for a nonferrous metallic minerals operation; \$10,000 for a scam mining operation; and \$5,000 for a peat operation.

The law also establishes annual permits to mine: \$60,000 for a taconite mining operation; \$75,000 for a nonferrous metallic minerals mining; \$5,000 for a scam mining operation; and \$1,000 for a peat mine. The amount of the fee is half the applicable amount if the mine had no production in the previous calendar year. (Art. 1, Secs. 27, 31)

Air, water quality

Nearly \$4.7 million allocated for the clean water partnership program. As a condition of using state funds to prevent further water degradation, funded recipients must plant vegetation or sow seed only of a local ecotype, whenever possible.

To prevent water pollution on farms and feedlots, nearly \$4.33 million is made available; \$2.5 million is allocated for assessment and monitoring of lakes, rivers and streams; counties may be eligible to receive part of the \$750,000 in state grants to inventory subsurface sewage treatment systems and individual septic tanks; and \$500,000 is allocated in fiscal year 2010 "to develop minimal impact design standards for urban storm water runoff." (Art. 1, Sec. 3)

There is also a \$24 million biennial appropriation for air quality projects, such as studying ambient air for hazardous pollutants and greenhouse gas emissions. Effective May 8, 2009, the PCA must establish a system for reporting and maintaining an inventory of greenhouse gas emissions.

The PCA will receive \$7.23 million and work with the Department of Agriculture to cleanup soil and water contaminated by leaking underground storage tanks, a task largely funded through a dedicated remediation account. In areas of contamination, \$1 million is dedicated to environmental health monitoring and biomonitoring of a sample of the population, including "indigenous people and people of color." paid for through money transferred into the Department of Health. (Art. 1, Sec. 3)

BWSR is to receive \$30.96 million, including \$7.8 million for natural resources block grants to local governments, \$7 million for soil and water conservation districts, \$1 million for feedlot water quality grants for feedlots under 300 animal units where there are impaired waters and another \$1 million for implementation and enforcement of the Wetland Conservation Act. (Art.1, Sec. 5)

The PCA is to develop standards or other tools to enable and promote low impact development and other stormwater management techniques. (Art. 1, Sec. 37)

Energy

Energy appropriations in the law total almost \$61.18 million spread between the Commerce Department and Public Utilities Commission. Besides the General Fund, money is derived from the Petroleum Cleanup Fund, Worker's Compensation, Telecommunications Access Minnesota and special revenue accounts.

Included in the \$8.21 million for the Office of Energy Security is \$1.98 million for grants "to promote renewable energy projects and community energy outreach and assistance." Another \$250,000 is available to cover up to 75 percent of the cost of E-85 fuel pumps.

It also includes \$1.25 million for community energy technical assistance and outreach on renewable energy; \$400,000 for financial rebates for new solar electricity products; \$300,000 for the Natural Resources and Research Institute at the University of Minnesota, Duluth, to develop statewide heat flow maps that may be used to determine the state's geothermal energy potential; and \$25,000 to "manage a stakeholder process on green jobs that would integrate the work of the state Green Jobs Task Force and the mayors' initiative on green manufacturing."

Half of the \$1.2 million in telecommunications access will pay for a Legislative Coordinating

Commission grant to provide captioning of live streaming of legislative sessions on the commission's Web site. The information will also be supplied in American Sign Language on the Web site for the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. The other \$600,000 is to supplement ongoing expenses of the Minnesota Commission Serving Deaf and Hard-of-Hearing People. (Art. 2, Secs. 3, 4)

Effective May 8, 2009, the law allows for multi-state agency collaboration "to advise, promote, market and coordinate state agency collaboration on green enterprise and green economy projects." The objective is to utilize existing resources to expedite grants, licenses, permits and other approvals for green projects. (Art. 2, Sec. 7)

In addition, effective May 8, 2009, state agencies will study the feasibility of bulk installation of solar photovoltaic panels on school buildings. The study will use a power-purchase agreement model in which a private company will pay for, install and own the panels. A feasibility study, which is to include whether the proposed model will reduce carbon emissions and save school districts money, is due to the Legislature by Jan. 15, 2010. (Art. 2, Sec. 12)

Unused money from a 2008 appropriation for the rural and energy development revolving loan fund is reallocated so that \$1.5 million goes to the International Renewable Energy Technology Institute at Minnesota State University, Mankato "to support applied research in renewable energy and energy efficiency to aid in the transfer of technology from Sweden to Minnesota and to support technology commercialization from companies located in Minnesota and throughout the world."

The University of Minnesota will receive the balance of the unused money "to fund start up costs related to a national solar testing and certification laboratory to test, rate and certify the equipment and devices that utilize solar energy for heating and cooling air and water for generating electricity." (Art. 2, Sec. 13)

Commerce, township mutual fire provisions

The law amends regulations of the Department of Commerce having to do with regulation of banks, mortgage lenders, insurance companies and other financial institutions.

It makes state banking law the same as the federal law for national banks on how long a state-chartered bank can hold onto real estate acquired through a mortgage foreclosure or other debt collection process. In addition to the five years that a bank may now keep real estate, the law allows keeping it for up

to five more years, with the approval of the commissioner of commerce, if the bank has not been able to sell it or if disposing it within the first five years would be detrimental to the bank. (Art. 3, Sec. 5)

The initial education requirement to obtain and maintain a mortgage originator license is increased from 15 to 20 hours, and eight hours of annual continuing education and testing are added to the licensure requirements. This is effective for license applications and renewals made on or after Sept. 1, 2009. (Art. 3, Sec. 8)

Effective Jan. 1, 2010, the law adopts detailed auditing requirements as tools to regulate the financial solvency of insurance companies, as required by the National Association of Insurance Commissioners. (Art. 3, Sec. 11)

Seven sections address statutes governing township mutual fire insurance companies — small mutual companies that provide fire insurance in rural areas consisting of authorized adjoining townships.

It requires that the territories must consist of adjoining counties, rather than adjoining townships. A township mutual can operate in up to 9 adjoining counties, or in up to 20 adjoining counties if it meets the higher financial reserves requirements. Township mutuals are permitted to write insurance in cities of less than 25,000, but if a city in which it is writing insurance grows to exceed 25,000, it may continue to write both new and renewal insurance there. Writing new and renewal insurance in cities of up to 150,000 is permitted with the approval of the commissioner of commerce.

A township mutual that had insurance in force on Dec. 31, 2007, in a city with a population between 25,000 and 150,000 within its authorized territory can continue to write insurance there by simply filing amended articles of incorporation by July 31, 2010. (Art. 3, Secs. 18-24)

Debt management services

The law updates laws that regulate debt management service providers and includes new regulations on debt settlement services providers. Such providers manage a debtor's debt payments by distributing regular payments to creditors from debtor-provided funds, where the primary purpose is to repay the debts in full over a longer period of time. These providers try to negotiate with creditors to get debts reduced, so that debts may be paid in full satisfaction of the (reduced) debts.

The law makes nonprofit debt settlement providers subject to the state's "do not call list," regardless of the exemption for other types of nonprofit organizations. (Art. 4, Sec. 5)

A pair of existing definitions are amended

in the law. A "controlling or affiliated party" is updated to better cover relationships between individuals and entities, where one controls the other or in which both are under the common control of another individual or entity. A "debt services provider" is updated to include a person to whom duties under a debt management services agreement or debt management services plan are delegated. (Art. 4, Secs. 7, 8)

The law requires a debt management services agreement to show whether the provider is registered with the Commerce Department, show the registration number and be written in the customer's native language if the debt management services provider advertised in that language. (Art. 4, Sec. 15)

Debt settlement service providers are required to register with the commissioner of commerce, and a process for doing so is established. (Art. 4, Secs. 20, 21)

A debt settlement services provider is required to keep records of its activities and provide them to the Commerce Department or the debtor as required. The department is permitted to investigate the activities of a debt settlement services provider, including by requiring a financial audit. (Art. 4, Secs. 25, 31)

Sewage treatment regulations modified

Home sellers with subsurface sewage treatment systems are subject to new regulations, as are the people who install, repair or close a system, according to a new law sponsored by Rep. Jeanne Poppe (DFL-Austin) and Sen. Lisa Fobbe (DFL-Zimmerman).

It takes effect Aug. 1, 2009.

The definition of an individual sewage treatment system is redefined as a subsurface sewage treatment system. Rules that regulate subsurface sewage treatment systems are broadened to include closure, in addition to the design, location, installation and maintenance of a system. (Sec. 1)

A person who services or abandons all or part of a system is added to the list of persons who must comply with applicable state requirements. The list already includes those who design, install, alter, repair, maintain, pump or inspect a system. Additional fraud, illegal activity, conflict of interest and failure to resolve an enforcement action with a local, state or federal agency is added to the list of reasons for which an SSTS license may be revoked. (Secs. 4, 12)

Systems will be subject to inspection when adding a bedroom onto a residence if the local government requires a building permit. A certificate of compliance or noncompliance must be issued by the inspector, which may

be either an inspection business or a certified local government inspector. Video, electronic or photographic evidence of an inspection will not be accepted as evidence of an inspection. A certified professional, be they an employee or contractor with a government agency, may not use that position to solicit business for their private enterprise. (Sec. 5)

Home sellers must tell buyers any pertinent information related to the residence's sewage treatment system and must provide a copy of a previous inspection report, if available. (Sec. 8)

The Pollution Control Agency can adopt new rules containing standards of certification for individuals and businesses that work with subsurface sewage treatment systems. (Sec. 10)

New certification and licensing requirements include submission of general liability insurance, a corporate surety bond of at least \$10,000 and the name of the individual who will be the designated certified individual for that business. The bond may be for both plumbing work and subsurface sewage treatment work. (Sec. 11)

Any person contracting to perform plumbing work must post at least a \$25,000 bond to the state to work on subsurface sewage treatment systems. (Sec. 13)

HF1275*/SF1449/CH109

LCCMR projects approved

Each year, the Legislative-Citizen Commission on Minnesota Resources makes funding recommendations for the use of funds from the Environment and Natural Resources Trust Fund, which receives funds from the state's lottery and other funds. The commission receives proposals for a number of environmental projects, reviews them, and submits its list of recommended projects to the legislature in the form of a bill that serve as the basis of a new law.

This new law, sponsored by Rep. Jean Wagenius (DFL-Mpls) and Sen. Ellen Anderson (DFL-St. Paul), appropriates \$26 million for various projects.

More than \$12.8 million from the trust fund is available for partnerships and grants. For example, the University of Minnesota and the Department of Natural Resources will split \$500,000 to study the effect that development has on coldwater springs and trout streams.

Those receiving funding include Pheasants Forever, Minnesota Deer Hunters Association, Ducks Unlimited, National Wild Turkey Federation and others who purchase conservation easements and who restore and maintain wildlife habitats.

Nearly \$2.7 million will pay for conducting geological atlas surveys to study groundwater, including the Mt. Simon aquifer in south-central Minnesota. Though some county surveys have been completed and paid for through other funding sources, the LCCMR money will speed up the data collection of water, soil and wetlands throughout the state. Soil surveys also are paid for through local and federal cost-share programs.

Another \$2 million from the trust fund is available for a demonstration project by the Center for Energy and Environment, which is charged with developing a new residential energy conservation program.

The Renville Soil and Water Conservation District will receive \$1.5 million to purchase perpetual easements in addition to its current 14,000 acres of conservation easements, particularly where there are unique outcroppings of granite rock along the Upper Minnesota River Valley.

Others receiving funds include:

- Science Museum of Minnesota for the St. Croix watershed research station; and
- Metro Blooms, Minnehaha Creek Watershed District and the City of Minneapolis for rain gardens to improve water in Powderhorn Lake.

The new law specifies that plant vegetation only of native ecotypes to Minnesota and preferably of the local ecotype be used when conducting prairie and other restorations. The use of local stock within a few miles of the area being restored helps prevent genetic contamination and leads to more success for restoration projects, according to scientific studies relied upon by lawmakers.

HF2049/SF1012*/CH143

Shoreland regulation changes

A new law is designed to address the longstanding problem of DNR shoreland regulations preventing owners of property on legal nonconforming lots from selling or otherwise using their land as they see fit. Rep. Mike Nelson (DFL-Brooklyn Park) and Sen. Ann Rest (DFL-New Hope) are the sponsors.

Local governments are responsible for implementing DNR shoreland management standards designed to protect the water quality of lakes and other environmental factors. These rules can negatively impact owners of properties that were legally built but that no longer conform to current shoreland regulations.

The new law establishes shoreland rules based on a 2008 compromise reached by a working group comprised of DNR officials, local governments, realtors and others.

Contiguous nonconforming lots under

common ownership can be sold or purchased individually, as long as each had a habitable residential dwelling when it came under common ownership, under the law. This addresses a problem of owners of two adjacent properties being prevented from selling one of them.

A provision in the law addresses problems faced when buildings on nonconforming shoreline lots are damaged to the extent of more than 50 percent of their market value. If the lot has less than 50 percent of the required setback from water, the law states that the setback may be increased if reasonable and conditions are placed on the zoning or building permit to mitigate impacts on the adjacent property or water body.

Other provisions in the law include:

- allowing building on nonconforming lots without variances from lot size requirements, under certain conditions;
- specifying that lots that meet certain requirements are treated as separate parcels of land even if they are under common ownership; and
- requiring property owners to address water and environmental issues when applying for a variance, zoning or building permit.

The law is effective May 22, 2009.

HF519*/SF747/CH149

FAMILY

Better data access for health care agents

Because the state has not updated its declaration language to conform with federal Health Insurance Portability and Accountability Act (HIPAA) standards, a situation exists where the person who is to make medical decisions does not always have access to all medical information necessary to advise a health care practitioner on treatment.

Under current law, directory information about a patient admitted to a public hospital, when a patient is unable to communicate, cannot be released until a reasonable effort is made to notify the patient's next of kin. The law adds a health care agent to the notification standard.

Sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. John Marty (DFL-Roseville) the law that takes effect Aug. 1, 2009, also:

- provides a health care agent access to medical data of a deceased patient or client;
- allows a certified birth or death record to be provided to a health care agent upon proper attestation;
- lets a health care agent enter an isolation

or quarantine area where the patient is located; and

- requires a health care agent to be notified if the patient is admitted to a nursing or boarding care facility prior to being screened, committed to or discharged from a treatment facility, transferred from one treatment facility to another or in the event a facility operated by the Human Services Department is modified.

Under the law, a traffic accident report from the state or local law enforcement agency must be provided, upon request, to a person who is physically injured, suffers damage to property, loses a means of support or "incurs other pecuniary loss" due to the accident.

HF1448/SF1887*/CH108

Marriage laws are updated

A person under age 21 can get married in Minnesota, but someone under that age will no longer be able to perform the ceremony.

That is one provision in a new law that makes modifications to the state statutes governing marriage. It takes effect Aug. 1, 2009.

Current law would allow someone of any age to potentially become a licensed or ordained minister of any religion over the Internet and perform a marriage.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Don Betzold (DFL-Fridley), the law also removes a requirement on a marriage application about any children the couple has together. The confidential information is currently collected; although nothing is done with it. Supporters said there is no point to spending money to track the information when it is not used for anything.

If an individual applies for a marriage license, but does not have a Social Security number, they must certify they do not have one.

Premarital education gets a couple a discount on their license fee. The law requires that proof of the class must be notarized. Currently a handwritten note or an e-mail is sufficient for the reduced rate.

It also makes changes to clarify that the local registrar is the custodian of marriages, not the court administrator; clarifies that the person performing the marriage must ensure the people getting married are the people for whom the license is intended; clarifies that both parties must apply for the marriage license, but it creates an application process if one of the parties is not available; and requires that a consent form be signed by parents if a minor is being married.

HF695/SF548*/CH129

Juvenile data collection uniformity

Data collection about decisions that affect a child's status within the juvenile justice system could occur more uniformly.

A new law requires a criminal and juvenile justice information policy group to "study the feasibility of collecting and reporting summary data relating to the decisions that affect a child's status within the juvenile justice system." A report is due to the Legislature by Feb. 15, 2010.

Rep. Debra Hilstrom (DFL-Brooklyn Center), who sponsors the law with Sen. Mee Moua (DFL-St. Paul), said current data is not collected in a uniform way resulting in it not being very useful. The study will look at ways to make collection more uniform so that better decisions can be made on how to use criminal justice resources with juveniles.

The study must consider data to be collected, such as age, race, gender, criminal charge and county of residence; the decision points at which data must be collected; criminal and juvenile justice agencies required to supply data; the repository for data; level of summary analysis; frequency of reporting; plan to implement data collection, reporting and analysis; and costs.

A pilot project to study and report on all state expenditures "that serve the primary function of supporting the health, safety, stability, growth, development and education of children in this state" is called for in the law.

Hilstrom said current financial tracking does not allow the state to differentiate how much money is spent on children and juveniles within different areas. An electronic version of the executive summary is due to the Legislature by Jan. 15, 2010.

The pilot project language takes effect July 1, 2009; the study language takes effect Aug. 1, 2009.

HF702*/SF561/CH132

GAMBLING

Ratings charitable gaming outlays

Organizations receiving charitable gambling receipts are suffering their own economic downturn.

Some changes to statute would help keep the "struggling organizations afloat," said Rep. Joe Atkins (DFL-Inver Grove Heights), who sponsors a new law with Sen. Tony Lourey (DFL-Kerrick).

The law makes technical changes to statutes regarding licensing and auditing requirements. It also establishes a star-rating system, "so that people can compare how much money is actually given to charitable

organizations through the pull tabs they are purchasing," Atkins said.

Beginning July 1, 2009, when most of the law takes effect, the Minnesota Gambling Control Board will conduct a 12-month review of licensed organizations, rating them based on the percentage of lawful expenditures as compared to gross profits.

An organization that expends at least 50 percent of gross profits on charitable purposes will receive the highest rating — five stars. An organization that fails to expend at least 30 percent of annual gross profits on charitable purposes is automatically on probation for one year. The organization must increase its rating to a minimum of 30 percent or be subject to sanctions by the board. If an organization fails to meet the minimum standard after a one-year probation, the board may suspend the organization's license or impose a civil penalty of up to \$10,000. (Sec. 13)

Under the law, the list of allowable expenditures for charitable gambling receipts is expanded to include:

- monitoring of surface water quality by individuals or a nongovernmental organization, under Pollution Control Agency guidance and procedures; and
- construction or acquisition of a replacement licensed organization's building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. This provision could extend to an organization-owned building taken or sold under an eminent domain proceeding. (Sec. 10)

The law also calls for a licensed charitable organization to pay a monthly regulatory fee of 0.1 percent of its gross monthly gambling receipts. These fees will be deposited into the state's lawful gambling regulation account. Failure to pay the monthly regulatory fees in a timely manner may result in disciplinary action by the board.

Licensed organizations will be given more leeway to conduct lawful gambling at events off-premise. If approved by the board, an organization could hold lawful gaming at up to four events per year in connection with a county fair, state fair, church festival or civic celebration, not to exceed three days per event

The law lays out restrictions on who may participate in lawful gambling. Most notably, it would be considered a misdemeanor for any licensed organization or its employee to allow any person under age 18 to participate in lawful gambling. An organization's gambling manager, employee or volunteer involved with the lawful gaming activity or the lessor and the immediate family may not participate in the activity. (Sec. 45).

HF1511/SF1284*/CH124

GAME & FISH

Game, fish and forest regulations updated

The omnibus game, fish and forestry law includes new regulations related to fishing and hunting, all-terrain vehicle and watercraft usage, plus uses for parks and state trails.

Sponsored by Rep. David Dill (DFL-Crane Lake) and Sen. Satveer Chaudhary (DFL-Fridley), the law is effective July 1, 2009, unless otherwise noted.

HF1237*/SF1110/CH176

Natural resources

Effective Aug. 1, 2009, all-terrain vehicle drivers are subject to new penalties designed to protect wetlands and other environmentally sensitive areas. Violations are a gross misdemeanor and may result in license suspension and/or the seizure of the vehicle upon a second offense. A total of \$20,000 from three dedicated funds will pay for developing the new off-highway vehicle offense process. (Art. 1, Secs. 4-5)

Off-highway motorcycle riders under age 16 used to be required to ride alongside another rider age 18 or older, which prevented them from legally participating in track-style events. The law is revised so that they may now ride while simply under adult supervision. (Art. 1, Secs. 6)

The Casey Jones Trail is extended in Rock County, and the Des Moines River Valley Trail is created in Jackson, Cottonwood and Murray counties. According to the law, "The trail shall originate in Jackson County at the Minnesota-Iowa border and connect with the Dickinson Trail in Mini-Wakan State Park in Iowa. To the greatest extent possible, the trail shall follow the Des Moines River Valley, extending northwesterly through Jackson County to Kilen Woods State Park, through Cottonwood County, and into Murray County. The trail shall terminate at Casey Jones Trail in Murray County." (Art. 1, Secs. 10-11)

Several changes were made regarding state parks. Visitors will now be able to request multiple vehicle permits beyond the two previously allowed. Vehicles carrying students on school-sanctioned trips will not be charged state park entry fees. A permit is no longer required for anyone to enter John A. Latsch State Park or Greenleaf Lake State Recreation Area. (Art. 1, Secs. 12-15)

Department of Natural Resources' staff is given authority to build boater waysides, with possible services to include sanitation facilities, picnic and camping grounds, mooring sites, fishing and swimming areas. Watercraft operators will be required to safely

move away from a law enforcement boat that has its emergency lights activated and maintain a slow-no wake speed while within 150 feet of the law enforcement watercraft. (Art. 1, Secs. 17, 20)

Harvest season for wild rice, the official state grain, will begin Aug. 15, rather than the previous July 15 start date. The Sept. 30 end date does not change. (Art. 1, Sec. 2)

The Board of Water and Soil Resources will grow from 12 to 15 members to include city and township representation. (Art. 1, Secs. 23-24)

Beginning Aug. 1, 2009, carbon sequestration capabilities must be considered when determining the value of wetlands. (Art. 1, Sec. 25)

Less restrictive language is put into law regarding payments to landowners for conservation easements, leaving more discretionary privilege to a state agency. (Art. 1, Sec. 39)

Game and fish policies

The DNR is permitted to open or close a body of water or portions of a body of water for nighttime bow fishing as a pilot project. (Art. 1, Sec. 1)

Dogs that pursue and/or kill big game subject their owners to fines up to \$500. The law establishes an enforcement and appeals process for dog owners to appeal any civil penalties. (Art. 1, Sec. 21)

A licensed peace officer is allowed to kill a protected wild animal in order to protect public safety and must report the taking to a conservation officer within 48 hours of the taking. (Art. 1, Sec. 22)

Effective March 1, 2010, data collected electronically for issuing state recreation licenses is considered private data, although some data may be disclosed to law enforcement. (Art. 2, Secs. 1, 4)

The law updates a number of fishing policies, including:

- the minimum age of a resident is lowered from 18 to 16 who may fish free during "Take a Kid Fishing Weekend" when accompanied by a child under age 16;
- when fishing from shore, anyone may fish in water that is wholly contained within a state park, except in waters that require a trout stamp;
- effective May 23, 2009, a resident under age 16 may net ciscoes and whitefish for personal consumption without a license;
- residents discharged from active federal military service during the preceding two years may obtain a free license to hunt deer of either sex;
- spearing of fish is added to the list of available lifetime licenses, with exceptions;

- a nonresident license may be issued to spear fish from a dark house; and
- people age 90 and older can fish without a license. (Art. 2, Secs. 21-30, 33, 35)

The last provision is known as the "Irene Long Act." It is named for a 91-year-old Isle woman who lives on a fixed income but enjoys annual fishing. Long's angling highlight is catching a 43-inch muskie on Lake Mille Lacs.

The cost of conducting fishing contests is reduced and the cost-determining factor switched from participants to the number of boats. By March 1, 2011, a best practices certification program for fishing contest organizers shall be created to ensure the proper handling and release of fish. (Art. 2, Secs. 51-55)

The DNR is instructed to establish minimum size limits for muskellunge and muskellunge-northern pike hybrids caught in inland waters. (Art. 2, Sec. 66)

Hunting policies are revised to allow anyone to transport wild animals by common carrier through the state if the person has the required license, and if they are shipped to the person or to a licensed taxidermist, tanner or fur buyer. (Art. 2, Sec. 37)

Transporting guns and bows between locations when hunting becomes easier as long as the crossbow is not armed with a bolt or arrow and the firearm is unloaded. Several exceptions apply to the uncased gun regulations, however. (Art. 2, Secs. 38-42)

Deer hunters will have a few more days in 2009 to hunt over the winter holidays because lawmakers added to the season in a specific zone so that students home on school break or families together for the holidays could go hunting together. (Art. 2, Sec. 68)

The time limit exemption is doubled, from one to two hours before lawful shooting hours, for when a person may not place decoys in public waters or on public lands. The decoys may not be left unattended for more than three hours in most cases, a reduction from four hours. (Art. 2, Secs. 48-49)

Prior to the Saturday on or nearest to Sept. 16, bear hunters with a valid license may leave their portable stand overnight in a wildlife management area provided the owner's name and address is affixed so it can be read from the ground. The stand must be within 100 yards of a bear bait site that is legally tagged and registered. (Art. 2, Sec. 16)

After farmers complained of an abundant elk population in northwestern Minnesota, the DNR is required to devise an elk management plan by Nov. 19, 2009, for Kittson, Marshall and Roseau counties. (Art. 2, Sec. 65)

Grants of \$150,000 in both fiscal years 2010 and 2011 will help the Let's Go Fishing

of Minnesota organization provide outreach to senior citizens, youth and veterans. The funds require a match and oversight by the DNR. (Art. 2, Sec. 70)

State land management

The law allows for the sale or purchase of certain properties to reconcile trespass issues; obtain easements, such as the buffer zone around Camp Ripley; and to add or detract land in and around state parks. (Art. 3, Sec. 2)

A county auditor, with the approval of the county board, may grant permits, licenses and leases to tax-forfeited lands for facilities needed to recover iron-bearing oxides from tailings basins or stockpiles, or for a buffer area needed for a mining operation for up to 25 years. (Art. 3, Sec. 6)

The DNR can lease land for up to 10 years as an Iron Range off-highway vehicle recreation area. (Art. 3, Sec. 7)

By Aug. 30, 2009, the DNR must have a 30-year lease of state land with the Mountain Iron Economic Development Authority for installation of up to four wind turbines and access roads. (Art. 3, Sec. 12)

Between 2010 and 2011, the DNR will increase the amount of timber products sold from state lands under permits based solely on the appraiser's estimated timber volume. The department must also evaluate the efficiency of timber management methods used and submit a report to the Legislature by Jan. 15, 2011. (Art. 5, Sec. 1)

As a pilot project, the DNR is permitted to lease up to 10,000 acres of state forestland for forest management to private investors for up to 10 years. Each lease must not exceed 3,000 acres and the land must remain open for public recreation uses. A report is due the Legislature by Dec. 15, 2009, with details on implementing the project no later than July 1, 2010. (Art. 5, Sec. 2)

The law provides for the public or private sale of state-owned land. A legal description of about 30 properties for sale in various counties is included. (Art. 4, Secs. 1-31)

GOVERNMENT

Bridge compensation fund modified

The compensation process for survivors of the Interstate 35W bridge collapse is modified by a new law.

Rep. Ryan Winkler (DFL-Golden Valley), who sponsors the measure with Sen. Ron Latz (DFL-St. Louis Park), said the law protects members of a special master panel from legal liability for duties they have been assigned. It is retroactive to May 8, 2008, the

date the governor signed the law creating the compensation process.

That 2008 law appropriated funds and established a claims structure for survivors of the Aug. 1, 2007, collapse that killed 13 people. The panel was charged with making offers to each claimant by Feb. 28, 2009. In return for accepting compensation, survivors released the state from further liability. If they choose not to accept compensation, they can pursue a lawsuit against the state that would be subject to all existing statutory terms and conditions.

To alleviate some concerns raised by the panel, the law:

- provides that records and data created by panel members are not public, except for the settlement agreement;
- prohibits a panel member from testifying in any civil or administrative action related to their service, unless testifying on a statement or conduct that could constitute a crime;
- clarifies the prohibition on third-party subrogation and recovery claims; and
- clarifies that panel members are state employees for the purposes of indemnification.

HF100/SF94*/CH4

Wasting less paper

Less paperwork without any less transparency in government is the goal of a new law that modifies state report and document requirements.

Sponsored by Rep. Gene Pelowski, Jr. (DFL-Winona) and Sen. Joe Gimse (R-Willmar), the law will allow the Legislative Reference Library to keep fewer print copies of mandated legislative reports and eliminate certain other paperwork requirements.

Effective Aug. 1, 2009, the library will be required to keep on hand two print copies of each mandated report to the Legislature; the current requirement is six copies. In addition, copies will no longer have to be filed with the chief clerk of the House and the secretary of the Senate.

Other eliminated mandates include:

- that a print copy of the library's monthly checklist of state documents be distributed to all legislators, state agencies and public college and university libraries; and
- that Minnesota Management and Budget submit printed daily reports to the library showing the balances of certain state accounts.

The law will ensure that all documents affected by the changes are available on the library's Web site.

HF801*/SF779/CH32

Rulemaking by e-mail

A few simple changes to statute will allow state agencies to give rulemaking notices via e-mail instead of regular mail.

A new law allows state agencies to save time, money and effort by using e-mail to give notices when:

- the Office of the Revisor of Statutes is proposing style and form revisions of rules;
- a state agency is holding a public hearing on proposed rules;
- a state agency is proposing to adopt rules without holding a public hearing;
- a state agency is using an expedited process to adopt proposed rules; and
- a state agency is proposing to repeal obsolete rules.

Rep. Gene Pelowski, Jr. (DFL-Winona) and Sen. Ann Rest (DFL-New Hope) are the sponsors.

The law takes effect Aug. 1, 2009.

HF1857/SF532*/CH71

E-meetings for state agencies

State agencies can hold some meetings electronically instead of in person — as long as the public has access to the meetings.

Sponsored by Rep. Sheldon Johnson (DFL-St. Paul) and Sen. Mee Moua (DFL-St. Paul), a new law is designed to save state officials money by allowing them meet via telephone or other electronic means. It applies to all state departments, boards, commissions and other state government entities.

Johnson said the law will be especially useful to members of boards or commissions who live in Greater Minnesota and have difficulty commuting to regular meetings.

"The whole intent is to provide more openness and more flexibility for people to participate," Johnson said.

Under the law, agencies will be authorized to meet via electronic means as long as the following conditions are met:

- all participants in the meeting must be able to hear all discussion and testimony;
- at least one member of the government entity must be physically present at the regular meeting location;
- members of the public who are present at the regular meeting location must be able to hear all discussion and all votes of members of the entity and be able to participate in testimony; and
- all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

The law also states that the board or agency shall allow the public to access the meeting electronically, to the extent practicable. However, the entity may require a person

to pay for any "marginal costs" associated with providing that access.

A state entity intending to conduct a meeting in which members will participate through electronic means must post public notice on its Web site at least 10 days prior to the event.

The law takes effect Aug. 1, 2009.

HF456/SF764*/CH80

Revising and updating statutes.

The yearly version of what is commonly referred to as the Revisor's Law corrects typographical or grammatical errors, editorial conflicts, ambiguities, omissions, cross-references, obsolete or expired references, miscellaneous drafting errors and any other changes that need to be made to state statutes.

Sponsored by Rep. Gail Kulick Jackson (DFL-Milaca) and Sen. Mee Moua (DFL-St. Paul), most of the law takes effect Aug. 1, 2009.

During the interim between sessions, substantial editing and proofreading is done to the Laws of Minnesota and Minnesota Statutes. These changes, together with requests for additional changes from other state agencies, make up the law.

HF1171/SF1096*/CH86

Divesting from Iran

Companies that may be underwriting Iran's nuclear ambitions will no longer get any business from the state of Minnesota.

A new law requires the State Board of Investment to divest any assets it currently holds with companies that do business with or invest in Iran's energy sector. The board, which invests and manages the state's retirement funds and other accounts, will have to sell or otherwise get rid of its stock and/or bonds in those companies.

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Terri Bonoff (DFL-Minnetonka), the law is part of a broader campaign to stop Iran from developing nuclear weapons. The goal is to discourage companies that could supply them with the relevant technology and resources. Iran is currently one of four nations the U.S. government classifies as a state sponsor of terrorism.

Under the law, effective Aug. 1, 2009, the board will have 90 days to identify and compile a list of companies engaging in "scrutinized business operations" in Iran. The board will then notify the affected companies that they may be subject to divestment. If a company does not take action within 90 days to cease

its scrutinized business operations, the board will begin selling, redeeming, divesting or withdrawing its stock in the company. Additionally, the law includes a prohibition on acquiring new stocks in such companies.

Exemptions are provided to companies involved in humanitarian and similar work in Iran. The law would cease to be effective if Iran was removed from the state sponsors of terror list, or if the president of the United States determines the law is interfering with U.S. foreign policy.

Howard Bicker, the board's executive director, said that the bill would affect approximately \$280 million of state investments, or slightly more than 1 percent of the state's total portfolio.

HF111*/SF131/CH90

Funding for state government operations

Less spending and more accountability are the hallmarks of a new law that funds state government operations for the 2010-2011 biennium.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Don Betzold (DFL-Fridley), the law funds the Legislature, the state's constitutional offices and several state agencies, including:

- Minnesota Management and Budget;
- Department of Revenue;
- Department of Administration;
- Campaign Finance and Public Disclosure Board;
- State Board of Investment;
- Office of Enterprise Technology;
- Minnesota State Lottery;
- Office of Administrative Hearings;
- Capitol Area Architectural and Planning Board;
- various retirement associations, including the Minnesota State Retirement System; and
- various ethnic relations councils.

In all, the law will have a net General Fund impact of \$580 million, which amounts to a 7 percent reduction from the February forecasted base. This is made possible largely through a new tax \$41.5 compliance initiative

HF1781/SF2082*/CH101

Under the law, the Legislature and the governor's office will see 3 percent cuts from their forecasted base funding. The Office of the Secretary of State and the Office of the Attorney General will be cut 5 percent and 4.5 percent, respectively. The Office of the State Auditor would actually see a 3.7 percent budget increase to help oversee and report on the use of federal stimulus funds from the

American Recovery and Reinvestment Act of 2009. Most executive agencies would see a 5 percent reduction in their operating budgets. (Art. 1)

Funding provisions in the law takes effect July 1, 2009, unless otherwise noted.

The law includes several information technology initiatives supported by Gov. Tim Pawlenty, including:

- partial funding and lease-purchase authorization for completion of an integrated tax system (Art. 1, Sec. 15; Art. 2, Secs. 71, 104);
- partial funding and lease-purchase authorization for replacing the state's accounting and procurement system (Art. 2, Secs. 50-51, 104);
- funding for preliminary planning to consolidate the state's data centers (Art. 1, Sec. 12); and
- provisions to establish a statewide electronic licensing system for commercial and professional licenses, paid for by an extension on a temporary technology surcharge (Art. 2, Secs. 13, 59, 66).

The lease-purchase authorization for the integrated tax system completion and the accounting system replacement is effective May 17, 2009.

The law is designed strengthen accountability and financial management in state government. Effective July 1, 2010, the law establishes a false claims act for Minnesota, making it a crime to knowingly make fraudulent financial claims against the state. The act imposes penalties for violators, allows prosecuting attorneys to recover any damages incurred by the state and establishes protections for whistleblowers. (Art. 2, Secs. 24-39)

The law also clarifies that knowingly misusing state funds is a gross misdemeanor and grounds for employment termination; previously, statutes were unclear as to whether misappropriating state funds is actually a crime. It strengthens the state's internal financial controls by requiring Minnesota Management and Budget to take responsibility for internal controls across the executive branch. Additionally, the law directs the Legislative Audit Commission to make recommendations to the Legislature on improving internal controls. (Art. 2, Secs. 3, 44, 47)

Other policy provisions include:

- adding various long-range planning responsibilities to the Department of Administration (Art. 2, Secs. 6-7);
- requiring the state demographer to release a state demographic forecast to coincide with the November economic forecast from MMB (Art. 2, Sec. 7);

- authorizing the secretary of state to investigate complaints regarding student exchange organizations (Art. 2, Sec. 16);
- officially changing the name of the Department of Finance to the Department of Management and Budget, which may also be referred to as Minnesota Management and Budget (Art. 2, Secs. 21-23, 40);
- requiring the creation of a Web site with a searchable database of information on state contracts, expenditures and appropriations, effective as soon as the state implements a new accounting and procurement system (Art. 2, Sec. 43);
- requiring MMB to report certain information to the Legislature on the state's budget reserve and cash flow accounts (Art. 2, Secs. 49, 101);
- effective May 17, 2009, allowing state government entities to use their buildings to offer employee fitness and wellness activities (Art. 2, Sec. 52);
- requiring occupants of state-owned buildings to try to turn off building lights between midnight and dawn during bird migration seasons (the "bird-safe buildings" provision) (Art. 2, Sec. 54);
- effective May 17, 2009, establishing a central Geospatial Information Office within the Department of Administration that consolidates a number of existing state geographic information services (Art. 2, Secs. 55, 103, 107);
- granting preferences to certain veteran-owned small businesses in regard to bids on state contracts (Art. 2, Secs. 56-58, 69, 93);
- allowing state employees to donate additional vacation time to cover other employees' sick leave under certain conditions (Art. 2, Sec. 61);
- allowing veterans with service-related disabilities to apply to MMB for additional sick leave under certain conditions (Art. 2, Sec. 62);
- mostly technical changes codifying annual renewal filing requirements for businesses with the Office of the Secretary of State (Art. 2, Secs. 14, 73-85); and
- requiring municipalities to consider using the state's cooperative purchasing venture for contracts greater than \$25,000 (Art. 2, Sec. 92).

Paying out claims

Sponsored by Rep. Lyle Koenen (DFL-Clara City) and Sen. Ron Latz (DFL-St. Louis Park), the annual claims law calls for payments of \$53,964.23 from the General Fund and \$13,517 from the Department of Employment and Economic Development.

The bulk of the General Fund money (\$52,552.23) is for claims against the Department of Corrections involving 16 individuals injured while doing community service or sentence-to-service work or inmates injured while performing assigned duties in a state prison. Their case claims range from \$750 to \$8,733.52. Approximately \$5,000 of the total is to settle sentence-to-service and community work service claims under \$500 and other claims already paid by the department.

Mary Egge of Forest Lake will receive \$1,412 from the General Fund for her 2005 property tax refund that she claimed to have mailed, but the Department of Revenue never received.

"There had been some vandals in the area that had damaged her mailbox and the form disappeared," Koenen said. "She had a witness that testified she had actually put the form in the mail. The department did an audit to make sure the numbers were correct."

DEED is to pay its share to Nancy Teklenburg of Solway, who suffered economic loss because of a departmental error in handling an unemployment claim.

When she was laid off from a private company, Teklenburg received nearly a year of severance pay. Upon notifying the department that her severance pay was complete and she could begin her year of unemployment eligibility, she received her first check. Because the department did not adjust the payment eligibility time to reflect her severance package, she soon reached the point of one year since the lay off and the state payments incorrectly stopped.

The recommendations come from the Joint House/Senate Subcommittee on Claims, which, according to its Web site, is "to hear and recommend to the legislature whether or not to pay claims against the state by various persons who cannot proceed against the state under the State Tort Claims Act."

HF1193*/SF1011/CH126

HEALTH

Cancer facility moratorium extended

The moratorium on construction of new radiation oncology facilities in the Twin Cities metropolitan area and several regional centers in Greater Minnesota has been extended from Aug. 1, 2011, to Aug. 1, 2014,

The law takes effect Aug. 1, 2009, and is sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Linda Berglin (DFL-Mpls).

"The Legislature has made the decision, on repeated occasions, that limiting the

expansion of these machines is the right public policy for us to be pursuing," Thissen said during House debate.

But opponents, including Rep. Thomas Huntley (DFL-Duluth), said the law is about a fight between two oncology groups. He said both do a good job, but one wants to keep the other out of business.

HF177/SF162*/CH6

Specialty hospital approved

Imagine having a child needing psychiatric services, but having to send them hundreds of miles away because all the hospital beds near your home are full. That is the impetus for a new law that will allow a specialty psychiatric hospital to be built in western Hennepin County to serve patients under the age of 21.

Sponsored by Rep. Marsha Swails (DFL-Woodbury) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law provides an exception to the hospital moratorium by approving the construction of a 20-bed facility for young patients.

As the severe shortage of child and adolescent beds in the state continues to worsen, the addition of 20 beds would give teens and adolescents the inpatient mental health services they need in a time of crisis, Swails said.

The law is effective Aug. 1, 2009.

HF665/SF615*/CH51

Volunteer health practitioner

A new law provides technical clarifications for duties regarding volunteer health practitioners.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), the law defines "volunteer health practitioner" as one who provides health or veterinary services, whether or not the practitioner is compensated for their services.

Typically volunteer health practitioners perform services for a disaster relief organization, Thissen said.

The law also extends liability protections to practitioners from other states unless their license has been suspended, revoked or voluntarily terminated.

The law is effective Aug. 1, 2009.

HF521/SF457*/CH72

Human services and public program cuts

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), the law, mostly effective July 1, 2009,

implements a 3 percent reduction in payment rate to Medical Assistance and General Assistance Medical Care providers, but it does not reduce payment rates for primary care providers, such as pediatricians, family practice physicians and general internal medicine. (Art. 5, Secs. 51-52)

"Every one of these cuts is painful and will hurt somebody," Huntley said. "We tried to minimize the damage best we could."

Gov. Tim Pawlenty line-item vetoed \$381 million in GAMC funding, which assists some of the state's poorest residents. An attempted House override failed on an 87-47 party-line vote.

The disability community services comprise about 29 percent of the state health and human services budget, and were cut by that percent, Huntley said.

HF1362*/SF695/CH79

Children, family programs

The law makes changes to meet the federal Children's Health Insurance Program Reauthorization Act of 2009 that could result in an additional \$20 million to increase the number of children on public health insurance, said Huntley.

The change will add an additional 22,000 children to MinnesotaCare. (Art. 5, Secs. 60-63)

Child care service and child care technical assistance grants are to be increasingly awarded for activities that improve provider quality. (Art. 2, Secs. 3-4)

Noncitizen children and noncitizen pregnant women are eligible for Medical Assistance beginning July 1, 2010. Also, all pregnant noncitizens who meet MA eligibility requirements qualify to receive 60 days of postpartum coverage. (Art. 5, Sec. 23)

The law expands good cause exceptions for those who fail to comply with the Minnesota Family Investment Program to include when documentation is not available to determine if a participant is eligible for family stabilization services, but there is information the person may qualify and is cooperating with the county to obtain proper documents. (Art. 2, Sec. 22).

An asthma demonstration project will provide certain medical equipment to reduce asthma symptoms for 200 American Indian children in Minneapolis, St. Paul and Duluth. (Art. 5, Sec. 75)

State services

The human services commissioner is to determine how much a client can pay for participation in state-operated community-based programs, including

regional treatment centers and nursing homes. If the commissioner determines the client can't afford the full cost for care, the spouse and then the client's parents will be asked to provide documentation on their ability to pay. (Art.3, Secs. 4-5)

Those admitted into the Minnesota Sex Offender Program will be assessed by the human services commissioner on their ability to pay for the cost of care for services provided in the program. A client's guardian of the estate may be required to pay, or the commissioner can file a claim. The commissioner can compromise the claim if the estate is needed to support a spouse or dependent children. (Art. 3, Secs.13-15)

In addition to limiting the number of hours for a personal care attendant, a recipient must need help with at least one activity of daily living — dressing, grooming, bathing or toileting — to qualify for public assistance. (Art. 8, Sec. 20)

Adult foster care facilities can expand to five beds, if the additional beds don't increase the overall statewide capacity in homes that are not a primary residence of the license holder, over the licensed capacity in such homes on July 1, 2009, as identified in a county plan submitted to the human services commissioner. (Art. 1, Sec. 3)

A state-county chemical health care home pilot project is included in the law to redesign the state-county relationship in serving those using chemical health services. To be implemented by July 10, 2010, a report is due to the Legislature by June 30, 2011. (Art.7, Sec. 26)

A recipient on Medical Assistance and in long-term care services is required to meet one of the following nursing facility level of care criteria: needs assistance to complete four activities of daily living, toileting or transferring positions, difficulty with memory or daily decision making, has a qualifying nursing home stay of at least 90 days and the person is at risk for readmission to a nursing home. This becomes effective on Jan.1, 2011. (Art.8, Sec. 4)

Other provisions

A dental care pilot project is authorized that would establish special payment rates for urgent dental services as an alternative to emergency room visits. The pilot is an attempt to reduce the total cost to the state for dental services for those on public programs by reducing emergency room costs for preventable and nonemergency dental services. (Art. 5, Sec. 10)

Another \$4 million is invested to meet provisions of, and receive funding from, the federal Health Information Technology for Economic and Clinical Health Act that

is designed to help the state convert health records to electronic form. (Art. 13, Sec. 4)

A Committee on Performance and Outcome Reforms is established to develop a review process for essential human services programs. The committee is to develop reporting and accountability measures to respond to a county or human service authority that is not achieving performance measures. (Art. 9, Sec. 3)

Oversight for rural cooperatives

The Minnesota Rural Health Cooperative was authorized in 1994 to provide better health care access to rural communities, by allowing multiple service providers to contract jointly with healthcare insurers. A new law gives the Department of Health more oversight authority for the 40 hospitals and clinics and 10 specialty clinics that comprise that cooperative and others like them.

For a \$2,000 initial fee, health care cooperatives may submit health care service contracts and other financial arrangements as part of an application to the department. The department will have 60 days to review, approve or deny the application. The fee to modify, renew or extend an existing contract or arrangement is \$500.

When considering whether to approve an application, the health commissioner must consider the potential for antitrust violations and may revoke approval for noncompliance with the terms of the application or the conditions of approval.

The law, which takes effect Aug. 1, 2009, keeps application data collected on individuals private. Rep. Larry Hosch (DFL-St. Joseph) and Sen. Gary Kubly (DFL-Granite Falls) are the law's sponsors.

HF120/SF203*/CH97

Electronic data interchange

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Kevin Dahle (DFL-Northfield), the law requires the commissioner of health along with the Minnesota Administrative Uniformity Committee and the and human services commissioner to study and recommend ways to simplify health care billing transactions through electronic interchanges.

The study must include recommendations on establishing a single, standardized system for all group purchasers for transactions and notifications; recommendations on technology relationships regarding e-prescribing laws; ensuring any use of technologies among providers and purchasers is consistent with national standards; analysis of the readiness of providers and purchasers to

implement technologies; and prioritizing the implementation of specific technologies.

The law is effective Aug. 1, 2009.

HF384*/SF704/CH155

Licensing changes

Changes to licensing requirements for health occupations, such as speech pathologists and occupational therapists, are included in a new law.

Sponsored by Rep. Maria Ruud (DFL-Minnetonka) and Sen. John Marty (DFL-Roseville), the law makes technical changes related to national standards for speech pathologists, continuing education changes for occupational therapists, language permitting pharmacists to administer flu vaccines to people ages 10 or over, and it combines a biennial licensure fee and surcharge into one for speech-language pathologists.

The law also repeals some mortuary science regulations that were inadvertently not repealed in 2007.

The law takes effect Aug. 1, 2011.

HF1745*/SF1445/CH157

Health policy changes

Various health care policy changes to safe patient handling, adverse health events and a study on whether local government employees should be allowed to buy into state long-term care insurance are included in a new law.

The law takes effect Aug. 1, 2009, unless otherwise noted.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Tony Lourey (DFL-Kerrick), the law requires the Minnesota Management and Budget commissioner, and representatives from the American Federation of State, County, and Municipal Employees, Minnesota Association of Professional Employees, League of Minnesota Cities and Association of Minnesota Counties to study allowing local government employees to purchase state long-term care insurance. A report is due the Legislature by Feb. 15, 2010. (Sec. 108)

Managed care plans and county-based purchasing plans will be required to provide the human services commissioner payment data categorized by inpatient and outpatient payments further categorized by primary and non-primary providers. The law specifies that providers must give specific information on the methodology used to establish provider reimbursement rates paid by the purchasing plans. The commissioner is then to analyze the data to assist the Legislature in providing oversight and accountability related to state expenditures on public health care programs. An annual report is due the Legislature beginning Dec. 15, 2010, and each

Dec. 15 thereafter. The information must also be published on the department Web site. (Sec. 105)

Other provisions include:

- an Alzheimer's disease study group is created to examine the needs and services of individuals diagnosed with Alzheimer's and the state's role in providing support. A report is due to the Legislature by Jan. 15, 2011. (Sec. 110);
- a definition of a physician-physician assistant and delegation of duties agreement affirming the supervisory relationship and scope of practice for the physician assistant is created (Sec. 14-22);
- by July 1, 2010, every clinical setting that moves patients in the state will be required to develop a written safe patient handling plan to achieve by Jan. 1, 2012, "the goal of ensuring the safe handling of patients by minimizing manual lifting of patients by direct patient care workers and by utilizing safe patient handling equipment." (Sec. 83);
- two members from the Minnesota Psychological Association and the Minnesota Chiropractic Association are added to the Health Care Reform Review Council. (Sec. 5);
- facilities conducting a root cause analysis in response to an adverse health care event must consider staffing levels and the impact of staffing levels on the event, (Sec. 7); and
- dentist certificate application fees for anesthesia and sedation are increased from \$50 to \$250, (Sec. 69).

HF1760*/SF1526/CH159

Pharmacists changing prescriptions

Pharmacists will be able to change prescriptions for some legend drugs without a physician's signature.

Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. Kathy Sheran (DFL-Mankato), a new law adds pharmacists to others, such as nurses or certain physician assistants, who can make drug changes under the direction of a licensed practitioner.

The law takes effect Aug. 1, 2009.

HF53/SF29*/CH161

HIGHER EDUCATION

Tuition caps, budget cuts focus of new law

A higher education funding package mostly passed muster with Gov. Tim Pawlenty, who trimmed nearly \$2.6 million from the legislation before signing it into law. He later

used is unallotment powers to trim \$100 million in fiscal year 2011.

Sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. Sandy Pappas (DFL-St. Paul), a new law sets higher education funding in the 2010-2011 biennium at \$3.1 billion. This includes funding for the University of Minnesota, the Minnesota State Colleges and Universities system, the Mayo Foundation and the Office of Higher Education, which includes student aid and other programs.

The total includes nearly \$138 million in fiscal stabilization funds from the American Recovery and Reinvestment Act of 2009. Notwithstanding any possible unallotments by the governor, the \$3.1 billion figure represents a cut of approximately 2 percent from the forecasted base for total higher education funding.

The law caps undergraduate tuition increases at MnSCU institutions to no more than 3 percent in the first year and 5 percent in the second year of the biennium. Similarly, the law asks the university to cap its tuition increases at \$300 in the first year and \$450 in the second year.

More restrictive tuition caps were included in the law when it was originally signed; however, after hearing of the governor's unallotment plans, the Legislature passed, and the governor signed, a deficiency law (HF2251*/SF1938/CH177) that raised the caps slightly in the second year of the biennium.

Funding provisions in the law take effect July 1, 2009, with the exception of appropriations from ARRA stabilization funds that are effective May 17, 2009.

HF869/SF2083*/CH95

Office of Higher Education

OHE programs face a 2.7 percent total cut, with funding for many programs remaining essentially flat from the forecasted base. (Art. 1, Sec. 3)

The largest change in OHE funding is a 54 percent reduction (\$10.3 million) to the Achieve Scholarship program. Technical changes are also made to the eligibility requirements and scholarship awards for the program. (Art. 2, Secs. 16-20)

With this exception, student aid programs get a boost in the law, which raises the four-year tuition maximum for students in the state grant program by \$650 to \$10,488 per individual. It also raises the maximum allowance for living and miscellaneous expenses \$800 to \$7,000 per individual.

Child care assistance grants get an 8 percent increase (\$1 million) and American Indian scholarship funding is increased 7 percent (\$250,000). Work-study funding will get a 20 percent increase (\$5 million).

Other funding changes in the law include:

- interstate tuition reciprocity funding is increased 57 percent to \$5.5 million;
- Intervention for College Attendance Program grants are increased 50 percent to \$1.5 million;
- the Minnesota College Savings Plan receives a 31 percent cut (\$640,000); and
- Midwest Higher Education Compact funding is increased by 6 percent to \$190,000.

The governor used his line-item veto power to cut several programs. The largest, a \$2 million appropriation for a free-tuition demonstration project called the Power of You, was nixed, according to Pawlenty's veto message, because it would only serve six cities and is "not a viable option" given the budget deficit.

Pawlenty also vetoed a \$500,000 appropriation to the Teacher Education and Compensation Helps (TEACH) program for early childhood care and education providers, commenting that it received some funding from the omnibus health and human services finance law. However, the TEACH program received no funding in the health and human services finance law.

Minnesota State Colleges and Universities

The MnSCU system will receive a 1.4 percent overall funding reduction in the law. The system's total funding for the 2009-2010 biennium stands at \$1.34 billion, which includes \$63.9 million in federal stimulus funds. (Art. 1, Sec. 4)

The law includes some new MnSCU funding initiatives, including:

- \$9.6 million for the Learning Network of Minnesota (a transfer from the OHE);
- \$2 million for the Northeast Higher Education District for a vocational education partnership with area high schools; and
- \$450,000 for the eFolio Minnesota workforce development initiative.

The governor vetoed an \$80,000 appropriation to the Cook County Higher Education Board, stating that a county board "is not the appropriate place to fund higher education."

University of Minnesota

The University of Minnesota will receive \$1.38 billion, which includes \$74 million in federal stimulus funds. This represents a 2 percent cut for the university. (Art. 1, Sec. 5)

State funding for the university may not be used for research that involves human cloning, partially defined as "generating a genetically identical copy of an organism at any stage of development." (Art. 1, Sec. 5)

The new TCF Bank Stadium and other

sports arenas will have to offer liquor for sale throughout the facilities if they offer it for sale in certain areas, under a Rukavina-sponsored provision in the law. Rukavina said the goal is to make sure ordinary people attending sports events are not denied the same privileges afforded to people in premium seating areas. Or, in the words of the governor, who supports the provision, "If some get beer, all should get beer." (Art. 2, Sec. 37)

Mayo Foundation

The Mayo Foundation for Medical Education and Research will receive less than \$2.7 million, under the law. This is neither a reduction nor an increase from the forecasted base. (Art. 1, Sec. 6)

Other policy provisions

A new class of mid-level dental practitioners is established by the law: "dental therapists." These oral health care practitioners will serve as a middle option between dentists and hygienists, and will work in "settings that serve low-income, uninsured, and underserved patients," especially rural areas. The law lays out educational requirements for dental therapists and "advanced dental therapists," and also establishes licensure requirements and other regulations. Also, the Board of Dentistry will receive \$110,000 to pay for licensing dental therapists. The Department of Health also receives a one-time appropriation of \$189,000 to evaluate the impact of dental therapists. (Art. 1, Sec. 7 and Art. 3, Secs. 1-32)

Campus bookstores at public colleges and universities must, to the extent possible, offer clothing for sale that was manufactured in the United States, under a provision proffered by Rukavina. A report back to the Legislature on attempts made to comply with the provision is required. (Art. 2, Sec. 4)

Veterinary students can look forward to a new large animal veterinary loan forgiveness program that will focus on helping veterinarians who operate full-time practices in "underserved" rural areas and work mostly with food animals. The law includes \$225,000 for the program. (Art. 1, Sec. 3 and Art. 2, Sec. 23)

Other miscellaneous policy provisions include:

- requiring course equivalency guides published by public colleges and universities to include information on military course equivalency (Art. 2, Sec. 1);
- requiring postsecondary institutions to give notice to students regarding the possible impact of criminal records on their

ability to get a job in their field of study (Art. 2, Sec. 2);

- encouraging high school-to-college developmental transition programs (Art. 2, Secs. 5, 13);
- establishing a "Minnesota Promise" that it is the policy of the Legislature to ensure that students from low-income families have access to enough financial aid to fully cover the cost of attending a two-year public college (Art. 2, Sec. 11); and
- requiring postsecondary institutions to help encourage college applicants to fill out a Free Application for Student Financial Aid (Art. 2, Sec. 14).

HOUSING

Written warranty required

A person who buys a newly constructed home, or has home improvements completed by a licensed contractor, may not be aware that there are warranties in state statute applying to the work or the contractor.

A new law clarifies that warranties required by state statute are given directly to the consumer, in written form, as part of the construction contract.

The owner's right to the written warranty may not be waived or modified; but the law does not limit the contract or the owner from entering into other types of agreements permitted under state law.

Sponsored by Rep. Carolyn Laine (DFL-Columbia Heights) and Sen. Ron Latz (DFL-St. Louis Park), the law takes effect Aug. 1, 2009.

HF420*/SF776/CH91

Protecting problem properties

A clarification to rules and regulations for how cities can secure foreclosed and abandoned properties so they cannot be used for improper purposes may help in some troubled areas.

Rep. Jeff Hayden (DFL-Mpls), who sponsors the law with Sen. Linda Higgins (DFL-Mpls), said that Minneapolis had about 3,000 foreclosed properties in 2008 and is on pace for about the same this year. However, the state's largest city is far from being alone during the current foreclosure crisis.

When a property is deemed abandoned by a court, a city is permitted a limited right of entry to secure the property. The law limits which city employees can determine an entrance to the property is necessary, including a housing official.

In order to get the property sold, the law

allows a political subdivision to request reduction of the mortgagor's redemption period to five weeks from six months on a foreclosed abandoned property.

Other aspects of the law, which has various effective dates, include:

- specification of certain notice requirements;
- extension of the deadline for action by a property owner from six to 14 days from being ordered to secure the premise, and specifying that failure to do so could result in municipal action;
- classification of the sale or gift of alcohol in an abandoned property as a public nuisance in certain circumstances; and
- the holder of a sheriff's certificate of sale — the official document granted to the purchaser of real property sold at a mortgage foreclosure sale — is required to secure and protect the premise if there is prima facie evidence the property has been abandoned. If the locks are changed, the mortgagor must be provided a key.

HF1394/SF1147*/CH123

Mortgage clarification language

A new law cleans up changes made in a number of 2008 mortgage laws.

Among the changes is that a written notice to tenants in property subject to mortgage foreclosure or termination of contract for deed is to be included in both pre- and post-foreclosure. The 2008 law did not include the pre-foreclosure requirement.

A party conducting a foreclosure that requests a sheriff's sale must provide certain notices at the party's expense.

Other issues addressed include specifying requirements for vendors under contracts for deed and foreclosure counseling notices. It makes a technical change for what needs to be in an affidavit for purposes of clearing title. Notice requirements related to the postponement of a sheriff's sale are also modified.

Most of the law takes effect for foreclosures where the notice of pendency is recorded on or after Aug. 1, 2009.

Rep. Joe Mullery (DFL-Mpls) and Sen. Lisa Fobbe (DFL-Zimmerman) sponsor the law.

HF995/SF1302*/CH130

Foreclosure consultants accountable

Those teetering on the edge of foreclosure may welcome outside help to renegotiate their mortgage, but those promising foreclosure assistance don't always follow through. Homeowners will have more protection against unscrupulous consultants.

A new law modifies a 2004 law regulating mortgage foreclosure consultant contracts. It clarifies that people classified as mortgage consultants, including originators of mortgages who negotiate or renegotiate a mortgage, and nonprofit agency counselors who work with people at risk of foreclosure, may collect a fee for such services only after the services have been performed.

The law, sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Lisa Fobbe (DFL-Zimmerman), takes effect June 20, 2009.

HF903/SF708*/CH141

HUMAN SERVICES

Training for shaken baby syndrome

A new law will increase shaken baby syndrome training for certain providers caring for children up to age 5. The law takes effect Aug. 1, 2009.

Sponsored by Rep. Phil Sterner (DFL-Rosemount) and Sen. Sharon Erickson Ropes (DFL-Winona), the law requires 30 minutes of training for both shaken baby syndrome and sudden infant death syndrome for licensed chemical dependency treatment programs that serve clients with children, licensed child care centers and providers, and child foster care providers that care for children. The training is required at least once every five years.

Current training is only required for those caring for infants.

An estimated 1,500 to 3,000 children are diagnosed with the syndrome each year, Sterner said.

HF782/SF978*/CH26

Adult guardianship jurisdiction

Minnesota will have procedures and standards for recognizing and interacting with guardianship and protective order proceedings and appointments from outside of the state.

Sponsored by Rep. Gail Kulick Jackson (DFL-Milaca) and Sen. Mee Moua (DFL-St. Paul), the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act will establish uniform jurisdiction on determining a primary residence or other state of substantive contact, how to transfer and register guardianships between states so procedures are not repeated in each state. It does not change anything regarding minor guardianship.

Because today's elderly are very mobile and often live in other states for periods of time, it can be problematic between states as to where

an appropriate venue is for guardianship, conservatorship or other adult protective actions, Jackson said.

For example, if a husband and wife live in Florida six months a year, and the wife becomes incapacitated, the husband may become her legal guardian or conservator in Florida. However, Jackson said, if something were to happen to the husband and their child wants to move them here, Minnesota would not recognize the guardianship. The law hopes to reduce the number of times a person has to go through the guardianship or conservatorship process.

In early May, Jackson estimated 13 other states had a similar law.

As more states adopt this, she said there will be a larger group that has uniformity, meaning easier transfers of registration of guardianship, conservatorship or protective provision.

A court may treat a foreign country as if it were a state for applying provisions of the law, if the country matches the requirements of our jurisdiction regarding a protective order, guardianship or conservatorship.

Most of the law takes effect Jan. 1, 2010, and will apply to guardianship and protective proceedings begun on or after that date.

HF632/SF412*/CH46

Hennepin County rule changes

Hennepin County can streamline its human resources policies and extend the life of a task force by two years, because of a new law.

Sponsored by Rep. Kurt Zellers (R-Maple Grove) and Sen. Ann Rest (DFL-New Hope), the law makes technical changes requested by the county, whose human resources policies are governed by state law as well as their own rules.

The legislation, effective upon county approval, will conform the special law governing Hennepin County to internal rule changes recently adopted by the county. Specifically, department directors and the county human resources director will be given more discretion to set policies regarding the length of probationary periods, compensation plans and non-disciplinary appeals. Currently, the authority in such matters resides in the county board.

In addition, the law extends a sunset date for the Victory Memorial Drive Historic District Task Force by two years to Dec. 31, 2011.

HF940/SF729*/CH50

Prohibiting drug trial participation

People under state civil commitment will be prohibited from giving consent to participate in a clinical drug trial unless the court grants permission under specific circumstances.

The law, sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Don Betzold (DFL-Fridley), will allow a patient to participate if the treating psychiatrist submits an affidavit citing its benefit to the person. However, the treating psychiatrist must not be the psychiatrist conducting the drug trial. The law takes effect Aug. 1, 2009.

Many psychiatric drug trials already say patients at risk of suicide or of hurting others should not be recruited, Dr. Carl Elliott, professor at the Center for Bioethics at the University of Minnesota, told a House committee. While participation in a drug study carries risk, patients under civil commitment may not understand what they are signing up for, he said.

Mary Weiss testified in a House committee that her son, Dan Markingson, committed suicide when participating in a 2004 drug trial. She voiced concerns to his case manager about his deteriorating condition, but was unsuccessful in pulling him out of the drug trial. "I have promised Dan that I will fight for the rights of the mentally ill until the day I die," she said. "This bill will protect those in the future."

HF388/SF431*/CH58

Creating lifetime communities

Partnerships labeled "communities for a lifetime," built with the aging population as their focus, may be designated in the future. A new law lays out plans for the Board on Aging to develop a process for requesting the designation of "communities for a lifetime." It takes effect Aug. 1, 2009.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Kathy Sheran (DFL-Mankato), the law defines the communities as partnerships of small cities, counties, municipalities, charter cities and towns that extends supportive services to those age 65 and older to help them continue to be contributing, civically engaged residents.

"This would allow people to stay in their communities and have access to an array of services," Thissen said.

Under the law, "communities for a lifetime" would have to offer opportunities such as:

- the ability to participate in the paid workforce with flexible schedules and hours;
- recreation and wellness activities;
- a variety of affordable, accessible housing options;

- community-wide mobility and access to public transportation, including door-to-door assistance and weekend and evening access; and
- an array of home and community-based services to support seniors' options to remain in an independent living setting.

The board is to report to the Legislature by Feb. 28, 2010, with recommendations for a process to designate "communities for a lifetime" and funding sources to implement the communities.

HF936*/SF839/CH60

Foster care benefits extended

Children in foster care who are nearing their 18th birthday will have the option of staying in foster care, if they think they are not yet ready to live on their own.

A new law sponsored by Rep. Jeff Hayden (DFL-Mpls) and Sen. John Marty (DFL-Roseville) requires social services agencies to develop a plan with the child for their vocational, educational and social needs. Agencies must also ensure that any foster care, housing or counseling benefits are consistent with that plan.

Hayden said nearly 600 children leave foster care each year when they reach age 18. However, studies have shown that most young adults are age 25 or older before becoming self-sufficient, he said. Extending foster care options until age 21 gives them "a place to return for help when things go wrong and unexpected supports go away."

The law takes effect Aug. 1, 2009.

HF985/SF666*/CH106

Sex offender program evaluation

Sponsored by Rep. Terry Morrow (DFL-St. Peter) and Sen. Tony Lourey (DFL-Kerrick), a new law requires annual evaluation of the state's sex offender program.

Under a new law, the human services commissioner must contract with three national sex offender experts to evaluate the treatment of offenders. They are to review and identify relevant information and evidence-based best practices and methodologies for assessing, diagnosing and treating clients.

The executive director of the program is to establish a grievance policy and procedures to address client concerns and complaints. Any client who believes a right has been violated can file a grievance with the Department of Health and/or the Office of Health Facility Complaints.

The executive director must submit a performance report to the Legislature by Jan. 15 of each year beginning in 2010. It

must include the description of the program, including goals and objectives; a per diem report; program statistics; and the sex offender program evaluation report contracted by the commissioner.

A clients' employment option is changed to a vocational work program option to better reflect that the work opportunity is directly related to the clinical treatment of a client. The human services commissioner can collect up to 50 percent of any payments made to a client to reduce state costs. The law clarifies that those working in the program are not subject to fair labor standards, workers compensation or certain laws governing state employees.

The law clarifies that those included in the program are also located at sites other than the Moose Lake facility and are subject to a court hold order if they escape while in or under supervision of a designated facility.

Most sections are effective Aug. 1, 2009.

HF1639/SF1436*/CH111

Using vouchers for organics

Vouchers for the special supplemental program for Women, Infants and Children can be used to purchase organic foods.

Sponsored by Rep. Karen Clark (DFL-Mpls) and Sen. Sharon Erickson Ropes (DFL-Winona), a new law requires the health commissioner to evaluate the list of WIC foods and add any organic foods determined to be cost-neutral.

"This is a matter of consumer choice," Clark said. The cost of organic foods continues to go down, so they are more affordable, she said.

Tom Petersen, chairman of the Organic Advisory Task Force, said the proposal is one the task force has been working on for a number of years. He said the state of Washington has a similar program that allows for the purchase of some fruits, vegetables, breads, brown rice and legumes.

The law is effective May 21, 2009.

HF285/SF213*/CH114

Vulnerable, elderly adult protection

A maximum 20-year prison term and a felony charge for conviction of financial exploitation of a vulnerable adult when the stolen amount exceeds \$35,000 is one provision of a new law.

Effective on or after Aug. 1, 2009, a new law makes various statutory changes based on recommendations from a working group comprised of 52 agencies, entities and organizations. The law intends to help people like a 92-year-old St. Paul man who was befriended by a neighbor when he became frail and who bilked him out of almost

\$200,000. The woman put his home on the market without his knowledge, put an ad in the newspaper for a rummage sale of his belongings and left him to sit in a chair all day. She was ultimately sentenced to probation and repayment of funds.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul), provisions of the law include:

- clearing up definitions of financial exploitation;
- extending the statute of limitations for criminal financial exploitation from three to five years when the exploitation exceeds \$35,000;
- any business or financial institution that acts on good faith in telling authorities about suspected maltreatment or financial exploitation will be granted immunity from legal liability;
- the human services commissioner is to seek federal money to design, implement, maintain and evaluate a common entry point for reports of vulnerable adult maltreatment;
- a boarding care home, nursing home or hospital can submit a report of suspected maltreatment electronically, instead of submitting an oral report;
- the consent defense is removed in cases where the defendant knew or had reason to know the victim lacks the capacity to consent; and
- a civil cause of action is created for a vulnerable adult who is a victim of financial exploitation. Damages equal to three times the amount of compensatory damages or \$10,000, whichever is greater, are authorized, as are attorneys' fees and costs for a prevailing vulnerable adult.

HF818*/SF758/CH119

Licensing, background changes

Technical changes to human services licensing programs and background study requirements are included in a new law.

Sponsored by Rep. Jim Abeler (R-Anoka) and Sen. Tony Lourey (DFL-Kerrick), the law makes technical changes to update the credential for respiratory therapists from registration to licensure and permits massage therapists to work in the office of a medical professional without a license or permit from a municipality. The law requires inspections for day training and habilitation programs, and training about sudden infant death syndrome for child care providers.

Under the law, licensed child care programs must conduct a background study on former employees returning to work that have been absent 45 or more consecutive days,

and persons having no direct contact for more than 45 consecutive days must have a new background check before returning to a position of providing direct contact services.

The license holder must notify the human services commissioner that an employee who has been absent 45 days or more has returned to a position requiring a background study. The license holder must also notify the commissioner when a program that provides direct contact services resumes providing services after discontinuing services for 45 or more consecutive days.

The human services commissioner will be permitted to conduct background checks on persons between the ages of 13 and 23 living in the homes of child care providers, and can review juvenile records.

The law takes effect Aug. 1, 2009.

HF1750/SF1447*/CH142

Parental fee notification requirements

This new law requires the Department of Human Services to send a notice to parents when they receive a credit or actual cash for any overpaid parental fees for services for persons with developmental disabilities.

Sponsored by Rep. Patti Fritz (DFL-Faribault) and Sen. John Marty (DFL-Roseville), the law is a clarification requested by the Disability Law Center and ARC of Minnesota.

Under the law, all parental fee reimbursements must include a notice that the amount reimbursed may be considered taxable income if the parent paid for the parental fees through an employer's health care flexible spending account, and the parents are responsible for paying taxes on the amount reimbursed.

The law takes effect July 1, 2009

HF266/SF711*/CH145

Medical Assistance expanded

Fetal alcohol spectrum disorder will be added to the list of related conditions that qualify for Medical Assistance under disabled children's services.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Ann Lynch (DFL-Rochester), the law, effective Aug. 1, 2009, adds the disorder to the list of others currently defined as related conditions, such as cerebral palsy, epilepsy, autism and Prader-Willi syndrome.

The change will only qualify those if other eligibility requirements are met and would bring more awareness to the condition, Hosch said.

Sara Messelt, executive director of the Minnesota Organization on Fetal Alcohol Syndrome, said it would give credibility to those with FASD and would cause social workers to give it a second look as a disability. About 8,500 babies a year are born in Minnesota with the incurable disorder, she said.

HF581/SF501*/CH147

Guardianship/conservatorship help

A bill of rights for wards and protected persons will be in state statute.

That is just one of the provisions in a law that makes changes related to guardians and conservators.

Effective Aug. 1, 2009, the law addresses accountability and transparency in the system.

Rep. Paul Thissen (DFL-Mpls), who sponsors the law with Sen. Mee Moua (DFL-St. Paul), said approximately 22,000 Minnesotans are under a guardianship or conservatorship, a number that is expected to increase.

The law does four primary things:

- establishes conflict-of-interest rules for attorneys that represent guardians and wards;
- requires a system of central state registration of guardians and conservators to be maintained by the Minnesota Supreme Court beginning in 2013;
- puts more eyes on these transactions with an ombudsman being more involved, along with more interested persons; and
- creates the bill of rights to put many related issues in current law into one place.

Among the 14 listed rights that must be enforced by the court are treatment with dignity and respect; due consideration of personal desires, medical preferences and religious beliefs; personal privacy; and timely and appropriate health care "that does not violate known conscientious, religious, or moral beliefs of the ward or protected person."

Other provisions in the law include:

- an adult related by blood, adoption or marriage is placed seventh on the list, and any other adult or a professional guardian is eighth on the list in order of who a court shall consider in appointing a guardian; and
- a guardian cannot revoke a health care directive of a ward or protected person without a court order.

HF804*/SF951/CH150

Youth violence prevention

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. John Marty (DFL-Roseville), a new law requires the health commissioner to collaborate with other departments to identify five community-based violence prevention programs that work to create connections between at-risk youth and trusted adults; intervene at the first signs a youth is at risk; rehabilitate youth who have been involved in violence; and meet other criteria.

Under the law, Minneapolis and St. Paul must each be served by one program and three others must serve youth in Greater Minnesota communities.

The programs must work with schools to keep students engaged and help prepare them for higher education and job training; teach self-respect and respect for others; provide mentorship and job placement; and parent and family intervention while teaching parenting skills.

HF1328*/SF1235/CH156

Child welfare policy changes

Improving outcomes for children and families by making changes to American Indian child welfare, child protection and out-of-home placement is the goal of a new law.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Patricia Torres Ray (DFL-Mpls), the law makes changes to conform with the federal Fostering Connections to Success and Increasing Adoptions Act of 2008.

According to the Human Services Department, the law clarifies the roles and responsibilities for tribal agencies that choose to establish a panel to review child fatalities and near fatalities on the reservation. It also clarifies mental health screenings for children receiving child protective services, in out-of-home placement or for whom parental rights have been terminated. Tribal agencies can access state funding for the screenings.

The law defines factors for which children can be removed from their home to ensure their safety, and eliminates certain child behavior, such as running away, as a sole reason for removal. It also states that "family group decision-making" can be used as a form of dispute resolution.

The law makes changes so child welfare officials have access to child support enforcement data to establish a father's identity and whereabouts. It clarifies when fathers are notified of proceedings, their legal rights and responsibilities and sets requirements for establishing paternity in certain cases.

Changes to meet federal requirements include:

- applying “reasonable effort” to place siblings together in foster care and for the agency to provide frequent visits if the siblings cannot be placed together;
- monthly caseworker visits must include determining whether the child is enrolled and attending school, and addressing the issue if not; and
- requiring due diligence in identifying and notifying adult relatives prior to placement or within 30 days after the child is removed from the parents’ care.

The law takes effect when at least 35 states have enacted it.

HF1709/SF1503*/CH163

Mental health changes

Some adult and child mental health policies in the Human Services Department are changed under a new law.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Linda Berglin (DFL-Mpls), the new law modifies statutes related to drug and alcohol counselor licensure and county maintenance of effort provisions, and clarifies rate setting and reimbursement procedures for intensive residential treatment services and certain community treatment.

The law takes effect Aug. 1, 2009, except for the reimbursement procedures provision, which is effective with services provided on or after Jan. 1, 2010, through Dec. 31, 2011.

Under the law, a provision is removed that would have sunset July 1, 2009. The provision provided for exceptions for drug and alcohol counselors integrating dual-diagnosis treatment for adults in mental health rehabilitative programs certified by the department.

How counties establish base level expenditures is included to simplify administration and improve budgeting predictability. The human services commissioner is instructed to use each county’s actual prior year revenues to adjust the county’s minimum required expenditures for the coming year, and is permitted to use current information regarding major revenue changes if the change is known early enough to allow counties time to adjust their budgets. If a county doesn’t comply with the changes, the commissioner can approve a corrective action plan for the county.

Other clarifying provisions include definitions of an adult mental health rehabilitation worker, community health worker and mental health behavioral aide services.

HF1708/SF1504*/CH167

State system eases child care billing

A new law will help child care providers who participate in the basic sliding fee program to manage billing and payment through a new automated system administered by the Department of Human Services.

Basic sliding fee child care assistance is highly valued by working parents who may apply if they earn less than 47 percent of the state’s median income and remain eligible until earning up to 67 percent of the state’s median income. For example, a three-person household with \$32,167 of annual income could apply, and then remain on the program until they earn \$45,855.

The law sponsored by Rep. Diane Loeffler (DFL-Mpls) and Sen. Patricia Torres Ray (DFL-Mpls) makes several other technical changes and clarifications to existing law.

A change to eligibility requirements for school readiness service agreements will allow children to keep attending high-quality child care programs even if their parents’ work or other authorized activities dip below a 35-hour a week requirement during the first year. “The idea is to keep children in care on a continuous basis as long as possible to help improve the outcome for those kids,” said Cherie Kotilinek, child care assistance program manager with the department. Child care providers in the SRSA program receive a higher rate of reimbursement for providing certain early learning services.

The law also directs the State Advisory Council on Early Childhood Education and Care to create an inventory of early childhood services. The inventory will identify programs serving children and their families by geographic and demographic characteristics, and numbers served plus those eligible who are not served.

Other provisions allow the commissioner to charge for development and operating costs of county-initiated projects, such as those to facilitate more integrated services to clients and create more efficient county workflow.

Renewal of overpayment judgments for certain programs is allowed, which is expected to save county and court costs.

Foster care providers no longer need to be re-licensed as adult foster care providers in order to obtain funding for a disabled child who has turned age 18.

HF1728*/SF1509/CH175

HUMANITIES

Resolving a Dakota conflict

One year after the Dakota Conflict of 1862 in Minnesota, President Lincoln signed the

Minnesota Indian Removal law, resulting in removal of the Dakota people from the state.

The law is still on the books.

A new law, in the form of a nonbinding resolution, urges the president and Congress to repeal the federal legislation.

Rep. Dean Urdahl (R-Grove City), who sponsors the law with Sen. Steve Dille (R-Dassel), said the measure is “largely symbolic, but it is important to the tribes in Minnesota.”

It wasn’t until 1924 that all Native Americans in the United States received full citizenship, said Rep. Paul Gardner (DFL-Shoreview). “The law is still on the books, and it basically says that one group of people are not allowed to live here. I don’t think that’s right to be on the books.”

Under the resolution, the secretary of state is to prepare copies of the memorial to be sent to the president, Congressional leadership and its members.

HF1825/SF1623*/CH171

Voter-approved sales tax increase takes effect

The majority of state voters approved a sales tax increase in November 2008 with some uncertainty as to how the anticipated revenue would be spent. A new law provides clarity.

“This is the best ride I’ve had in 33 years at the Legislature. This is the people of Minnesota’s (law),” said Rep. Mary Murphy (DFL-Hermantown), who sponsors the omnibus cultural and outdoor funding resources finance law with Sen. Richard Cohen (DFL-St. Paul).

Beginning July 1, 2009, the state’s sales tax will increase from 6.5 percent to 6.875 percent. The tax, which expires in 2034, is expected to generate \$396.8 million annually to be divided into four dedicated funding areas: wildlife habitat, clean water, parks and trails, and arts and culture.

HF1231*/SF1651/CH172

Outdoors and Environment

Natural resources funding for the 2010-2011 biennium includes:

- \$75.7 million to the Department of Natural Resources split among prairies; wetlands; forests; and fish, game and wildlife habitat;
- \$51.3 million to the Pollution Control Agency for grants, drinking water protection, Minnesota River Water Quality testing and wastewater treatment monitoring;
- \$38.2 million to the Board of Water and Soil Resources to purchase and restore permanent conservation easements, grants to

- improve watershed management practices and shoreland protection;
- \$36.9 million to the DNR for grants and the state parks and trails legacy; and
- \$32.7 million to the Public Facilities Authority for grants among small community wastewater treatment technical assistance and construction and phosphorus reduction. (Art. 1, Sec. 2; Art. 2, Secs. 3-4, 6; Art. 3, Sec. 2)

Gov. Tim Pawlenty line-item vetoed \$200,000 to the Star Lake Board for a "pilot program focused on engaging citizen participation and fostering local partnerships by increasing citizen involvement in water quality enhancement by designating star lakes and rivers."

"This board was created with a \$100,000 appropriation as a pilot program last year. At the time, supporters of the legislation indicated the need was for one-time money only," Pawlenty wrote in his veto message. "If additional funding is needed for this new board, it should come from sources other than constitutionally dedicated dollars. Such dollars should be used for projects, not process and bureaucracy."

Arts and Cultural Heritage

The law also provides a plan to guide the distribution of the legacy amendment money over the 25-year life of the tax. All appropriations are one-time, thus agencies should not expect to receive the same amount of funding from the tax every year. Priorities will be reviewed on a year-to-year basis.

"This is the promise to the future on enhancement, protection and restoring of our habitats. This is the promise of the future for arts and culture and having whole new groups of people exposed to arts and culture," Murphy said.

Funding priorities in this area include:

- \$43 million to the Minnesota Board of the Arts for grants to Minnesota artists and arts organizations;
- \$22 million to the Minnesota Historical Society for a variety of things, including grants, assistance to local historical societies and the Minnesota History Educational Network; and
- \$14.4 million to the Department of Administration for grants to, among others, Minnesota Public Television Association; Minnesota Public Radio; program development at the Minnesota, Como and Lake Superior zoos; restoration, renovations and repair of the State Capitol; the Minnesota Center for the Humanities; and the Legislative Coordinating Commission for a Web site specific to the dedicated funds. (Art. 4, Sec. 2)

Efforts to preserve and revitalize use of Dakota and Ojibwe languages can expect to see a \$150,000 grant underwritten by the Indian Affairs Council. To strengthen the program, an additional \$500,000 is awarded to the Niigaane Ojibwe Immersion School and the Wicoie Nandagikendan Urban Immersion Project to expand K-12 curriculum, provide fluent speakers in the classroom, develop appropriate testing and evaluation procedures, and community-based training. (Art. 4, Secs. 3-4)

INDUSTRY

Paying subcontractors promptly

Subcontractors and suppliers working on residential jobs now have the same assurance as those working for commercial contractors that they'll be paid in a timely manner.

A new law, sponsored by Rep. Larry Howes (R-Walker) and Sen. Linda Scheid (DFL-Brooklyn Park), strikes language excluding residential subcontractors and suppliers from an existing law requiring prompt payment. Prime contractors or subcontractors who hire other subcontractors or suppliers must pay those they hire within 10 days from the date payment is requested. The law also stipulates interest to be paid on late payments. It takes effect Aug. 1, 2009.

Residential properties are single-family homes or multi-family buildings with up to four dwelling units, or developments with up to 13 attached units.

HF1056*/SF638/CH66

Uniform deduction law cleaned up

A practice already in place between auto dealers and employees regarding the cost of some workers' uniform cleaning and maintenance will be codified in state law.

Car dealers and some employees' unions have agreed that service employees' uniforms are picked up, cleaned and returned to the workplace as part of their collective bargaining agreement. The law "allows that practice codified in their collective bargaining agreement to continue," said Rep. Jim Davnie (DFL-Mpls), who sponsors the law with Sen. David Tomassoni (DFL-Chisholm).

Employers may deduct up to \$25 per month from employee wages for the uniform maintenance expense. The amount deducted is not subject to reimbursement upon the employee's termination.

The law takes effect Aug. 1, 2009.

HF1685/SF1431*/CH69

Elevator inspection exemptions

Some elevators and lifts in nonprofit or nonpublic settings are temporarily exempted from annual safety inspections for an operating permit.

Under a new law, effective May 13, 2009, through July 1, 2010, manlifts in grain elevators, feed mills and elevators or platform lifts for wheelchairs in churches are excluded from an annual inspection requirement.

The Department of Labor and Industry is directed to establish an advisory group to study existing rules and laws that relate to the maintenance and operation of special purpose lifts, hand elevators and manlifts in facilities not for public use, and report its findings to the Legislature by Jan. 30, 2010.

Rep. Al Juhnke (DFL-Willmar) and Sen. Rod Skoe (DFL-Clearbrook) sponsor the law.

HF1813/SF1425*/CH76

INSURANCE

Short-term coverage for unemployed

Increasing unemployment numbers are translating to more people losing their health care coverage. However, thanks to funds from the federal American Recovery and Reinvestment Act of 2009, some could see their coverage continued and their payments subsidized.

Effective May 6, 2009, a new law ensures that employers with less than 20 people have the same benefit as their larger counterparts do under the federal law, under terms of Minnesota's "mini-COBRA" statute.

Qualified employees who have been involuntarily terminated for reasons other than misconduct will see the federal government provide a 65 percent subsidy toward their COBRA premiums for up to nine months of coverage, while reducing an enrollee's share of the premium to 35 percent. People terminated between Sept. 1, 2008, and Feb. 16, 2009, who originally declined COBRA coverage or unenrolled by Feb. 16, will have a second chance to accept the coverage now that the federal subsidy is available.

Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park) sponsor the law.

HF2138/SF1904*/CH33

Church benefits board as trustee

Some churches have benefits boards organized to administer or fund a retirement or other benefits plan for employees of a specific church or an association of churches.

A new law, effective May 8, 2009, expands a board's authority to act as a trustee over a lawful trust.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Gary Kubly (DFL-Granite Falls), the law applies to trusts no matter when they were created.

HF1823/SF1754*/CH43

Acupuncturist services reimbursement

Treatment by licensed acupuncture practitioners will become more widely reimbursed by health care plans that already offer physician-supervised or provided coverage only.

A new law provides equal access to a licensed acupuncture practitioner for services covered under a regulated health plan. If acupuncture services provided by a physician are covered, the same services provided by a licensed acupuncture practitioner must also be covered. It does not require health plans that don't cover any acupuncture services to begin doing so.

The law is also a memorial to Edith R. Davis, considered Minnesota's pioneer acupuncturist, who brought "the whole area of acupuncture into the light of day and (made) sure that we have good standards," said Rep. Karen Clark (DFL-Mpls), who sponsors the law with Sen. Linda Berglin (DFL-Mpls).

Advocates said that a growing body of scientific evidence supports the benefits of acupuncture for a variety of conditions and that the treatment is rarely associated with complications. They also said only about a dozen Minnesota physicians or chiropractors are board-certified in medical acupuncture.

"Acupuncturists licensed under Board of Medical Practice's very high standards ironically are not allowed to get reimbursed, and often their prices are lower and they are far more qualified to practice acupuncture than are physicians, even those with acupuncture licenses," said Rep. Jim Abeler (R-Anoka).

The law takes effect Aug. 1, 2009, and applies to coverage issued, renewed or continued on or after that date.

HF286/SF245*/CH45

STOLI changes become law

A new law prohibits certain contractual arrangements and other activities relating to the purchasing of a life insurance policy that is essentially a wager on someone's life.

Effective with policies issued beginning May 10, 2009, the law codifies insurable interests

and prohibits procurement of a policy on the life of another individual unless the benefits are payable to the insured, representatives of the insured's estate or a person who had an insurable interest at the time the policy was issued.

"We want to protect life insurance interests, and not turn it into a financial investment," said Rep. Kate Knuth (DFL-New Brighton), who sponsors the law with Sen. Linda Scheid (DFL-Brooklyn Park).

In a traditional life settlement, a person who owns a life insurance policy but no longer needs it sells the policy for an amount less than the death benefit.

Under stranger-originated or -initiated life insurance (called "STOLI"), a third-party investor or hedge fund with no relationship to an individual initiates the policy purchase by paying the premiums and later buying the policy, hoping to profit upon the death of the insured. These are often directed toward senior citizens because the sooner the person dies, the more the speculator profits.

This is in violation of the insurable interest law designed to ensure that a person who is a beneficiary of a life insurance policy has an economic interest in the continued life — not death — of the insured.

The law calls for a four-year prohibition on buying STOLI after a policy is issued, with the stipulation that an investor could not buy those policies if there were signs of STOLI during that time. It also provides for a four-year rebuttable presumption in civil lawsuits in which the insured's estate seeks to receive the life insurance proceeds. "That should be enough to stop STOLI," Scheid said.

A way for a representative of an insured individual's estate to recovery policy benefits paid resulting from a STOLI agreement is also in the law.

HF704/SF166*/CH52

Nonprofit insurer provisions

Certain self-insuring organizations political subdivisions and related nonprofit entities are not subject to federal taxes. A law will extend the tax exemption enjoyed by these pools to a similar nonprofit community service organization pools.

Effective Aug. 1, 2009, the law makes provisions for these organizations, specifically Nonprofit Insurance Trust, to incorporate and insure its nonprofit members within a self-insured pool.

Rep. Patti Fritz (DFL-Faribault) and Sen. Dan Sparks (DFL-Austin) sponsor the law.

HF1789/SF1611*/CH53

Sale of life insurance policies

Sometimes people who purchase a life insurance policy sell it to a third party before the policy matures. Called a viatical settlement, a new law sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Chris Gerlach (R-Apple Valley) modifies statutes regulating the practice.

The law lays out definitions and licensing guidelines for brokers and life insurance providers.

Under the law, a broker or provider will need to be licensed by the state where the person selling the policy resides. Also, a licensed insurance producer agent in good standing will be allowed to operate as a viatical settlement broker. The law also lays out grounds for a license to be suspended or revoked and for refusal to issue or renew the license of the provider, broker or agent.

The law is effective Aug. 1, 2009; but a viatical settlement provider, broker or investment agent doing business in Minnesota could continue pending application approval by the commerce commissioner as long as the application is filed by Dec. 31, 2009.

HF1719/SF1539*/CH62

Speeding up insurance claims

Let's say you own a store and a fire destroys the building and your inventory. You have insurance, but you may find you have to hire a lawyer to get the insurance company to pay up.

A new law will allow for a 10 percent interest charge on the insurance proceeds calculated from the time the insured requests payment of the policy amount, plus reasonable attorney fees and court costs. Effective Aug. 1, 2009, the law is sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Tom Bakk (DFL-Cook).

Opponents say the legislation will increase insurance litigation costs and, in turn, increase insurance premiums. Some say the law goes beyond similar laws in other states.

The new law also clarifies the term and usage of "surviving spouse" as it relates to a business of a deceased professional who was the sole owner of a firm at the time of the professional's death. The law allows the surviving spouse one year after the professional's death to sell the practice; the prior law allows only 90 days.

HF417*/SF528/CH148

Technical health policy changes

Technical clarifications and corrections to policies and appropriations needed by the

Human Services Department became law elsewhere, after being in the vetoed omnibus health and human services finance law.

Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. Linda Berglin (DFL-Mpls), a new law corrects miscellaneous references, updates state provisions to meet federal requirements and makes policy changes related to state health care programs.

One change includes limiting state payment rates for cesarean births and vaginal deliveries to \$3,528 for hospitals and managed care and county-based purchasing plans beginning Oct. 1, 2009. Another clarifies that a background study must be completed on an individual before they begin performing services with direct contact to seniors and individuals with disabilities.

Under the law, the human services commissioner may develop "centers of excellence" criteria to designate certain providers of care for those on Medicare. The commissioner can then make coverage for certain procedures conditional upon the facility providing the services and meeting certain criteria.

The law has various effective dates.
HF1988*/SF1924/CH173

LAW

'Tidying up' with more specificity

Sometimes legislation is just a little "tidying up." That is a description given by Rep. Gail Kulick Jackson (DFL-Milaca) to a new law she sponsors with Sen. Ron Latz (DFL-St. Louis Park).

The law makes technical changes to various real estate provisions. It has varying effective dates.

Specifically the law addresses 2008 changes to a statute regarding transfer on death deeds, and adds some specificity. It clarifies that upon the death of a property owner whose real estate was transferred with a transfer on death deed, an affidavit must include the name and mailing address of the person to whom future property tax statements should be sent.

The law also makes changes in the certificate of title issued by the county registrar for common interest communities, such as condominiums, townhouses or a planned community. It also specifies a process for cities to use in responding to a request to grant a cartway.

HF332/SF261*/CH30

Garnishment modifications/remedies

A new law aims to make the garnishment process more fair and useful to creditors and debtors.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Linda Scheid (DFL-Brooklyn Park), the law is the product of three years of negotiations between creditors, legal aid representatives and financial institutions. It modifies the timeline and forms required to be served related to certain exemptions that may be claimed by a judgment debtor.

The law takes effect Aug. 1, 2009. "The primary focus of the (law) is to make sure that the debtors who have exemptions that are released from garnishment process have access to their funds as quickly as possible," Hilstrom said. "This is in the best interest of the debtor, but also the creditor and the banks so that they are not pursuing funds that are not to be collected."

To do this, the mainly technical law:

- ensures that debtors get clear and proper notice prior to garnishment, including a second notice after the service of the summons explaining what they must do to claim an exemption before their wages are garnished;
- simplifies the exemptions claim process for all parties, including updating necessary forms to put them into more plain language; and
- eases the process for people to protect exempt funds.

All parties that worked on the law asked Hilstrom to read the following message on the House floor: "This bill updates the exemption making changes that reflect their current names and deleting obsolete old ones. These changes are not meant to change existing law, nor are they intended to impact current or future case law."

HF334*/SF683/CH31

Probate code changes

Funeral directors should now have more clarity regarding the disposition of a body upon death.

Effective May 21, 2009, a new law clarifies what documents control and what the order of relationships of the decedent are for whom has say over what happens to the body after death.

Rep. Melissa Hortman (DFL-Brooklyn Park), who sponsors the law with Sen. Linda Scheid (DFL-Brooklyn Park), said the changes come from a Health Department request.

When someone dies, the person who decides what to do with the body is determined by order of degree of kinship. Previous law had an

order for seven people: whomever is appointed in a document signed by the decedent; the spouse; an adult child or majority of the adult children; the surviving parent or parents, with each having equal authority; an adult sibling or majority of adult siblings; person or persons in the next degree of kinship specified by law; and the appropriate court authority.

New language adds new numbers six-10: adult grandchild or majority of the adult grandchildren; grandparent or grandparents, with each having equal authority; adult nieces and nephews, or a majority of them; person or persons who were acting as guardians; and "an adult who exhibited special care and concern." The person or persons in the next degree of kinship specified by law and the appropriate court authority now rank 11th and 12th.

It also states that an advanced directive no longer has to be notarized; changes the amount of property that a person could collect by affidavit from \$20,000 to \$50,000; and provides timelines for a probate court to correct their errors.

HF265*/SF262/CH117

Law enforcers can practice law

Deputy sheriffs can practice law a different kind of legal service.

Effective May 22, 2008, a law removes a prohibition of a deputy sheriff practicing law, provided the deputy has the appointing sheriff's approval and the legal counsel provided is not related to the deputy's law enforcement duties. The law also permits a coroner to practice as an attorney.

Rep. John Lesch (DFL-St. Paul), who sponsors the law with Sen. Ellen Anderson (DFL-St. Paul), said it allows deputy sheriffs to practice law outside their jurisdiction for cases that do not affect them in their deputy sheriff job. Violation of the law will be a petty misdemeanor.

An assistant St. Paul city attorney, Lesch said he has sometimes provided services for cases in other jurisdictions.

HF348*/SF297/CH118

Greater attorney fee awards

A new law could help people fight the state.

Sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Don Betzold (DFL-Fridley), a new law eliminates a per-hour cap on an award of attorney's or agents fees in a civil action or contested case where the state is a party. The law takes effect Aug. 1, 2009.

Under current law when a court finds the state is not justified in bringing forth an action, the defendant is entitled to an award

of attorney fees and expenses. However, the \$125 hourly cap, established in 1986, is still in statute.

Supporters said it is hard to get good legal representation at that limited price.

The law will allow a judge to issue a reasonable award based on the prevailing market rate for the kind and quality of service received by the defense.

HF1529*/SF798/CH125

Lien, claims protection

Individuals, other than a spouse, who have ownership in a property of a person who died in a nursing home and was on Medical Assistance will have lien and claims protection, under a new law.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls), the law requires an approved hardship waiver, and that an individual, other than the recipient's spouse, have ownership interest in the property and also have occupied the property for at least 180 days before the date of the decedent's death.

If the property is a homestead, Medical Assistance claims can only be made after the individual no longer resides in the property or until it's sold or transferred.

The law takes effect Aug. 1, 2009.

HF1482/SF1208*/CH160

LOCAL GOVERNMENT

Law to help Duluth's bottom line

A Duluth-specific bill relating to maintenance of steam-producing boilers is effective Feb. 19, 2009.

Minnesota statute lays out licensing requirements for boiler operations and exemptions. Sponsored by Rep. Roger Reinert (DFL-Duluth) and Sen. Yvonne Prettner Solon (DFL-Duluth), a situation faced by Duluth is added to the list of exemptions.

For several years, the city has owned and operated a boiler in a building owned by Minnesota Power. Steam generated from the boiler provides power for a nearby paper mill, which employs approximately 300 people. The city is selling some of its assets in order to balance an \$8.5 million deficit, and the boiler will bring \$2 million to the city, Reinert said.

However, for the boiler to be sold and remain in operation, the exemption from licensing requirements needed to be changed to apply to the new owner.

HF329/SF212*/CH2

MOE of effort suspension repeal

Mandates for counties are back in effect, under a new law.

Sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Tom Bakk (DFL-Cook), the new law repeals a provision that suspended all state maintenance of effort (MOE) and matching fund requirements for counties while levy limits are in effect. The law also replaces two employer credits intended to encourage employers to provide Section 125 plans with a health care credit for certain individuals participating in Section 125 plans. Another new law, CH88, includes a new MOE provision that suspends any new or increased maintenance of effort or matching fund requirements on local governments until July 1, 2011.

The MOE section is effective retroactively from July 1, 2008. The insurance credit is effective Feb. 21, 2009.

HF95/SF49*/CH3

County gets parkland money

Stearns County can receive the \$492,000 it was slated to get through the 2008 capital investment law for land acquisition for new parks and trails.

Effective March 24, 2009, the law, makes a technical correction to last year's law that named the Central Minnesota Regional Parks and Trails Coordination Board as recipient of the money; however, the board cannot own land.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Michelle Fischbach (R-Paynesville), the money will now go directly to Stearns County, so that 23 acres adjacent to Warner Lake Park can be integrated into the Central Minnesota Parks and Trails.

HF56*/SF55/CH7

Two companies becoming one

A new law expands who may form a joint energy company.

Effective April 17, 2009, the law modifies the definition of "agency agreement" to include an agreement made between two or more existing municipal power agencies. Previous law authorized two or more "cities" to establish a municipal power agency.

Rep. Leon Lillie (DFL-North St. Paul) and Sen. Chuck Wiger (DFL-Maplewood) sponsor the law.

HF951/SF896*/CH19

Sanitary district dissolution

The Central Lakes Regional Sanitary District will be allowed to dissolve.

Established in 2003, the district was to

construct a wastewater collection system spanning several townships in north-central Minnesota; however, it ran into a number of problems, including opposition from residents. It now plans to dissolve.

Sponsored by Rep. Torrey Westrom (R-Elbow Lake) and Sen. Bill Ingebrigtsen (R-Alexandria), the law amends a special law for the district that puts it on a path to dissolution. It takes effect upon approval by the affected townships.

HF1501/SF1489*/CH44

Changes to temporary drawdowns

Cities and counties will no longer need the approval of every lakefront property owner along a public water body in order to temporarily lower the lake's water level.

A new law, effective Aug. 1, 2009, allows the commissioner of natural resources to issue public waters work permits to public entities for a drawdown, if the commissioner deems it is in the public's best interest, at least 75 percent of the riparian landowners agree to the drawdown and the permit applicant holds a public hearing. The permit applicant must mail notices of the hearing to affected property owners and publish the date, time and place of the hearing in a local newspaper.

Local governments and watershed districts temporarily drawdown the water level in a lake as a management tool to prevent or eradicate invasive species.

The law, sponsored by Rep. Paul Rosenthal (DFL-Edina) and Sen. Ken Kelash (DFL-Mpls), excludes public waters that have been designated by the commissioner for the protection and management of wildlife.

HF1539/SF640*/CH48

Minnesota River Board reorganizes

The former Minnesota River Basin Joint Powers Board is renamed as the Minnesota River Board and its purpose, duties and membership are expected to change under a new law.

Rep. Terry Morrow (DFL-St. Peter) and Sen. Dennis Frederickson (R-New Ulm) sponsor the law, which was effective May 8, 2009.

The board was established in 1995 as a joint powers board comprised of counties for the purpose of improving and protecting water quality in the Minnesota River Basin. Proposed reorganization plans include collaboration with the Water Resources Center at Minnesota State University, Mankato and the creation of an advisory committee to serve as a forum for issues the board should address. The committee must convene prior to Dec. 31, 2009.

Comprised of representatives from the 12 major watersheds in the area, the board will be required to compile and submit reports to the Legislature about the results and progress of water cleanup efforts within the basin.

HF955/SF275*/CH49

Iron Range sewer district

After a series of mishaps that delayed its creation for several years, the Central Iron Range Sanitary Sewer District will be established.

The district, which will manage the wastewater needs of a group of cities and townships northeast of Hibbing, was originally authorized in 2002; however, a series of errors in the original and subsequent legislation, as well as local problems, delayed its implementation.

A new law sponsored by House Majority Leader Tony Sertich (DFL-Chisholm) and Sen. David Tomassoni (DFL-Chisholm) will fix all the errors, authorize the district retroactively from Dec. 27, 2003, and set up governance and operational requirements.

Effective May 21, 2009, a provision in the law changes the recipient of a \$2.5 million appropriation for mercury treatment facilities that was made in the 2006 bonding law from the district to the city of Hibbing. It also specifies that the money is not available until an equal amount is committed from other sources.

HF17/SF79*/CH122

Local government mandate relief

Local governments will have fewer state mandates to fund.

Sponsored by Rep. Mike Nelson (DFL-Brooklyn Park) and Sen. Ann Rest (DFL-New Hope), a new law is the result of legislative hearings held early in session to determine what state mandates could be removed to help cities and counties cope with budget shortfalls.

A number of statutory requirements are eliminated in the law, including minimum salary mandates for local officials. These include:

- counties with populations under 75,000 no longer have to abide by outdated minimum salary requirements for auditors, treasurers, recorders and sheriffs;
- county boards will have the ability to reduce commissioners' salaries at any time; and
- cities with populations under 100,000 will be able to temporarily reduce salaries of members of their governing bodies at any time.

The law includes provisions to simplify

local governments' compliance with agency rulemaking authority. State agencies proposing rule changes must determine whether local ordinances will have to be adopted or amended to comply with the proposed rule. If so, then the rule cannot become effective until the next July 1 or Jan. 1 after its adoption.

Effective July 31, 2009, a deputy registrar can collect the registration fee, taxes and filing fee with credit or debit cards. A fee surcharge can be collected to cover the cost of processing a credit card or debit card transaction.

Other provisions in the law include:

- specifying that a county or town that has accepted responsibility for an abandoned cemetery may prohibit further burials and cease acceptance of responsibility for new burials;
- doubling the annual threshold through June 30, 2013, for municipalities to report to the Department of Labor and Industry on fees collected from developers, builders and subcontractors to \$10,000;
- increasing from \$300 to \$2,000 the threshold for which itemized accounts, claims or demands allowed by a county board must be published in the local newspaper;
- allowing townships to recover the full cost of employing "fence viewers" to help settle private land disputes; and
- striking a cap on booking fees charged to jailed individuals and allowing counties to recover the actual costs of booking.

HF1849*/SF1544/CH152

Counties get mandate relief

A variety of health and human services county mandate reliefs and provisions on how counties cremate and bury those on public assistance are included in a new law.

Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Ann Lynch (DFL-Rochester), the law includes changes to residential treatment centers, cremation and burial of public assistance recipients.

The law allows children to be placed in treatment centers across state lines if they are closer than an in-state institution. A county board can determine the appropriate level of care when county funds are used to pay for services.

The law permits counties, as an alternative, to cremate the remains of any person receiving public assistance through the Minnesota Family Investment Program. However, the county must attempt to contact the next of kin to determine the wishes of the decedent, if known, or the wishes of the family. If the decedent's wishes or faith tradition does not approve of cremation, then the county cannot cremate the remains.

Home health aide qualifications are changed to include that a person may perform aide tasks if the person maintains current registration as a nursing assistant on the Minnesota nursing assistant registry.

Other provisions include changes to day training and habilitation alternative inspection requests and changes to a mailing notice from a juvenile's probation officer to a school.

Most of the law takes effect Aug 1, 2009.

HF1276*/SF986/CH174

MILITARY

Medal recipients honored annually

Minnesotans who have served in the United States military or naval forces and received the Congressional Medal of Honor will have their own day of honor.

A new law, effective April 2, 2009, designates March 25 as Medal of Honor Day in the state. On that date annually, the governor will issue a proclamation honoring this observance, which commemorates the issuing of the first medal on March 25, 1863.

The law is sponsored by Rep. Mike Obermueller (DFL-Eagan) and Sen. Jim Carlson (DFL-Eagan).

HF433/SF236*/CH8

Paying tribute to all Vietnam veterans

An event to honor the state's Vietnam era veterans is planned for June 13, 2009, for the State Capitol grounds, and legislation effective April 4, 2009, declares that date Honoring All Vietnam Era Veterans Day in Minnesota.

According to the event's Web site, www.mnhonorsvietnamvets.org, the day will begin with a Gold Star Family prayer service and end with evening entertainment. A replica of the Vietnam Veterans Memorial in Washington D.C. is expected to be on display, and a Bob Hope impersonator is scheduled to recreate the entertainer's famous skits he would perform for troops.

The law is sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. Steve Murphy (DFL-Red Wing).

HF1400/SF1142*/CH10

Pay differential clarification

Terms and acronyms used by the military and the public sector can differ in interpretation. For instance, a law relating to pay calculations for those having to temporarily leave a school position for active duty has caused some problems.

By deleting the term "basic" and substituting "base," a new law will help clarify what is meant by "daily rate of pay," for calculating pay differential.

When someone working in the private sector is called up to active duty, the public employment entity (such as a school) fills the financial gap, if the person's military pay is less than what they receive from their civil public employment. The new law will make the definition consistent.

Sponsored by Rep. Rob Eastlund (R-Isanti) and Sen. Tarryl Clark (DFL-St. Cloud), the law is effective May 17, 2009, and applies to National Guard members and United States armed forces reservists serving in the active military on or after that day.

HF1127/SF1794*/CH84

RECREATION

State trail back on track

Work can resume on the Great River Ridge State Trail in Olmsted and Wabasha counties now that the project's paper trail is back on track.

The 14-mile trail was established during the 2006 session, but because Wabasha County officials didn't file some of the required paperwork with the Office of the Secretary of State, the project never moved forward.

A new law, retroactive to June 2, 2006, re-establishes the trail. It also reauthorizes \$1.5 million from the 2008 capital investment law for trail construction. Originating in Plainview in Wabasha County, when completed the trail will extend southwest through Elgin and Viola before connecting to the Chester Woods Trail near Rochester in Olmsted County.

Rep. Andy Welti (DFL-Plainview) and Sen. Ann Lynch (DFL-Rochester) sponsor the law.

HF865*/SF983/CH11

Redwood County pavilion to expand

Redwood County residents will have more space for their summertime class reunions, wedding receptions and church picnics.

House Minority Leader Marty Seifert (R-Marshall) and Sen. Dennis Frederickson (R-New Ulm) sponsor a new law that allows the upgrade of a popular picnic shelter to accommodate larger groups. Visitor numbers to the site and its surrounding grounds of the historic Gilfillan Estate have more than doubled in the past decade.

The law, effective May 21, 2009, will allow an exemption to the state building code so the

pavilion can be remodeled without a costly sprinkler system that would ordinarily be required by state code. The county has raised \$150,000 in private funds and sought no additional funding, but only a code exemption to save it the \$75,000 sprinkler system price tag.

HF1946/SF1477*/CH146

RETIREMENT

Public pension plan changes

Retirement plans for various public employees will undergo a series of administrative changes.

Sponsored by Rep. Mary Murphy (DFL-Hermantown) and Sen. Don Betzold (DFL-Fridley), the law enacts modifications recommended by the Legislative Commission on Pensions and Retirement. These include:

- technical changes to disability benefit programs for state employees, including allowing disability benefit applications to be filed 18 months rather than six months after termination of service;
- permitting the Minnesota State Colleges and Universities system to establish an early separation incentive program for its employees, and also permitting MnSCU faculty a second opportunity to elect Teachers Retirement Association coverage within one year of achieving tenure; and
- establishing a voluntary statewide lump-sum volunteer firefighter retirement plan through the Public Employees Retirement Association, and an associated retirement fund to be invested by the State Board of Investment.

The legislation originally included provisions that would have increased teachers' pension contributions to address deficiencies in several pension funds; however, the provisions were removed over concerns that Gov. Tim Pawlenty opposed the changes and would veto the bill if they were included.

"We are pushing this issue down the road, and it's a huge mistake and it's going to haunt us," said Rep. Paul Thissen (DFL-Mpls).

Most of the law takes effect either May 23, 2009, or the first day of the first full payroll period commencing after final enactment.

HF723/SF191*/CH169

SAFETY

Alert notification assurance

Just like those with sight, visually impaired people deserve to know what is happening in their neighborhood.

A new law, taking effect Aug. 1, 2009, requires law enforcement agencies that issue crime alerts to put them in a format that "a disabled person can access with commercially available text-based screen reader software." Richfield resident Clarence Schadeegg brought forth the idea for the law. He said an alert formatted as a Word document would suffice.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Ken Kelash (DFL-Mpls), the law also classifies as private the names and contact information of citizens requesting a crime alert.

HF254/SF265*/CH22

Ignition pilot program extension

Expansion and extension of an ignition interlock pilot project that helps repeat DWI offenders get their driver's license back earlier received gubernatorial approval.

Beltrami and Hennepin counties were participants in a pilot project scheduled to end on June 30, 2009.

Under the voluntary program, an ignition interlock device is installed on a vehicle and hooked up to its starter system. Before starting the vehicle, an offender must blow into a breathalyzer tube. If the device detects alcohol, the vehicle won't start.

"There's been a lot of success and we'd like to expand it," said Rep. Joe Mullery (DFL-Mpls), who sponsors the law with Sen. Ron Latz (DFL-St. Louis Park). The law takes effect Aug. 1, 2009.

According to Jean Ryan, the impaired driving coordinator with the Public Safety Department's Office of Traffic Safety, there have been about 75 participants in Hennepin County and three in Beltrami County.

"It's been extremely effective. There haven't been a lot of people trying to start their vehicle with the device after they've been drinking," she said. "For those people that have jobs and they want to get a limited license to get to and from their job, it does provide that opportunity for them to get a limited license. But it still instills public safety on roadways."

The participant pays a monthly fee of about \$70 for the device, but supporters hope that cost will decrease if demand increases.

It is up to probation agencies to decide if they are willing to monitor the device if a person chooses to use the ignition interlock. "The probation officer in charge of the program in Hennepin County said they saved an awful lot of money by doing this," Mullery said.

HF525/SF462*/CH29

'Brandon's Law' is now law

A new law is designed to help find missing and endangered adults more quickly.

Sponsored by House Minority Leader Marty Seifert (R-Marshall) and Sen. Dennis Frederickson (R-New Ulm), "Brandon's Law" expands the state's missing children's law to include adults who go missing under dangerous circumstances. It takes effect July 1, 2009.

The law is named after Brandon Swanson, whose car got stuck in a ditch near Taunton along the Lincoln and Lyon county line in southwest Minnesota on May 14, 2008. As his parents were on their way to help, the cell phone connection went dead at 3:10 a.m. He hasn't been heard from since.

Brandon's parents, Brian and Annette Swanson, and his sister, Jamine, were in attendance during the governor's signing ceremony.

The law will require law enforcement to take a missing persons report without delay after notification of any missing person no matter the person's age; immediately conduct a preliminary investigation to determine if the person is missing, and whether the person is endangered; and promptly notify all other law enforcement agencies of the situation. It clarifies that the agency taking the report be the lead agency in the investigation.

Law enforcement will be required to seek additional information — including DNA samples, dental records, X-rays, photographs and fingerprints — if the missing person is not found within 30 days.

A working group will be convened to create a standardized form for law enforcement to use when taking a missing persons report, and to develop "a model policy that incorporates standard processes, procedures, and information to be provided to interested persons regarding developments in a missing person case." Its work is to be complete by Sept. 1, 2009.

The Jon Francis Foundation has agreed to pay the approximate \$10,000 cost for the working group. Francis, a 24-year-old Stillwater native, was missing for more than a year in Idaho's Sawtooth Mountains before his remains were found on July 24, 2007. The parents of Jon Francis, David and Linda Francis, were also at the signing ceremony.

HF1242*/SF1146/CH38

Isolation and quarantine

How the state will dispense vaccinations or prescription drugs to the general public in case of an emergency is defined in a new law.

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Yvonne Pretzner Solon

(DFL-Duluth), the law creates three dispensing methods: a designated representative of a household can pick up prescription drugs or vaccines for that household; postal carriers can deliver drugs to households; and it will create a closed point of dispensing in which a business, church or other organization will be a center for dispensing drugs to a limited number of people. A closed point will not be open to the public.

The law removes a sunset provision on a peace officer's authority to use force if a person resists isolation and quarantine required by a court order.

The health commissioner is authorized to purchase vaccines, antitoxins, serums, immunizing agents, antibiotics, antivirals, antidotes, other pharmaceutical agents and medical supplies. The commissioner can also request Minnesota Responds Medical Reserve Corps health volunteers to help in case of emergency.

The law is effective May 8, 2009.

HF1554/SF1462*/CH41

Policy provisions passed

Predatory offenders will be unable to use electronic devices as a means to sexually solicit children, and a person required to register as a predatory offender will be prohibited from accessing social networking Web sites, instant messaging and chat room programs.

These are two provisions of the omnibus public safety policy law, which takes effect Aug. 1, 2009, unless otherwise noted.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul), the law also permits tougher sentencing, allows GPS placement on a windshield and addresses employment issues related to an applicant's criminal background.

HF1301*/SF993/CH59

Predatory offenders

The law aims to proactively protect children and Minnesotans from sexual predators.

It expands the computer solicitation of children crime to include all electronic communication systems, including texting and cell phone video. (Art. 1, Sec. 6)

Effective Aug. 1, 2010, it prohibits registered predatory offenders who are on intensive supervised release from accessing or using instant messaging, chat rooms or social networking Web sites that permit minors to participate. However, an intensive supervise release agent can modify the prohibition under certain circumstances. Such offenders would also be subject to unannounced searches of their computer or other electronic device with

Internet capability. (Art. 1, Sec. 2)

The definition of sexual contact applicable to second- and fourth-degree criminal sexual conduct is amended to include "the intentional touching with seminal fluid or sperm by the actor of the complainant's body or the clothing covering the complainant's body." (Art. 1, Sec. 5)

By Oct. 1, 2010, the Corrections and Public Safety departments are to prepare training materials on the dangers of predatory offenders for persons who care for children and vulnerable adults. Materials must include a listing of dangers that predatory offenders pose to children and vulnerable adults, predator offender registration requirements and predatory offender community notice requirements. (Art. 1, Sec. 4)

A provision amended onto the House bill by Rep. Tom Emmer (R-Delano) that certain predatory offenders shall receive lime green license plates failed to make the final product.

Crime victims

A prosecutor must now provide victims of domestic assault and harassment with information on civil protection orders. The law adds victims of criminal sexual conduct to that statute.

The law also increases from 12 to 24 hours the time an officer may arrest a person who the officer has probable cause to believe committed domestic abuse. An arrest can be made even if the officer did not witness the act.

Both provisions are effective July 1, 2009. (Art. 2, Secs. 1, 3)

Judicial districts are permitted to establish a domestic fatality review team "to assess domestic violence deaths in order to develop recommendations for policies and protocols for community prevention and intervention initiatives to reduce and eliminate the incidence of domestic violence and resulting fatalities." Each team must annually report recommendations to the Legislature without reference to specific cases.

Among changes that have been implemented since a pilot project began in August 2000 in the Fourth Judicial District is the establishment of a domestic court calendar in the district. A pilot project is also underway at one Minneapolis Police Department precinct that enhances investigation techniques. The law continues to allow the team access to non-public data, something essential to its work. (Art. 2, Sec. 2)

The statute of limitations for criminal sexual conduct involving a child victim is clarified so that it expires the later of nine years after the offense is committed or three

years after the crime was reported to law enforcement. (Art. 5, Sec. 20)

Courts and public defenders

A state policy is set forth to eliminate racial, gender and ethnic fairness barriers in the courts. Rep. Joe Mullery (DFL-Mpls), who sponsored this as HF1224, said the language came from the Department of Public Safety, and without it, the state could risk losing federal funds. (Art. 3, Sec. 1)

A court is permitted to order a sentence beyond what is specified in the sentencing guidelines grid based on an aggravating factor arising from the same course of conduct. (Art. 5, Sec. 8)

A pilot diversion program for those charged with driving after suspension or revocation, but have not yet entered a plea is allowed for in the law. It is directed at people who want to get valid, but for various reasons, such as limited finances, are unable to do so.

In exchange for a diversion driver's license, participants will need to maintain insurance, make regular payments toward the outstanding fines and complete a class that teaches life and financial management skills. Offenders will pay for program costs, which can be done in installments.

Duluth, St. Paul, South St. Paul, West St. Paul and Inver Grove Heights are eligible to take part in the pilot program; however, the public safety commissioner may permit other cities to establish a program. A report is due the Legislature by Feb. 1, 2011, with the program ending June 30, 2011. (Art. 3, Sec. 4)

Other court provisions include:

- elimination of a requirement that Hennepin County District Court establish and maintain misdemeanor violations bureaus in specific locations. The court now has locations in downtown Minneapolis, Brooklyn Center, Edina and Minnetonka (Art. 3, Sec. 2);
- a statewide expansion of a program in the second and fourth judicial districts that allows the authority to appoint a referee to act in conciliation court (Art. 3, Sec. 3); and
- creation of a working group to review changes to the state's laws and policies on DWI offenders (Art. 5, Sec. 23).

Corrections and sentencing guidelines

State law is changed to address the detention and release of probationers, conditional releases and pretrial releases so that orders to detain or release someone extend to any peace or probation officer in the state, not just the county of issuance. (Art. 4, Secs. 1-3, 5)

Current law requires that juveniles who

escape from the Red Wing correctional facility while on furlough status or other corrections supervision have gross misdemeanor warrants issued for their arrest. The law is updated to allow a peace officer to make a warrantless arrest of a juvenile who escapes from correction's custody. (Art. 4, Sec. 7)

A chief executive officer of a correctional facility is permitted, effective July 1, 2009, to forward surcharges collected from inmates to court administrators or other entity collecting a court-imposed surcharge. (Art. 4, Sec. 4)

Effective July 1, 2009, correctional officers who are subject to an agreement, merger or consolidation of correctional facilities must receive credit for accumulated vacation and sick leave time. Additionally, if a correctional officer becomes employed by a new entity because of the agreement, merger or consolidation the officer is "considered to have begun employment with the new entity on the first day of employment with the governmental unit employing the correctional officer immediately preceding the creation of the new entity." (Art. 4, Sec. 5)

A study on evidence-based practices in probation — including recommended solutions to identified barriers — is due to the Legislature by Jan. 15, 2011. This is effective July 1, 2009. (Art. 4, Sec. 8)

A stipulation that would further ensure correctional officer safety did not make the final law because of a perceived fiscal cost. Sponsored by Rep. Steve Smith (R-Mound), HF1039 would further clarify a 1997 state law that an inmate who assaults a correctional officer must serve their sentence consecutively, not concurrently. However, some judges have not interpreted it properly.

Public safety

GPS systems can be mounted or located near the bottommost portion of a vehicle's windshield. The only devices currently allowed on the windshield are sun visors, rearview mirrors and electronic toll devices. (Art. 5, Sec. 5)

A business that sells over-the-counter methamphetamine precursor drugs is required, under the law, to retain a sales log for three years and make it available for inspection by law enforcement at all reasonable times. (Art. 5, Sec. 3)

The Board of Pharmacy must submit an annual legislative report about changes it made to the controlled substance schedules maintained in rules by the board. (Art. 5, Secs. 4, 22)

Commercial retailers are prohibited from selling a toy designed primarily for children under age 12 that has been recalled for safety reasons. The law clarifies that "recalled" does

not include corrective actions that involve safety alerts, parts replacement or consumer repairs. (Art. 5, Sec. 10)

The state's trespass law is amended to include entering any public or private area lawfully cordoned off by a peace officer. The authority responsible for cordoning off an area must identify itself. An affirmative defense is provided. (Art. 5, Sec. 15)

The Statewide Radio Board is designated as the state interoperability executive committee. Among its role, the board must develop a statewide plan for local and private public safety communication that integrates with the state's emergency operation plan and promote coordination and cooperation among public safety agencies. (Art. 5, Secs. 12-13)

The crime of unauthorized law enforcement practices is expanded to include cases where a peace officer knowingly allows a non-peace officer to represent himself or herself as one, or to perform acts reserved for peace officers. A first-time violation is a misdemeanor, with subsequent infractions gross misdemeanors. (Art. 5, Sec. 19)

Employment

Public employers cannot consider an applicant's criminal background history prior to an interview. This does not apply to the Corrections Department or to "public employers who have a statutory duty to conduct a criminal background check or otherwise take into consideration a potential employee's criminal history during the hiring process." (Art. 5, Sec. 11)

The admissibility of information regarding the criminal history of an employee or former employee in civil actions against a former employer based on employee conduct is limited.

A criminal history record cannot be introduced if:

- position duties did not "expose others to a greater degree of risk than that created by the employee or former employee interacting with the public outside of the duties of the position or that might be created by being employed in general";
- a court sealed record of the case or a pardon was received by the employee before "occurrence of the act giving rise to the action"; or
- the record is for an arrest or charge where no conviction resulted. (Art. 5, Sec. 6)

The Minnesota Racing Commission can issue a license to an applicant otherwise disqualified based on a prior felony conviction for an occupation not involving gaming operations, security, surveillance or the handling of pari-mutuel or club card revenues if the applicant has not been convicted of a

crime involving fraud or misrepresentation within the past decade and has never been convicted of a gambling-related offense. (Art. 5, Sec. 7)

Effective July 1, 2009, employees of merging local public safety organizations must be credited with their accumulated sick and vacation time. (Art. 5, Sec. 14)

The commissioner of administration, University of Minnesota, Minnesota State Colleges and Universities system and cities are authorized to adopt policies "that address the goal of improving employment for local residents or former criminal offenders." (Art. 5, Sec. 24)

Other provisions

- the Minnesota Financial Crimes Oversight Council is reorganized and turned into an advisory board. Its membership is changed and duties of the oversight council are shifted to the public safety commissioner with advice from the board (Art. 5, Secs. 9, 21);
- technical changes are made to the POST Board to reflect languages and standards in board rules, obsolete references are deleted and a reference to schools that offer a professional peace officer program is updated (Art. 5, Secs. 16-18); and
- the law reflects in statute organizational changes at the Bureau of Criminal Apprehension to reflect the name of a new organization within the bureau. The two information service divisions — the CriM-Net Program Office and Criminal Justice Information Systems — merged to create the MN Justice Information Services. The duties of the Criminal and Juvenile Justice Information Policy Group are also amended to include responsibility for the integration of statewide criminal justice information. (Art. 6, Secs. 1-25)

Primarily rural for medical

A technical clarification for what constitutes a rural area in emergency medical variances is included in a new law.

Sponsored by Rep. Dave Olin (DFL-Thief River Falls) and Sen. Gary Kubly (DFL-Granite Falls), the new law adds "primarily" to help define rural service areas. It takes effect Aug. 1, 2009.

Olin said that the city of Cannon Falls applied for an ambulance hardship variance, but was declined because its area overlaps into the metropolitan counties even though its area is primarily rural. The technical change would help similar cities when applying for variances, he said.

HF842/SF675*/CH70

No laser pointing at planes

Knowingly pointing a laser at an aircraft could result in a jail sentence.

A new law makes the action a gross misdemeanor in Minnesota, punishable by up to a year in jail and a \$3,000 fine. It takes effect Aug. 1, 2009.

Federal law is designed to secure larger air carriers, leaving a loophole and forcing states or local municipalities to prohibit discharging a laser into the cockpit of an aircraft.

Jim Englin, a state patrol pilot, told at least two House committees that patrol pilots suffered three laser illumination events in 2008. Arrests were made in two cases, but charges were never brought forth.

When the laser hits an aircraft windshield, it turns the plexiglass opaque, blinding the pilot. Englin said it is like a bright flash bulb going off directly in your eyes.

Lasers that run on AAA batteries can be purchased at many office supply stores or big box retailers. Some have a range of up to 10 miles.

The law exempts search and rescue situations when the person on the ground is indicating their location.

Rep. Rick Hansen (DFL-South St. Paul) and Senate President James Metzen (DFL-South St. Paul) sponsor the law.

HF1097/SF1408*/CH73

Transport time

Sponsored by Rep. Diane Loeffler (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), a new law states that if a trauma hospital is not within a 30-minute driving distance, the patient must be taken to the nearest hospital.

In cases where the trauma patient's breathing is not impaired, the ambulance must transport a patient to a Level I or II trauma hospital within 30 minutes transport time, or the nearest hospital if a trauma hospital is not within the time frame. An ambulance service medical director can require, however, a person be sent to a higher-designated trauma hospital. This portion of the law is effective July 1, 2010.

Under current law, a Level II trauma center can't be bypassed for a Level I, even if it's closer. The change allows flexibility in determining which care is more appropriate.

The law also requires that the health commissioner, in consultation with the Emergency Medical Services Regulatory Board, emergency medical services and trauma hospitals, to provide quarterly updates to each regional trauma advisory council regarding major trauma scene ambulance transports. This portion is effective Aug. 1, 2009.

HF1293/SF1217*/CH74

Restraint required for young riders

Effective July 1, 2009, youth in a motor vehicle must be in a child passenger restraint system until their eighth birthday or they reach 4 feet 9 inches tall.

Rep. Melissa Hortman (DFL-Brooklyn Park), who sponsors the law with Sen. Jim Carlson (DFL-Eagan), said that an improperly fitted adult safety belt could cause the lap belt to ride up over the stomach and the shoulder belt to cut across the neck. If the shoulder strap is uncomfortable, children often place it behind their back, further defeating the safety benefits of the system. A backless booster seat, which raises a child so the belt properly goes across the shoulders and hips, costs less than \$20.

Violation of the law will be a petty misdemeanor, with the driver fined up to \$50. However, the fine will be waived if within 14 days the operator proves he or she has purchased a system for use. A peace officer is permitted to provide information to a violator on obtaining a free or low-cost child passenger restraint system.

Because of the new law, the state will become eligible for federal funds through the National Highway Traffic Safety Administration, which awards incentive funds to states that enact a qualifying child restraint law.

HF267/SF99*/CH82

Public safety, courts and corrections funding

A strategic approach to preserving public safety still means a \$61 million cut in public safety and courts funding.

Gov. Tim Pawlenty is OK with that.

A new law, effective July 1, 2009, unless otherwise noted, contains reforms for the court system and Corrections and Public Safety departments.

Rep. Michael Paymar (DFL-St. Paul) and Sen. Linda Higgins (DFL-Mpls) sponsor the \$2.02 billion law, including \$1.81 billion allocated from the General Fund, to cover corrections, courts, human rights, victim services and public safety and other programming.

HF1657/SF802*/CH83

Corrections

Unlike most state agencies and departments that face a biennial funding decrease, the Corrections Department will receive a \$3.6 million base bump to \$941.94 million. The department is also to receive federal stimulus dollars.

To help with department efficiencies, the law requires at least a 1 percent per diem decrease, or 89 cents per day per prisoner.

Additional per diem savings must be put toward treatment beds. If this cannot be achieved the difference is to be cut from the department's operations support division. A list is included of potential ways the department can cut costs. The law requires a 20 percent reduction in the department's car fleet — more than 750 now — by Jan. 1, 2010.

The department must report to the Legislature by Dec. 15, 2009, on alternative chemical dependency treatment options; inmate education, chemical dependency or reentry programs cannot be cut to achieve budget savings; and the department must consider bed impact savings of drug courts in formulating prison bed projections.

Nearly \$633.4 million from the General Fund will go toward correctional institutions, but coupled with \$38 million in federal stimulus dollars and \$1.16 million in special revenue funds, equals \$672.54 million in spending.

All Challenge Incarceration Program beds must be filled, and the department is required to put an eligible offender's name on a waiting list and to offer the person a chance to participate when space becomes available if there was insufficient space when the person originally became eligible. The list of those ineligible to participate is expanded, and the law requires program offenders to be confined at either the Togo or Moose Lake/Willow River correctional facilities. (Art. 1, Sec. 14 and Art. 3, Secs. 13-14)

An annual transfer of \$1 million from MINNCOR to the General Fund is required in the law. MINNCOR operates two types of inmate work programs: industries that sell products to state agencies, local governments and others; and it contracts with private businesses to use inmates and prison space to assemble or manufacture products they sell. MINNCOR employed 16 percent of the inmate population in fiscal year 2008. (Art. 1, Sec. 14)

Effective May 16, 2009, a 15-member task force is established "to advise the governor and the legislature on management and operations strategies that will improve efficiencies in corrections and reduce the inmate per diem for the Department of Corrections." A report is due the governor and Legislature by Feb. 15, 2010. The task force expires June 30, 2010. Public members will serve without compensation or expense reimbursement. (Art. 3, Sec. 23)

The short-term offender program that allows offenders with less than six months remaining on their sentence to serve that time in a local jail is eliminated, effective for those sentenced on or after July 1, 2009, meaning

no state inmates should be in local facilities after Dec. 31, 2009. The problem was that state funding was not close to county costs, thereby putting the onus on local taxpayers. The law "does not preclude the commissioner from contracting with local jails to house offenders committed to the custody of the commissioner." (Art. 1, Sec. 14 and Art. 3, Secs. 19, 24)

The Sentencing Guidelines Commission is to receive nearly \$1.21 million in biennial funding, a \$10,000 biennial reduction. The commission is prohibited from spending money for unnecessary motor vehicle purchases and out-of-state travel. (Art. 1, Sec. 15)

Any criminal justice agency reports due the Legislature must be done electronically. An agency must also submit an electronic copy to the state library and the Minnesota Historical Society. The Legislative Reference Library shall receive one electronic and one paper copy. (Art. 3, Sec. 2)

A legislative report is due Aug. 31 of each odd-numbered year on performance measures and targets the Corrections Department will include in its biennial performance report. This must "include a budget target for the next two years and a history of the department's performance for the previous five years." Issues to be address include per diem costs for adult offenders, staffing and salaries, recidivism and implementation and use of best practices. (Art. 3, Sec. 6)

A felony DWI report is due the Legislature by each Jan. 15. It must include offender demographics, those sentenced to prison time, those who complete treatment in prison and treatment costs for offenders incarcerated under felony sentence provisions. (Art. 3, Sec. 12)

The law addresses recommendations in a February 2009 report by the Office of the Legislative Auditor about MINNCOR, including a requirement that MINNCOR's marketing plan address attracting business from state and local government agencies; full cost for inmate wages be included in its annual financial statements; and prohibiting MINNCOR from working on projects until a contract or purchase order has been signed and from continuing work after a contract or purchase order has expired. A report on the marketing plan is required to the Legislature by Sept. 15, 2009. (Art. 3, Secs. 7-10, 20)

A 90-day incarceration cap will be placed on a first-time supervised release violator following a revocation of supervised release. This is effective May 16, 2009. (Art. 3, Sec. 15)

Counties can develop a pilot project to house offenders facing probation revocation I county jails and workhouses or other secure facilities, rather than sending them to prison

for execution of their sentences. Among issues to be addressed are offender programming, medical care, transportation to and from the facility and intended pilot program outcomes. Any county developing a program must report electronically to the Legislature by Dec. 1, 2009. (Art. 3, Sec. 22)

Courts

After lawmakers heard about potentially reducing services and hours or not charging some criminal activity, the law provides the courts an overall biennial funding decrease of less than 1 percent.

The Supreme Court is to receive \$86.95 million, a \$1.03 million reduction from the 2008-2009 biennium. The court is to continue its criminal justice forum and convene a civil justice forum. In each case, a report is requested from the Legislature by Feb. 15, 2010, regarding efficiencies and cost savings. The court must also apply for all federal stimulus fund grants to continue drug court programs, make technology improvements and it shall not certify a judicial or referee vacancy "until it has examined alternative options, such as temporarily suspending certification of the vacant position or assigning a retired judge to fill the position." (Art. 1, Sec. 3)

Other court biennial spending includes:

- \$500.23 million for district courts, a \$4 million biennial decrease (Art. 1, Sec. 5);
- \$132.06 million for the Board of Public Defense, a \$4 million biennial decrease (Art. 1, Sec. 9);
- \$20.57 million for the Court of Appeals, a \$170,000 biennial decrease (Art. 1, Sec. 4);
- \$1.64 million for the tax court, a \$14,000 biennial decrease (Art. 1, Sec. 6);
- \$912,000 for the Board of Judicial Standards, a \$8,000 biennial decrease (Art. 1, Sec. 8); and
- \$102,000 for the Uniform Laws Commission, a \$2,000 biennial decrease (Art. 1, Sec. 7).

Some of the funding decrease is to be offset by \$38.93 million in fee increases and \$7.82 million in revenue adjustments:

- initial filing fee in a district court civil action (\$240 to \$310);
- initial filing fee in a marriage dissolution action (\$270 to \$340);
- jury demand fee (\$75 to \$100);
- motion fees (\$55 to \$100);
- certified and uncertified copies of any document from a criminal proceeding (\$10/\$5 to \$14/\$8);
- subpoena issuance (\$12 to \$16);
- issuing an execution or writ (\$40 to \$55);
- issuing or docketing a judgment (\$30 to \$40);

- filing an account in a trusteeship (\$40 to \$55);
- depositing a will (\$20 to \$27);
- filing fee in conciliation court (\$50 to \$65);
- filing fee for an appeal (\$500 to \$550); and
- surcharge attached to parking violations (\$4 to \$12).

It also clarifies that a criminal and traffic surcharge can only be imposed once per case, even if the defendant is convicted of more than one offense. (Art. 2, Secs. 21-25)

The public defender representation co-pay is increased from \$28 to \$75. However, it can be waived by the court. (Art. 2, Sec. 47)

A public defender fee of no more than \$75 or less than the civil legal services fee established in 1997 is to be assessed on all licensed attorneys actively engaged in law practice. The money will be used to help fund public defenders. Minnesota's current \$217 registration fee is 15th-lowest in the country. (Art. 2, Sec. 49)

Effective Aug. 1, 2009, the annual interest rate on a judgment award of more than \$50,000 will be 10 percent. An award of \$50,000 or less remains at the current level of based on federal yield rates or 4 percent, whichever is greater. (Art. 2, Sec. 35)

All fines, installment payments and forfeited bail money collected from persons convicted of water safety violations and watercraft laws shall be split between the General Fund and the Department of Natural Resources' water recreation account for boat and water safety purposes. Previously, the General Fund money went to the county where the infraction occurred. (Art. 2, Sec. 5)

A law library fee can only be applied once per case. (Art. 2, Secs. 6-7)

The 90-day deadline in which the Supreme Court must certify a judicial or referee vacancy to the governor is removed in the law; outdated language relating to the pay rate for retired justices assigned to hear cases is deleted; and the law clarifies that the chief justice of the Supreme Court is to determine pay and expenses received by a retired judge or justice acting as a judge on any court. (Art. 2, Secs. 1-4)

Effective May 16, 2009, referees are permitted to preside over conciliation courts throughout Minnesota. Previous law required judges to preside in such cases, except in Hennepin and Ramsey counties. Supporters said this is a money-saving idea and that there have been few, if any, problems where this has occurred. (Art. 2, Sec. 33)

Instead of applying to the court, a judgment creditor's attorney can order disclosure of assets for judgment enforcement in conciliation and district court matters. (Art.

2, Secs. 32, 36)

The judicial branch is given authority to establish uniform court debt collection policies and procedures. A court is required to pay for collection services, but can add those collection costs to the debt, including credit bureau reporting charges, skip tracing fees and other fees assessed by a public entity for necessary information. (Art. 2, Sec. 28)

A court can no longer impose imprisonment or extend probation for fine nonpayment, but it can refer unpaid fines, court surcharges, restitution or fees to a collection process. If a defendant has agreed to a payment plan but fails to pay an installment due the entire remaining amount becomes due. (Art. 2, Secs. 39, 42-43, 46, 50)

It results in no changes to current penalties, but the crime of possessing methamphetamine precursors with the intent to manufacture methamphetamine is restructured to allow tracking of first and subsequent offense penalties. Under the law, a first offender could be sentenced up to 10 years in prison and fined \$20,000, and a subsequent conviction could result in a \$30,000 fine and 15 years imprisonment. (Art. 2, Secs. 8, 50)

The state's DWI law is restructured to track offenses based on the type of vehicle involved: motor vehicle, motorboat, snowmobile, all-terrain vehicle and off-road vehicles. It does not substantially change current elements or penalties. (Art. 2, Secs. 9-16, 18-19, 37)

A restorative justice alternative disposition is created for certain juvenile petty offenders. Restorative justice programs let an offender, victim and affected community members be directly involved in responding to the crime.

It can only occur in jurisdictions where suitable provider programs, providers and space are available, and if a prosecutor determines restorative justice is appropriate in a case. "The program or provider and child, along with other participants, shall agree in writing to an appropriate sanction for the child," according to the law. Charges will be dismissed if the sanctions are completed; failure to comply will result in a return to court. (Art. 2, Sec. 38)

Currently, a court must impose at least 30 percent of the maximum controlled substance crime fine authorized by law. Seventy percent of the mandated fine is then forwarded to a local drug abuse prevention program, such as DARE or a similar education program, and the remainder to the General Fund. This law adds juvenile drug court programs as one of the programs eligible to receive the minimum fine proceeds. (Art. 2, Sec. 40)

The fifth-degree controlled substance crime is amended with technical and substantive

changes. In addition to moving penalty provisions to statutes addressing possession and sale, the mandatory minimum sentence for repeat offenders becomes waivable. This will allow a court to sentence someone to less than minimum standards if the court finds substantial and compelling evidence to do so. (Art. 3, Secs. 3-4, 24)

Public safety

The biennial appropriation for the Department of Public Safety is \$321.12 million, of which \$160.93 million is from the General Fund, \$136.9 million is from state government special revenue, \$19.26 million is from special revenue funds, \$3.88 million is in trunk highway funding and \$138,000 is environmental funds.

In a pair of cost-saving measures, the department is to reduce its vehicle fleet by 5 percent by Jan. 1, 2010, compared to one year prior. This does not apply to state patrol vehicles purchased or maintained with trunk highway funds. Additionally, no out-of-state travel is permitted "that is not directly connected with and necessary to carry out the core functions of the department."

Included in the department's total is \$86.74 million for the Bureau of Criminal Apprehension, with funding for DWI lab analysis transferred from the General Fund to the Trunk Highway Fund.

The Office of Justice Programs is to receive \$71.19 million. It must give priority to awarding federal stimulus money grants to the following programs: mentoring grants for children of incarcerated parents; youth intervention programs; the Network of Better Futures; trafficking victim programs; nonprofit organizations providing resources to families of persons who have died traumatically; juvenile detention alternatives; restorative justice programs; and judicial branch efficiency programs.

The law further states that the following victims' services programs cannot be reduced by more than 3 percent of their fiscal year 2009 funding: crime victim reparations, battered women shelters and domestic violence programs, general crime victim programs, sexual assault victim programs and youth intervention programs. (Art. 1, Sec. 10)

The Peace Officers Standards and Training Board is to receive \$8.02 million in the biennium, of which \$5.72 million is for reimbursements to local governments for peace officer training costs. The board is losing \$600,000 in grants from a special revenue fund and \$32,000 for central office activity. (Art. 1, Sec. 11)

The Department of Human Rights is to receive nearly \$7.05 million in biennial

funding, a \$120,000 decrease; and the Private Detective Board is to receive \$246,000 for the biennium, an \$18,000 decline. (Art. 1, Secs. 12-13)

The POST Board, Private Detective Board and Human Rights Department are prohibited from making unnecessary motor vehicle purchases or out-of-state travel.

Discretionary language regarding the Public Safety Department's submission of a performance report to the Legislature is removed. (Art. 3, Sec. 16)

Effective June 1, 2009, a legislative report is due Aug. 1 of each odd-numbered year on performance measures and agency goals the Public Safety Department will include in its biennial performance report. Issues to be addressed include staffing and salaries, caseloads and responsibilities of BCA agents, receipt and expenditure of federal grant funds and assistance provided to crime victims. (Art. 3, Sec. 17)

Fallen Firefighters Memorial Day

Firefighters who have lost their lives in the line of duty now have their own day of remembrance in Minnesota.

A new law designates the first Sunday in October as Fallen Firefighters Memorial Day. On that day, each U.S. and Minnesota flag on the Capitol grounds will be flown at half-staff.

According to the Minnesota Fallen Firefighters Memorial Association, there have been 197 line-of-duty firefighter deaths in Minnesota, with the first being recorded in 1881 in Minneapolis, and the most recent in 2008 in Pine City.

Rep. Mike Obermueller (DFL-Eagan) and Sen. Jim Carlson (DFL-Eagan) sponsor the law, which takes effect Aug. 1, 2009.

HF422/SF237*/CH87

Saying no to REAL ID

Saying no to REAL ID

Civil liberties and privacy issues versus national security and federal accessibility are at the heart of a new law, the provisions of which were vetoed 12 months earlier.

Effective May 16, 2009, the law prevents the Department of Public Safety from taking any steps to implement or plan for implementation of the federal REAL ID Act of 2005. Rep. Carlos Mariani (DFL-St. Paul) and Sen. Warren Limmer (R-Maple Grove) sponsor the law.

A recommendation by the 9/11 Commission, the federal act's goal is to create uniform standards for documents such as driver's licenses and state identification cards, making them harder to forge and thereby reducing

identity fraud and tightening immigration standards.

States have called the act an unfunded mandate, and supporters have questioned the security associated with the plan and have concerns with data privacy issues.

Residents of states that do not adopt the federal standards by the end of this year would not be able to use their license or identification cards for federal purposes, such as boarding commercial aircraft or entering a federal building. However, supporters say this is unconstitutional. Mariani said 12 other states have passed similar laws, and that the federal government may be backing off on some requirements.

In an effort to compromise after vetoing the 2008 bill, Gov. Tim Pawlenty issued an executive order that would prevent state compliance before June 1, 2009, unless legislative approval is first given. He hoped the time would allow all sides to reach a compromise on issues such as federal funding, privacy and state control.

HF988*/SF738/CH92

Safe at Home is more secure

A program that keeps abuse victims safe will make them even safer.

Safe at Home, an address confidentiality program administered by the Office of the Secretary of State, provides extra security for approximately 226 participants. It provides a mail forwarding service, whereby participants receive a mailing address to use and their correspondence is forwarded to their actual mailing address, which is not disclosed.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Mee Moua (DFL-St. Paul), a new law, effective May 20, 2009, states that sex offenders cannot be in the program, and it supersedes local ordinances that require a person to post their name outside of an apartment building where they reside. In some buildings, a listing in the entryway contains each tenant's name and apartment number.

According to its Web site, "The intent of Safe at Home is to allow its participants to go about their lives, interacting with public and private entities, without leaving traces of where they really live in an attempt to keep their abuser from locating them."

HF1677*/SF1452/CH105

Bus crash reporting requirements

It is hoped a new law will never be used.

Sponsored by Rep. Terry Morrow (DFL-St. Peter) and Sen. Rick Olseen (DFL-Harris), the law expands a peace officer's school bus accident reporting requirements.

Effective Aug. 1, 2009, a peace officer responding to an accident involving a school bus must report the accident to the state patrol if there is a fatality, there is bodily injury to a person who requires immediate medical attention or a vehicle involved suffers disabling damage.

In addition to conforming state school bus crash inspection statutes to federal law, the law simplifies reporting requirements because the state has two standards, one for commercial vehicles and one for school bus inspections.

By aligning the two to treat all large-vehicle crashes the same, Morrow said state patrol inspections will be more efficient, and the state will comply with the definition of a reportable crash under the Federal Motor Carrier Safety Administration so that accurate reporting of trend data involving school bus crashes will occur. School bus operators testified in support of the law.

HF668*/SF782/CH113

Educator background checks clarified

The Board of Teaching is directed to disclose to school boards or administrators all public information included in a teacher's disciplinary record, if one exists, and requires those hiring to ask for that information.

A new law requires candidates for a teaching position to include in their employment application any history of disciplinary actions by the board, or any similar disciplinary history from other states. Those hiring must ask the candidates for that information.

The board must release public data about the disciplinary action. This could include sexual misconduct or attempted sexual misconduct, or other forms of misconduct. It excludes failure to pay court-ordered child support, spousal support, delinquent state taxes or information that is reported to the Board of Teaching but does not reflect any board disciplinary action taken against a teacher's license.

Prospective teachers will also undergo a criminal history background check.

The law, sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Kathy Saltzman (DFL-Woodbury), is effective May 20, 2009.

HF523*/SF402/CH115

Mental health 911 assistance

When someone calls 911 it is usually for police, fire or ambulance service.

Beginning Aug. 1, 2009, mental health crisis teams will be added to the list of emergency 911 responders, where available.

Supporters said there is not one number to call when someone is having a mental

health crisis and is in need of help, and that mobile crisis teams can assess a situation and provide cost-effective ways to stabilize the individual, including a referral to mental health centers, clinics or crisis homes. They said a collaboration that now exists in Grand Rapids has resulted in a crisis team and police dispatched for all behavioral health emergency calls.

Rep. Joe Mullery (DFL-Mpls) and Sen. Tom Saxhaug (DFL-Grand Rapids) sponsor the law.

HF448/SF707*/CH128

Gun background check conformity

Minnesota will be in compliance with the National Instant Criminal Background Check System.

According to the Federal Bureau of Investigation, "NICS is used by Federal Firearms Licensees (FFLs) to instantly determine whether a prospective buyer is eligible to buy firearms or explosives. Before ringing up the sale, cashiers call in a check to the FBI or to other designated agencies to ensure that each customer does not have a criminal record or isn't otherwise ineligible to make a purchase. More than 100 million such checks have been made in the last decade, leading to more than 700,000 denials."

Sponsored by Rep. John Lesch (DFL-St. Paul) and Sen. Ken Kelash (DFL-Mpls), the law requires a court to ensure that information is transmitted as soon as possible to the federal system when it:

- commits a person under the civil commitment law as being mentally ill, developmentally disabled, mentally ill and dangerous or chemically dependent;
- determines in a criminal case that a person is incompetent to stand trial or not guilty by reason of mental illness; or
- restores a person's ability to possess a firearm.

This provision takes effect July 1, 2010, to give the Bureau of Criminal Apprehension time to incorporate the requirements into its computer system.

The law amends the delineation of those ineligible to possess firearms, and it allows a person to petition a court for the right to possess a firearm, if a previous judicial determination found them to be mentally ill, developmentally disabled, mentally ill and dangerous or chemically dependent. A court can consider evidence from a doctor or clinical psychologist that the person no longer suffers from the disease or it has been successfully treated for at least three years. This section is effective Aug. 1, 2009.

The federal government will make money

available for the state to input data into the system; however, it is contingent on legislative approval of program acceptance.

HF954/SF722*/CH139

Licensing full-time firefighters

Full-time firefighters hired on or after July 1, 2011, will need a license, and volunteer and on-call firefighters will have the option of getting a license by following the same requirements as full-time firefighters.

To receive a three-year license, a person must demonstrate competency in fire prevention, fire suppression and hazardous material operations. A license will be renewed without testing, provided the firefighter had at least 72 hours of training during the previous three years. The approximately 2,000 current full-time firefighters would be exempted.

To ensure there is no fiscal impact to the state, a \$75 fee is established for the original license and each renewal.

The new law calls for the Board of Firefighter Training and Education to appoint an accredited organization to prepare and administer firefighter certification examinations.

Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ann Rest (DFL-New Hope) sponsor the law.

An amendment successfully added by Rep. Larry Howes (R-Walker) provides a two-week window between Oct. 1, 2009, and Oct. 15, 2009, for people to apply for a restricted master plumber license. He said the previous window to apply for a license was limited, forcing many people to miss the application opportunity.

HF1805/SF1219*/CH153

Seatbelt use becomes mandatory

Everybody in a motor vehicle will need to buckle up or they could be paying financially.

Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Steve Murphy (DFL-Red Wing), a new law makes failure to wear a seatbelt a primary offense, thereby allowing issuance of citations solely based on a seatbelt violation. Previously, a person had to be stopped for another offense before a no-seatbelt citation could be issued.

The law, effective June 9, 2009, requires everyone in a passenger vehicle to wear a seatbelt, and extends the seatbelt law to drivers and passengers of commercial motor vehicles, type III school buses and type III Head Start buses.

A \$25 fine is to be assessed to the driver for failure to wear a seatbelt, and the driver

is subject to a \$25 fine per violation for each unbuckled passenger under age 15. Passengers age 15 and above are subject to their own fine. A violation will not appear on the person's driving record.

Supporters of the primary seatbelt law say it is about saving lives, reducing injuries and saving significant hospital costs. Norton said children in a vehicle are restrained about 90 percent of the time when a driver buckles up, compared to 25 percent when a driver does not fasten his or her seatbelt.

Opponents said the law eliminates personal choice, can increase racial profiling and gives law enforcement another reason to pull someone over.

An estimated 87 percent of Minnesotans now wear a seatbelt during daytime hours, with fewer doing so at night. Supporters think the law will increase compliance to 93 percent or 95 percent.

Norton said passage of the law puts Minnesota in line for \$3.4 million from the federal government for transportation safety programs.

The law also permits a driver to exceed the speed limit by 10 mph when passing another vehicle going the same direction on a two-lane highway with a speed limit of at least 55 mph. The provision comes from HF464/SF601, sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm).

HF108*/SF42/CH165

TAXES

Green Acres, federal conformity

Farmers with concerns about the Green Acres program had some of their concerns resolved after changes were made to a 2008 law.

A new law, with most changes effective in 2011, creates a rural preserve program, in which land can be placed if it is classified as "rural vacant land."

Rural preserve is a 10-year covenant that runs with the land, not the person. To qualify for rural preserve, a conservation plan must be written. The covenant provision will take effect in 2013, which means people have until then to make a decision on what to do with the land.

Also in the law are new federal tax conformity pieces that include most changes implemented between February 2008 and Dec. 31, 2008. Many of the federal changes adopted at the state level were effective for tax year 2008; others take effect for tax year 2009.

HF392*/SF252/CH12

Not an opportunity to print money

Out-of-state customers don't have to pay the state's business tax just because they provide paper to printing companies to print materials for them.

A new law, effective for taxable years beginning after Dec. 31, 2008, states that when an out-of-state customer provides paper or other media to a Minnesota printer for printing jobs for that same customer, doing so does not allow Minnesota to impose its corporate franchise tax on the customer. This exception does not apply if the out-of-state customer is part of the same unitary business as the printing company.

The law is sponsored by Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Tom Bakk (DFL-Cook).

HF1073/SF832*/CH14

Tax law offers help to local governments facing revenue reductions

The only comprehensive tax bill to receive gubernatorial approval this session was the omnibus public finance bill that was amended to include many noncontroversial tax provisions.

The law, with various effective dates, and sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Tom Bakk (DFL-Cook), includes provisions to conform the state to federal tax policy; help for local units of government facing cuts to their state aid; and home construction assistance for the flood-ravaged Red River Valley.

HF1298*/SF1257/CH88

Truth in Taxation

The law makes several changes to the Truth in Taxation statutes, which lay out how and when local units of government notify taxpayers regarding annual budgets and levy implications.

Effective with taxes payable in 2010, the most significant change is elimination of the separate public hearing requirement before any local government budget is formally adopted. However, the law specifies that the taxing authority must announce the place and time of the regularly scheduled meeting at which the budget and levy will be discussed and at which the public will be allowed to speak on the topic. The meeting cannot be held before 6 p.m., and budget and levy supporting information must be made available on the authority's Web site. (Art. 1, Secs. 2-4)

Local taxing authorities

The law focuses on mitigating any emergency debt situation cities and counties may face because of losing local government aid, market value homestead credit and county program aid due to unallotment.

In December 2008, cities saw their state local government aid payment cut when the governor used his unallotment authority to bring fiscal year 2009 into balance. This forced many to cut their budget during the last month of their fiscal year, leaving them few options to consider. If the governor unallots local government aid payments again, the law provides some recourse for cities by allowing them to revise levies by Jan. 15 of the year in which the levy will be paid. This provision is effective May 17, 2009. (Art. 2, Sec. 20)

Counties, cities, and towns will see temporary relief from some state maintenance of effort and matching fund requirement mandates. Maintenance of effort (MOE) is a requirement imposed on a political subdivision by state law to continue program or service money at a level based on funding in prior years. The matching fund requirement is imposed by state law for local entities to receive some state grants.

Effective May 17, 2009, changes to these two state requirements will be temporarily suspended. Any new or increased MOE or matching fund requirement enacted after Jan. 1, 2009, that will require spending by a political subdivision shall not be effective until July 1, 2011. (Art. 2, Sec. 21)

Local units of government will have more flexibility to address budget shortfalls through the use of emergency debt certificates. If during a fiscal year the receipts are expected to be reduced below the amount needed to sustain the approved budget, the governing body of the authority (such as a city council or county board) could authorize and sell certificates of indebtedness with a maturity cap of two years. (Art. 2, Sec. 38)

The law permits several cities to either expand or establish tax-increment finance zones. They include: Sauk Rapids, Minnetonka, South St. Paul, Oakdale, Arden Hills, Duluth, Mankato and St. Louis Park.

The City of Mountain Iron and Winona County are each pursuing community-based energy development projects. The law grants them the authority to form or become a member of a limited liability company for that purpose. (Art. 5, Secs. 12-21)

Miscellaneous tax provisions

Those whose homes were destroyed by floods in 2008 and decided to rebuild, will see some temporary property tax relief.

For two assessment years after construction

has begun, the law allows for abatement of the tax attributable to \$200,000 of market value or the entire market value of the structure, whichever is less.

Qualifications include that the structure be located in a county designated with a presidential declaration of disaster, and structure construction begins prior to Dec. 31, 2010. (Art. 2, Sec. 49)

The law addresses an issue that emerged as controversial during the 2009 session — defining horses as livestock. To those in the horse industry, it relates to how they are treated for tax purposes when compared to other animal producers, and whether they should qualify for tax breaks targeted toward agricultural pursuits.

The law requires the commissioner of revenue in consultation with the commissioner of agriculture to study the tax treatment of properties used for horse breeding and horse boarding, and report the findings to the Legislature by Feb. 1, 2010. (Art. 2, Sec. 46)

TRANSPORTATION

MnDOT can use federal stimulus dollars

A new law gives the Department of Transportation authority to spend federal economic stimulus dollars coming from the American Recovery and Reinvestment Act of 2009.

Effective April 2, 2009, the law creates a standing appropriation for MnDOT to spend any initial and future funds. Hundreds of millions of federal dollars are expected to be Minnesota bound for transportation purposes. The law expires June 30, 2013. MnDOT officials said the law allows them to spend stimulus money even when the Legislature is not in session. Current statute prohibits the department from spending money for trunk highways without legislative approval.

Sponsored by Rep. Bernie Lieder (DFL-Crookston) and Sen. Steve Murphy (DFL-Red Wing), the law also requires compliance with all federal requirements for the aid; orders department officials to "make every reasonable effort to seek and utilize" all funding available; permits no more than 17 percent of funds to be used for program delivery, such as engineering, right-of-way acquisition or environmental assessments; and deletes a local match requirement for any aeronautics projects. Current state law requires a 5 percent local match (from nonstate sources) for some aeronautics projects.

HF1797*/SF1511/CH9

Vets highway designated

A stretch of northern Minnesota highway will be designated to honor those that have protected America.

Effective Aug. 1, 2009, about 1.5 miles of Trunk Highway 200 from County State-Aid Highway 39 to its junction with Trunk Highway 92 at Zerkel, and about 27 miles of Trunk Highway 92 from that intersection north to County State-Aid Highway 5 in Clearbrook will be designated the "Clearwater County Veterans Memorial Highway."

The Transportation Department will design and erect appropriate signs, subject to the availability of nonstate funds to pay the costs. Rep. Brita Sailer (DFL-Park Rapids), who sponsors the law with Sen. Rod Skoe (DFL-Clearbrook), said the Bagley, Clearbrook and Gonvick American Legions have agreed to pay for the signage.

HF121/SF451*/CH18

Collecting a fuel decal fee

The Department of Public Safety will be able to collect a fuel decal fee, beginning July 1, 2009.

A new law makes conforming changes to a 2008 law related to decals issued under the International Fuel Tax Agreement, a program between the 48 contiguous states and 10 Canadian provinces bordering the United States that standardizes the reporting of fuel use taxes by motor carriers operating in more than one state or province.

Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. Jim Carlson (DFL-Eagan), the law strikes a reference to the department's authority to establish a 50-cent decal fee and requires collection of a current statutory decal fee of \$2.50 to cover administrative costs of operating the program.

Under the agreement, a state or province issues one fuel license and one set of decals for each qualified motor vehicle registered in its jurisdiction. The decal is valid for all member states and provinces. Displaying an annual fuel decal shows inspectors that those carriers are abiding by the agreement.

All money collected from the agreement goes into a central clearinghouse, where it is reconciled through the IFTA organization and appropriately redistributed based on miles. Each licensee is responsible to maintain detailed mileage and fuel records for all qualified vehicles.

HF619/SF757*/CH21

Highway name to honor Anderson

Trunk Highway 53 from Virginia to International Falls will be designated as the "Speaker Irvin N. Anderson Memorial Highway." The Department of Transportation will design and erect signs that will be paid for through nonstate funds.

First elected in 1964, Anderson spent 34 non-consecutive years in the Legislature, serving from 1964-82 and 1990 until retiring in 2006. He was House speaker from 1993-96. He passed away last November.

MnDOT is also given permission to remove a memorial highway sign if it needs maintenance and a reasonable attempt has been made to obtain necessary funds from nonstate sources for repair or replacement.

Rep. Tom Anzelc (DFL-Balsam Township) and Sen. Tom Saxhaug (DFL-Grand Rapids) sponsor the law that takes effect Aug. 1, 2009.

HF110/SF335*/CH23

Type III bus driver change

A new law corrects an unintended consequence of a 2008 law.

Sponsored by Rep. John Ward (DFL-Brainerd) and Sen. Rick Olseen (DFL-Harris), the law, effective April 24, 2009, makes various changes in the regulation of Type III drivers, including requiring a background check and annual license verification for all drivers, and clarifying that a school district employee with any class of commercial driver's license may operate a Type III vehicle.

Type III vehicles are passenger autos, vans and buses that hold no more than 10 people, and whose maximum gross weight is 10,000 pounds. They are used, for example, when a fine arts coach drives his or her team to a meet.

Last year's law required bus drivers to comply with a number of requirements, including a physical and drug test. The previous sponsors intended to exempt "temporary or incidental Type III school vehicle drivers" because driving would not be part of their "normal duties." However, the Department of Public Safety interpreted the law whereby anyone who might drive a Type III vehicle must meet the bus driver requirements. With the 2009 change, neither a physical exam nor drug and alcohol testing are required for drivers who are not hired exclusively for operating a Type III vehicle.

Proponents said that without the change, some schools might have to cut programs or have students drive themselves to games, contests or other events.

HF116/SF33*/CH24

Road turnbacks authorized

A pair of road segments previously on the state's trunk highway system will be turned over to local authorities.

Sponsored by Rep. Rob Eastlund (R-Isanti) and Sen. Rick Olseen (DFL-Harris), the law removes two short sections of road no longer needed by the state. In both cases, local authorities have agreed to take over maintenance.

The first segment, a stretch of Trunk Highway 290 south of Walker, is an access road to the former Ah-Gwah-Ching state health care facility, which closed in 2007.

The second is a stretch of Trunk Highway 293, an access road to the former Cambridge State Hospital. The 2003 Legislature authorized the sale of a large portion of the campus land to the city, which began redevelopment plans for residential and commercial use.

Provisions in the law take effect the day after the transportation commissioner receives a copy of the respective agreements with the governing body of Cambridge and the Cass County Board chair.

Each year, the department reviews the state's highway system to assure that each road still serves specific statewide purposes. As a result, the department recommends that some roads be turned back to local communities.

HF486*/SF1183/CH28

Helping transit, for now

Transit will not come to a screeching halt in some areas, road construction will not get as much state funding, but the state patrol will remain whole.

All-in-all, supporters said an omnibus transportation finance law is not a bad product in these tough economic times.

Sponsored by Rep. Bernie Lieder (DFL-Crookston) and Sen. Steve Murphy (DFL-Red Wing), the law calls for nearly \$4.29 billion worth of funding, but just \$194.27 million from the General Fund, a \$14.8 million decrease from the 2008-2009 biennium. More than \$3.9 billion comes via user-generated highway funds, including \$2.64 billion from the Trunk Highway Fund, \$1.02 billion from the County-State Aid Highway Fund and \$275.4 million from the Municipal State-Aid Street Fund. Three smaller accounts make up the remainder.

The law, which takes effect July 1, 2009, unless otherwise noted, contains no property tax increases, and a proposed taking of money designed for a gas tax credit for low-income Minnesotans is absent.

HF1309*/SF1276/CH36

Transit funding, policies

The Metropolitan Council – which operates Metro Transit – needed roughly \$76 million to meet its transit needs and Greater Minnesota transit needed \$6 million. However, no revenue source exists to help to that extent.

Working with the Metropolitan Council, Department of Transportation and the governor's office, Lieder said a "reasonable solution" was reached.

Dollars from the motor vehicle sales tax are currently split so that, in fiscal year 2012, 60 percent of revenue will go to highways, 36 percent to Metro Transit and 4 percent for Greater Minnesota Transit. None of that changes, under the law.

However, the law makes minor percentage changes in the short-term, so that Greater Minnesota Transit receives 4.75 percent of motor vehicle sales tax revenue in fiscal year 2010, before dropping back to 4 percent in future years, while metropolitan area transit gets 31.5 percent in fiscal year 2010 and 35.35 percent in fiscal year 2011. The additional funding for transit is made available by reducing the allocation to the highway user tax distribution fund (which funds state and local highways) by 4.5 percent over two fiscal years, or about \$19 million. (Art. 1, Sec. 3 and Art. 3, Sec. 19)

Murphy said it is a short-term fix to a long-term problem. "Going forward this gap that is happening there, we need to figure out how to take care of that."

Opponents said relying on these funds for future transit needs, instead of roads, should be of concern because motor vehicle sales are decreasing, meaning less sales tax revenue is coming in, while the transit needs of the state increase.

Greater Minnesota transit gets help in two other ways. First, it receives \$2.5 million to fill an immediate short-term need by shifting money from a future year to fill a fiscal year 2009 operating shortfall (with the shifted money backfilled by the increase in motor vehicle sales tax revenue). Second, state payments for operating procedures are adjusted to allow for additional flexibility so that providers with cash flow issues can receive payments earlier than under the current schedule. (Art. 1, Sec. 8 and Art. 3, Sec. 13)

The Metropolitan Council will receive a \$12.8 million General Fund base reduction; however, to help Metro Transit the agency is permitted to transfer in fiscal years 2009, 2010 and 2011 a percent of money not committed to grant or loan awards to its transit operating budget, from its tax base revitalization account, metropolitan livable communities demonstration account and right-of-way acquisition loan fund. Current

and future balances in the metropolitan livable communities fund can also be transferred. The agency is expected to receive about \$13 million in MVST acceleration. (Art. 1, Secs. 10, 11)

The law leaves Metro Transit about \$3 million short, but it presumes no price hikes or service reductions will be needed in the next year, something assured to a conference committee by the council president. A provision to prohibit fare increases through fiscal year 2011 was removed by conferees.

Free public regular route service for disabled veterans is required of the Metropolitan Council, suburban opt-outs and operators providing contracted route service. Public providers receiving aid from MnDOT must also offer free public transit for disabled veterans. (Art. 1, Sec. 4 and Art. 3, Secs. 12, 14, 20)

The law does permit the Metropolitan Council to establish a pilot program to sell half-price transit fares to eligible charitable organizations for use by homeless persons. The program takes effect Sept. 1, 2009, and terminates March 15, 2011. A program report is due the Legislature by Jan. 15, 2011. (Art. 3, Sec. 27)

In preparing bid specifications for bus purchases, the Metropolitan Council is required to ensure that the specifications conform, to the greatest extent possible, to products manufactured in Minnesota. (Art. 3, Sec. 24)

The Metropolitan Council must convey the Apple Valley Transit Station to the Minnesota Valley Transit Authority for a nominal cost to carry out the "governmental program and public purpose" for which the station was constructed. (Art. 3, Sec. 26)

Commuter and passenger rail

Effective May 8, 2009, MnDOT is provided with powers and authority related to passenger rail, including:

- responsibility for planning, designing, developing, constructing and other activities related to passenger rail, including entering into agreements with the necessary entity to carry out the activities;
- applying for funding from federal, state, regional, local and private sources;
- purchasing, receiving by gift or using eminent domain to acquire the needed property necessary to preserve future corridors or construct, maintain or improve current corridors; and
- consulting with planning organizations and regional rail authorities to ensure passenger rail service is integrated with existing rail and transit services and other transportation facilities to provide connected

and efficient services. (Art. 3, Secs. 16-18)

MnDOT is directed to forgive, or convert to grants, two loans made to the Buffalo Ridge Regional Railroad Authority approximately 20 years ago for acquisition and rehabilitation of 41.4 miles of track in Nobles and Rock counties. The loans total approximately \$2.85 million. Track owners said any profit has gone back into simply maintaining the line, and that the loan has been a hindrance to receiving federal grant money for infrastructure improvements. (Art. 1, Sec. 3)

A 2008 grant appropriation to the Northstar Corridor Development Authority to look at extending rail service from Big Lake to Rice is amended to include park-and-ride lots to the list of appropriate grant fund usage. (Art. 3, Sec. 21)

By Feb. 1, 2010, a report is due the Legislature concerning the status of passenger rail in Minnesota. The report must include a summary of current projects and recommend, among other things, a public participation process, adequate local government participation and review, future funding sources and necessary legislative changes. This is effective May 8, 2009. (Art. 3, Sec. 23)

Airport funding

A \$2.25 million increase in airport development grants is authorized for fiscal year 2010. The money comes from a balance in the State Airports Fund; it does not represent additional money for the fund. (Art. 1, Sec. 3)

The law also attempts to restore some of what was lost from the State Airports Fund in 2008 by requiring the \$15 million transferred from the fund to balance the state's budget be restored once money is available in the state's General Fund, but after four other priorities are addressed: state's cash flow account, state budget reserve, aid payment for school districts and restoration of some net aid reductions.

Three user taxes compromise the fund dollars: an aircraft fuel tax, aircraft registration tax and an airline flight property tax. (Art. 3, Sec. 1)

Roads

To address an approximately \$155 million decrease in revenues for MnDOT, the law takes \$120 million from its construction account, \$17.25 million in infrastructure operations and maintenance, \$13.58 million from infrastructure investment support, \$2.97 million from department support and \$1.19 million from department buildings. However, coupled with an increase in federal funds the net is a \$47.6 million increase for state road construction.

The department is permitted to use previous year trunk highway construction appropriations in fiscal years 2010 and 2011 if the money is used for its original purpose. Trunk highway funds cannot be used to pay personnel costs incurred on behalf of the governor's office. (Art. 1, Secs. 3, 5)

Effective May 8, 2009, MnDOT can create a grant program for rehabilitation or replacement of fracture-critical bridges on local road systems. (Art. 3, Sec. 15)

If a transportation authority determines a construction project is expected to include "substantial business impacts," a business liaison is to be appointed to work with affected businesses before and during construction "to investigate means of mitigating project impacts to businesses." (Art. 3, Sec. 2)

Effective May 8, 2009, MnDOT can authorize \$40 million in trunk highway bonds for construction of interchanges to promote economic development and a local match for federal grants to the state, split evenly between the Twin cities metropolitan area and Greater Minnesota transportation districts. (Art. 2, Secs. 1, 2)

In addition, effective May 8, 2009, a Design-Build Project Selection Council is created to select, evaluate and support local state-aid projects conducive to the use of design-build contracting method. The council will expire the earlier of Oct. 1, 2012, or upon the completion of nine design-build projects. (Art. 3, Secs. 28, 29)

An endowment account is created in the state treasury for operations and maintenance of the Stillwater lift bridge. (Art. 3, Sec. 5)

Other provisions

State patrol funding was not decreased, something insisted upon by the governor. The Office of Pupil Transportation Safety receives a \$250,000 increase for the biennium. A January 2009 legislative report said that patrol inspectors review an average of 14,000 school buses annually. (Art. 1, Sec. 5)

A state agency, public official or court is prohibited from masking, deferring imposition of judgment or allowing an individual to enter into a diversion program that would prevent a traffic control law conviction, except a parking violation, from appearing on a commercial driver's licensee's record for an offense committed in any motor vehicle or on any individual's driving record for an offense committed in a commercial motor vehicle. (Art. 3, Sec. 11)

The Metropolitan Council must provide to the Legislature by Jan. 15, 2011, a land use and planning resources report that addresses air pollution reductions, congestion mitigation and lower infrastructure maintenance costs.

Three progress reports are due before the final report. According to the law, "The report must emphasize approaches that reduce or manage travel demand through land use and access to transportation options." The council can enter into a contract up to \$375,000 with the Center for Transportation Studies at the University of Minnesota to create the report. (Art. 3, Sec. 22)

Possible lowered speed limit

Beginning Aug. 1, 2009, speed limits on some roads could drop by as much as 20 mph, and increase by 5 mph on others.

A new law will change the speed limit to 35 mph along "rural residential districts," which are city streets or town roads where visible homes are spaced 300 feet or less for a distance of at least one-quarter mile along those roads, if the new limit is adopted by the local road authority. Prior to the law change, only a town road that met the housing distance requirement could be posted down from 55 mph. The posting down was to 30 mph, as opposed to the 35 mph limit going into effect for such roads.

The change comes from a speed limit study task force formed by the Department of Transportation. It addresses areas that used to be primarily rural and are still posted at 55 mph. Because these areas are now developed, the speed is deemed to be too fast.

Sponsored by Rep. Peggy Scott (R-Andover) and Sen. Lisa Fobbe (DFL-Zimmerman), the law also narrows the definition of a "residential roadway," clarifies that an "urban district" can be on a city street or town road, and allows for a phase-in of the change on town roads that currently have a 30 mph speed limit.

HF1421/SF1467*/CH56

Housekeeping bill becomes law

A new law modifies and updates a number of Department of Transportation provisions, while providing some technical and clarifying changes.

It clarifies, but does not change, some language regarding truck size and weight regulations. A MnDOT representative previously said one of the truck weight statutes has been problematic since the 1970s. As part of the clarification, many of the truck weight requirements will be based on whether the road is paved or unpaved.

Beginning with trailers manufactured after Jan. 11, 2011, towed implements of husbandry that need brakes, must also have "break-away brakes," so that the implement automatically brakes if it becomes detached from the vehicle towing it.

MnDOT gives waivers for intrastate drivers who have certain medical conditions, such as diabetes. A three-year bar currently exists against giving these drivers a waiver if their license is suspended, canceled or revoked for any reason. Under the law, the three-year waiting period only applies in cases of driving privilege removal due to driving-related behavior.

Vehicles operating under a forest products permit will be permitted to operate a vehicle or combination of vehicles on unpaved roads when taking the most direct route to a paved highway without route designation by MnDOT.

Sponsored by Rep. Terry Morrow (DFL-St. Peter) and Sen. Jim Carlson (DFL-Eagan), most of the law takes effect Aug. 1, 2009.

HF1816/SF1876*/CH64

Keeping trucks off the Stillwater Lift Bridge

An attempt to keep big trucks off an older bridge has been accomplished without directly banning them from the span.

Sponsored by Rep. Matt Dean (R-Dellwood) and Sen. Ray Vandever (R-Forest Lake), the law prohibits motor vehicle combinations longer than 55 feet from using Highway 36 between Highway 95 and the Stillwater Lift Bridge.

Emergency vehicles, vehicles needed for work on the section of highway or the bridge and vehicles carrying an oversize permit are exempt from the law that takes effect the day signs are erected giving notice of the prohibition.

City officials initially wanted a weight restriction on the 1,000-foot long bridge, but the change was made just for a highway designation so as not to set a precedent for other bridges. The law will likely keep dangerous trucks out of historic downtown Stillwater. A saturation study found that many of the large, over-the-road trucks stopped by law enforcement personnel had major safety violations, and some were pulled from the road. Supporters said trucks are often driven through Stillwater to avoid an inspection station on Interstate 94.

A 2008 Department of Transportation review found the bridge to be fracture-critical. A new span over the St. Croix River is expected to be open by 2016.

The law states that by July 1, 2009, signs are to be erected "at appropriate locations" giving notice of the restriction. It will be requested that Wisconsin officials do the same on their side of the river. This section is effective May 22, 2009.

HF1204/SF1091*/CH144

Mini-truck usage, administrative fines

Generally sold as off-road vehicles for farms and construction sites, some people use fuel-efficient mini-trucks for other everyday needs, even though the vehicles are not allowed to be on roads.

Law enforcement is concerned the approximately 2,200-pound vehicles, that resemble a pickup truck or van, don't meet federal safety standards for highway use, nor do they meet federal emissions standards. Small cars, such as a Ford Focus or Honda Civic, weigh in the 2,600-pound range.

Sponsored by Rep. Brita Sailer (DFL-Park Rapids) and Sen. Dan Skogen (DFL-Hewitt), a new law authorizes mini-truck operation on local streets and highways, under a special permit issued by the local unit of government.

The special permit will be similar to what is now provided for motorized golf carts and certain all-terrain vehicles. Unlike operators of golf carts and eligible all-terrain vehicles, mini-truck operators must have a driver's license and can drive the vehicle at night.

The law also identifies required equipment for mini-trucks operated under the special permit, including headlamps and taillights, turn signals, rear view mirrors, a windshield, seatbelts and a parking brake.

This section of the law is effective Aug. 1, 2009, and expires on July 31, 2012.

Those same effective dates apply to a provision prohibiting law enforcement agencies from mandating a quota for administrative citations.

The provision is part of HF1517/SF1894, sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Tarryl Clark (DFL-St. Cloud). It allows peace officers to authorize administrative citations for certain traffic violations. Hosch said more than 100 cities now use the practice with different enforcement and fine rules.

A person who commits an administrative violation — such as driving less than 10 mph over the speed limit, failure to yield, stop sign violations or equipment violations — will be fined \$60. Two-thirds of the fine will be credited to the local unit of government and one-third to the state's General Fund.

The administrative fine language takes effect Aug. 1, 2009.

HF571/SF492*/CH158

Agency provisions modified

A new law makes various Department of Transportation changes relating to filing highway surveys, state aid calculations and plat requirements.

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Ann Rest (DFL-New Hope), the law requires the department to file the centerline of a trunk highway as part of the permanent public record before it is moved. The centerline is referenced in some older property records as a survey monument in the property description, and the department believes it is important to officially record the existing line for cases where the centerline is to be moved. The law applies in cases where the department is aware that there are descriptions of properties that rely on the centerline.

Three provisions related to primary seatbelt law are included to make it less restrictive: exempting newspaper delivery carriers, providing that only one surcharge can be applied per stop no matter how passengers are unbuckled and naming the primary seatbelt law the "Kathryn Swanson Seat Belt Safety Act." The former director of the Office of Traffic Safety and seatbelt advocate, Swanson died in February 2008 after a two-year battle with amyotrophic lateral sclerosis (ALS) at age 53.

Representatives from MnDOT and the Public Safety Department are to study "the mandatory 24-hour use of vehicle lighting by vehicles on public highways." The study is to include Canadian and European Union experiences with a 24-hour display of vehicle lighting requirements. A report is due to the Legislature by Jan. 15, 2011.

The law also clarifies calculations used to allocate state-aid dollars to counties, so that projects funded from the state park road account do not count against money needs for the county. State law directs MnDOT to do this, but it is not followed in current practice.

Cities with less than 5,000 people are allowed to arrange a special census for purposes of determining municipal state-aid. It eliminates obsolete language on use of the federal census to determine the population of a city. Previous language referred to the 1980 census.

MnDOT is provided the ability to review and comment on preliminary plat proposals abutting state rail bank corridors. Department officials hope it will help preserve and protect such corridors for future uses.

All provisions take effect Aug. 1, 2009, except for language relating to a seatbelt requirement that takes effect June 9, 2009.

HF878*/SF746/CH168

TECHNOLOGY

Competition for telecom providers

Telecommunications customers in Greater Minnesota, where technology needs are growing and capacity expansion is seen as an important factor in economic development, may now benefit from more competition that includes regional companies.

A new law eliminates what many regional and mid-sized telephone and telecommunications companies consider outdated regulations affecting their ability to compete with larger companies. The law, effective May 12, 2009, is sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Dan Sparks (DFL-Austin).

The modified regulations include:

- expanding the definition of a competitive area for four-line business phone lines, formerly limited to an exchange in the Twin Cities metropolitan area, St. Cloud or Duluth, to include all of Minnesota;
- regulating telecommunications carriers in the same way as telephone companies with respect to promotions and bundled services, such as removing 90-day and nine-month limits on some aspects of promotions; and
- eliminating tariff rules that no longer serve the industry or its customers.

The regional telecommunications industry says the law is a positive step that eliminates "artificial constraints" on promotional practices and provides flexibility to telecommunications companies while leaving consumer protections against predatory pricing in place.

HF1149/SF926*/CH57

Health technology infrastructure

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Tony Lourey (DFL-Kerrick), the law aligns state requirements to match federal stimulus requirements in the Health Information Technology for Economic and Clinical Health Act.

The law will help pull down federal money to state providers by aligning definitions such as "interoperable electronic health record" and "qualified electronic health record" to ensure coordination between state, regional and national efforts to effectively use health technology to improve coordination and patient care among providers. The change could help reduce medical errors, improve population health and reduce health disparities and chronic disease.

The HITECH Act was included in the American Recovery and Reinvestment Act of 2009 to help providers create electronic health records that would be interchangeable

between health systems.

The health commissioner, in conjunction with an e-Health Initiative Advisory Committee, will monitor related national activity and coordinate statewide input on developments.

The law has various effective dates.

HF1322/ SF1890*/CH102

Making technology accessible

People with visual or hearing disabilities may find it easier to access Minnesota government services online.

A new law will establish accessibility standards for state information technology, and require state agencies to consider accessibility when purchasing new software, hardware and other technological upgrades.

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Ann Rest (DFL-New Hope), the law is designed to make it easier for deaf, blind and hard-of-hearing Minnesotans to access state Web sites, documents and other information.

The law directs the Office of Enterprise Technology to develop a set of accessibility and usability standards for state information systems. It also sets up an advisory committee made up of 10 representatives from various areas of state government to review accessibility standards and recommend any needed changes.

Under the law, the office will require all state agencies to comply with the standards. An exception is made if the office and the

advisory committee determine that a standard would result in an "undue burden to the state," in which case the burdensome standard may be modified.

The law appropriates \$300,000 in each year of the 2010-2011 biennium from the state's telecommunications access fund, including:

- \$100,000 each year to OET for coordinating technology accessibility and usability;
- \$100,000 each year to the Commission on Deaf, DeafBlind and Hard of Hearing Minnesotans to provide information on their Web site in American Sign Language and to provide technical assistance to state agencies; and
- \$100,000 each year to the Legislative Coordinating Commission to provide captioning of live streaming of legislative sessions.

A separate \$276,000 appropriation of stimulus funds from the American Recovery and Reinvestment Act of 2009 will go to OET and the Department of Administration to help expand "employment outcomes" for people with disabilities.

The law takes effect July 1, 2009.

HF1744*/SF1600/CH131

Electric vehicle infrastructure

A new law looks to future transportation options by regulating electric vehicle infrastructure.

Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls), it establishes various regulations related

to electric vehicle infrastructure including preventing companies that create electric vehicle infrastructure from being regulated as utilities and modifying the state building code to accommodate electric vehicles.

Hornstein said there has always been a conundrum with electric cars: while the ability to produce them exists, there lacks much infrastructure to recharge them.

The law also:

- adds the new generation of electric vehicles to existing statute that deals with electric vehicles, plug-in cars and the like;
- requires the Center for Sustainable Building Research at the University of Minnesota to add electric vehicle infrastructure to its ongoing research into sustainable building practices, including looking at energy use by electric vehicle charging infrastructure in or adjacent to buildings; and
- requires the Department of Transportation, as part of a current study, to study the impact of electric cars and the reduced revenue to fund roads, and make recommendations if any steps should be taken to mitigate the impacts. Because of its power source, electric cars do not contribute to the state's gas tax revenues.

Many of the definition changes are effective May 22, 2009; study language and utility regulation sections take effect Aug. 1, 2009.

HF1250*/SF916/CH134

No new ice arena for St. Paul

Gov. Tim Pawlenty used his veto pen to dash — temporarily, at least — St. Paul's hopes of building a new ice arena downtown.

Pawlenty vetoed the first version of the omnibus economic development finance bill over a provision that would have forgiven the bulk of a \$48 million no-interest loan to St. Paul for construction of the Xcel Energy Center. The city had wanted the state to forgive the decade-old loan so that it could finance construction of The Pond — a proposed 120,000-square foot, three-level ice arena across the street from the Xcel. (Art. 6, Sec. 27)

In his veto letter, the governor questioned the city's funding priorities.

"The city of Saint Paul should not threaten to reduce police and fire services while requesting that a loan be forgiven to build an ice rink," Pawlenty wrote.

The governor also objected to a provision in the bill that would have allowed non-registered alternative medicine practitioners to be compensated for services provided to injured workers through the state's worker's compensation system. Pawlenty noted that the change had not been approved by the Workers' Compensation Advisory Council. (Art. 6, Sec. 30)

Sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm), the vetoed bill contained biennial funding for jobs, housing and cultural heritage programs through several state agencies, along with numerous policy changes. These provisions were successfully amended into HF2088*/SF1926/CH78, also sponsored by Rukavina and Tomassoni, which Pawlenty signed after making several line-item vetoes.

HF1169/SF2081*/CH39

Mulch warning called 'overreach'

One man's efforts toward consumers understanding the potential danger of a certain mulch met Gov. Tim Pawlenty's veto pen.

After it was determined that Terry Hall's chocolate Labrador retriever died from ingesting cocoa bean shell mulch, Hall began his campaign of consumer awareness. This resulted in a bill sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls) that would require a

posted notice wherever the product is sold warning that ingestion of the mulch could be poisonous to pets.

In his veto message, Pawlenty called the bill "an example of legislative overreach." He cited research showing few incidents of cocoa bean mulch ingestion incidents and wrote that many items are harmful to pets, and retailers are not generally required to post warnings at the point of purchase for those products.

"A better approach would be to require manufacturers to post warning labels on the products themselves, where necessary and appropriate," Pawlenty wrote. He also added that the bill language is not clear regarding the extent a business would be liable for not properly displaying the warning sign.

HF1306/SF122*/CH47

See CH. 88 -Tax law offers help to local governments facing revenue reductions

Rent control changes vetoed

Legislation intended to help cities enforce rent-control provisions in subsidized housing agreements was vetoed by Gov. Tim Pawlenty.

Sponsored by Rep. Carlos Mariani (DFL-St. Paul) and Sen. John Marty (DFL-Roseville), the bill would have clarified that cities have the right to enforce contracts with property owners who agree not to raise rents in exchange for accepting public subsidies. Under the bill, cities could take action against property owners who violate their contracts.

In his veto message, Pawlenty expressed concern about the language of the bill, which states that a city has the right to "manage or control property to which it is providing public assistance and for a period of time consistent with the term of the public assistance." The governor's letter stated that the language could be interpreted as providing broad powers for cities to manage or control properties without providing notice in the agreements.

In addition, Pawlenty's message stated that the bill is unnecessary because parties to agreements could insert provisions that address the issue into the agreements themselves.

HF1670/SF1033*/CH81

Precinct caucus changes vetoed

When political parties in cities like Minneapolis and St. Paul hold precinct caucuses in odd years to endorse candidates for local office, they don't have all the same privileges that caucuses receive in even years.

Sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), a bill vetoed by Gov. Tim Pawlenty would have allowed major political parties in Minneapolis, St. Paul and Duluth to hold odd-year caucuses using the same privileges as even-year caucuses, including:

- pre-empting certain school and government activities after 6 p.m. on caucus nights;
- allowing employees to be absent from work to attend political caucuses;
- prohibiting school officials from denying use of public school buildings for caucuses; and
- requiring public agencies to make their facilities available for holding a precinct caucus.

In a veto message, Pawlenty objected to granting "special privileges" for caucus attendees in three cities. He also wrote that the state "should not dictate additional mandates on businesses for what is a local issue."

HF300/SF284*/CH99

No need for 'lights-on'

A so-called "lights-on bill" to keep government operating if session ended without any appropriations for state agencies wasn't needed and therefore vetoed by Gov. Tim Pawlenty.

House Majority Leader Tony Sertich (DFL-Chisholm), the bill's sponsor along with Senate Majority Leader Larry Pogemiller (DFL-Mpls), called it "an option of a last resort."

When the bill was presented to the governor in the session's final week, there was uncertainty over whether he would enact any of the omnibus finance bills passed by the Legislature. This bill's intent was to cap state agency spending during fiscal year 2010 at the fiscal year 2009 spending level, if no budget resolution was reached by the constitutional deadline for adjournment.

In his veto letter, Pawlenty wrote that the bill "overlaps with appropriations found in

omnibus appropriation bills now signed into law. As a result this bill is not needed."

Hfnone/SF2141*/CH100

No displacement reimbursement

Several bills intended to boost homeowners' protection against defective construction faced steady opposition on the House floor from Republicans. They emphasized how the measures could burden the beleaguered construction industry by opening the door to greater contractor liability for damages or to costly lawsuits.

Gov. Tim Pawlenty vetoed a bill sponsored by Rep. Paul Gardner (DFL-Shoreview) and Sen. Ron Latz (DFL-St. Louis Park) that would have reimbursed temporarily dislocated homeowners for the cost of short-term housing, such as a motel, if they were forced to vacate their homes because of a construction defect under warranty, or if the conditions of repairing such a defect, made the property uninhabitable.

"Although this legislation may be well-intentioned," the governor wrote in his veto message, "we should be cautious about placing more burdens on the housing sector during this historic recession."

The bill specified that homeowners would be reimbursed for the cost of temporary lodging at a rate limited to the maximum per diem rate set by the federal government for the place where the property is located.

"Under current law," the veto letter continued, "a homeowner is entitled to receive 'the amount necessary to remedy the breach of the warranty' or 'the difference between the value of the house without defect.' Current law provides adequate reconciliation for the homeowner where there has been a violation of a warranty."

HF239*/SF6/CH103

No statute of repose clarification

A plan to update a 2004 law that would have helped some homeowners was rejected by the governor.

Sponsored by Rep. Julie Bunn (DFL-Lake Elmo) and Sen. Sandy Rummel (DFL-White Bear Lake), the bill was an attempt to clarify intent of the law to provide when a lawsuit for a warranty violation must be brought.

"Although this legislation may be well-intentioned we should be cautious about placing more restrictions on the housing sector during this historic recession," Gov. Tim Pawlenty wrote in his veto letter.

The statute of repose remained in the bill, so no one could make a claim after 12 years; but it contained two different statutes of limitations.

If the breach were discovered in the first 10 years, the homeowner would still have up to two years to file the claim once they've reported the breach. Problems discovered in year 11 or 12 would have just one year to file a claim.

The 2004 law requires a lawsuit to be brought within two years of the breach of the warranty discovery, but not more than 12 years from when the warranty took effect. However, Bunn said one subdivision in law has a 10-year maximum and some courts use that shorter timeframe, thereby catching homeowners in the middle.

A 2007 court decision went against the original intent by stating all claims must be within 10 years — the stated warranty on many home repairs — even though 12 years was always the intent of the 2004 state law, she said.

"The current period of 10 years in current law seems sufficient," Pawlenty wrote. "The legislation also applies not only to future cases, but current cases as well. Changing the law in the middle of the game is unfair and unwise."

HF412*/SF470/CH104

Home warranty extension vetoed

Minnesota winter weather can postpone the effects of certain construction defects or inhibit a contractor's or inspector's ability to determine a problem in a timely fashion.

Lawmakers wanted to extend the time a homeowner would have to see the effects of a problem and request remediation from their builder.

However, Gov. Tim Pawlenty vetoed a bill that would have extended from six months to one year the period in which a warranty claim may be made by a homeowner.

"Not reporting a construction related problem in a timely manner could exasperate the problem and increase costs," he wrote in this veto message.

The bill, sponsored by Rep. Bev Scalze (DFL-Little Canada) and Sen. Lisa Fobbe (DFL-Zimmerman), was one of several passed this session that sought to strengthen homeowner warranty rights.

HF330*/SF264/CH112

No notice for felons

A proposal to help felons understand that their voting rights have been restored after they serve out their sentence was nixed by Gov. Tim Pawlenty.

The governor vetoed the bill sponsored by Rep. Bobby Joe Champion (DFL-Mpls) and Sen. Mee Moua (DFL-St. Paul) that would

have required the Corrections Department and court officials to ensure that people convicted of a felony are aware of their civil rights status.

Under the proposed legislation, the Office of the Secretary of State would develop a publication regarding voting rights of those who are convicted of a crime and provide it to corrections and court officials, who would then inform convicts of when their right to vote is taken away and when it is restored.

Supporters said that some inmates are never informed of the restoration of their rights upon discharge from prison. Although the information is included in a letter sent to ex-offenders upon their release, many never receive the notice because they are frequently moving and living temporarily with friends and relatives.

In his veto message, Pawlenty stated the bill would have placed added mandates on state and local governments at a time when the state is trying to reduce mandates, and also that the purpose of the bill could be accomplished without statutory requirements.

"Moreover," the message states, "citizens should bear some responsibility for being informed about their own situations and rights."

HF545/SF763*/CH116

House paint pilot project vetoed

A product stewardship plan focused on the sale of house paint was canned by Gov. Tim Pawlenty.

The bill would have required manufacturers of architectural paint sold at retail to implement a statewide paint stewardship pilot program to promote reuse and recycling. A so-called "paint stewardship assessment" — up to 35 cents per container — would have been included in the cost of all architectural paint sold to Minnesota retailers and distributors. The assessment would have been included in the retail price of all architectural paint sold in the state.

The revenue would have been used to pay for a statewide recycling program administered by a new nonprofit organization comprised of paint manufacturers and retailers.

In liquid form, paint is considered hazardous waste and may not be thrown away with household trash. Most cities and counties accept leftover paint at local government recycling centers.

In his veto letter, Pawlenty said Minnesotans are already paying about \$6 million in taxes a year to cities and counties for paint recycling programs. "I would be willing to consider legislation that creates an industry-managed paint collection and recycling program as long as the program clearly demonstrates taxpayers

will not be paying for the same thing twice.” Sponsored by Rep. Brita Sailer (DFL-Park Rapids) and Sen. John Doll (DFL-Burnsville), the goal of the legislation was to minimize the public’s involvement in managing leftover paint.

HF569/SF477*/CH121

Reverse mortgage bill vetoed

Available to people 62 or older who borrow a lump sum or receive monthly payments or a line of credit against the value of their home while they continue to live there, reverse mortgages must be paid in full when the borrower moves or dies.

The loans can provide a safety net for many older Minnesotans hit hard by the economic downturn. However, advocates of tighter standards say some borrowers have become victims of unscrupulous lenders or financial counselors who target the product to people who don’t really need it or who have sold borrowers other financial products, such as annuities, paid from the loan proceeds. In some cases, closing costs have exceeded the amount of the loan, and interest rates may be considerably higher than other loans.

A bill sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. Tarryl Clark (DFL-St. Cloud) to tighten the rules was vetoed by Gov. Tim Pawlenty.

The governor’s veto message said he shares lawmakers’ goal of trying to protect borrowers from predatory lending practices, but thinks the legislation could have triggered unintended consequences and increased costs to consumers. He singled out a “suitability” requirement that would have required lenders to make a determination about whether a reverse mortgage is suitable for a particular borrower, as not being clearly defined.

“The suitability criteria in the bill should be clear and specific,” he wrote. “The standard set forth in this bill is vague and will spawn litigation.”

HF528/SF489*/CH127

No automatic voter registration

The governor vetoed a bill sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. John Marty (DFL-Roseville) that would have changed Minnesota’s current system from an opt-in to an opt-out voter registration system. Currently, those applying for state IDs can ask to be registered to vote at the same time; under the bill, this would have been automatic unless someone asked not to be registered.

In addition, the bill contained a number of provisions to keep voter rolls updated and check for persons who are ineligible to vote,

including:

- using data from the Department of Public Safety to check for any non-citizens listed in the statewide voter registration system;
- comparing voter rolls with Social Security databases to check for any deceased voters;
- requiring the Department of Corrections and the courts to update elections officials on the convictions and civil rights statutes of felons; and
- forwarding information on name changes from the courts system to the Office of the Secretary of State and to county auditors, who would then notify individuals with changed names that they have to re-register to vote.

According to his veto message, Pawlenty vetoed the bill in part because no Republican legislators voted for it. He wrote that changes to election law “should be accomplished on a bipartisan basis.” In addition, Pawlenty wrote that “registering to vote should be a voluntary, intentional act.”

HF1053*/SF660/CH133

Calculating unemployment

The U.S. unemployment rate reached 8.9 percent in April 2009. But what if the real percentage were nearly twice that much?

In fact, it is, depending on what measures are used to calculate unemployment. According to the U.S. Bureau of Labor Statistics, the most comprehensive set of statistical measures available, put the actual unemployment rate at 15.8 percent.

Gov. Tim Pawlenty vetoed a bill that would have ensured that the state’s unemployment estimates are always calculated using the more comprehensive method.

Sponsored by House Majority Leader Tony Sertich (DFL-Chisholm) and Sen. D. Scott Dibble (DFL-Mpls), the legislation would have asked the Department of Employment and Economic Development to use a method of calculation known as “U-6.”

The U-6 calculation takes into account people who are unemployed and no longer actively seeking work because of impediments like transportation issues or a lack of child care, and also those who are working part-time but who wish to work full-time. The state’s current method of calculation, known as U-3, does not include these measures.

Sertich said the new method would allow DEED, which produces the state’s official labor market information reports, to give lawmakers and others a clearer picture of the employment situation in Minnesota. The bill would have allowed up to \$120,000 from

funds collected for unemployment insurance administration to be used to implement the changes.

In his veto letter, the governor called the U-6 measure “relatively obscure.” He noted that only two other states use it, and that neither of them releases the information publicly, in part because they want to “avoid misleading comparisons with other states.”

HF925*/SF1368/CH135

No legal fees for warranty suit

Gov. Tim Pawlenty vetoed a bill that would have made homeowners who successfully sue a builder or contractor for a warranty violation eligible to receive reasonable attorney fees and any other suit-related costs.

“The availability of legal fees can prolong litigation, and it does little to address the underlying issue of home defects,” Pawlenty wrote in his veto letter. “Moreover, attorney’s fees are typically available only in limited circumstances, and Minnesota should be careful not to overreach in that regard.”

Supporters said that builders, contractors and their insurance companies often drag out a case, hoping a homeowner will exhaust their financial resources and settle for less than needed to repair their home.

The bill also would have required the commerce and labor and industry commissioners to work with interested parties to review homeowner warranty statutes and find ways to make such agreements more effective for all parties and report to the Legislature. Among the parties that would have been consulted are the construction section of the Minnesota State Bar Association, Builders Association of Minnesota, Association of General Contractors and homeowner and consumer representatives.

“I support provisions in the bill that would bring interested parties together to develop a timely and prescriptive process for resolving homeowner warranty disputes without litigation,” Pawlenty wrote. “My administration will move forward with that process even though this legislation was vetoed.”

Rep. Marsha Swails (DFL-Woodbury) and Sen. Kathy Saltzman (DFL-Woodbury) sponsor the bill.

HF211*/SF170/CH136

Put that warranty claim in writing

An 80-year-old Duluth homeowner called his builder to report a problem with his new home within the six-month warranty period. He agreed to the builder’s proposal to defer an inspection until winter was over and the

problem could be more easily examined. The builder's insurance company extensively documented the problem, but did not agree to accept liability. The case went to trial, and eventually the Court of Appeals upheld a lower court ruling against the homeowner based on his failure to give written notice. The retiree paid \$250,000 to repair home damages resulting from the construction defect.

Gov. Tim Pawlenty vetoed a bill that would have allowed a phone call or e-mail, besides a written letter, to serve as adequate "actual notice" in similar cases.

Rep. Kate Knuth (DFL-New Brighton) and Sen. Kevin Dahle (DFL-Northfield) sponsor the bill. Limits would have remained in place to hold builders reasonably harmless, such as the six-month claim period, and if the damage is due to homeowner's negligence or other factors unrelated to the contractor's work.

"There is a high level of ambiguity as to how a homeowner conveys an actual notice message. Not having the notice put in writing will lead to disputes as to whether and how verbal notice was provided. A requirement for written notice is a much better approach," the governor's veto message stated.

HF362*/SF362/CH140

Policies not OK with Pawlenty

Rest area prohibitions, highway names, pedestrian bridge access and high-speed rail were part of the omnibus transportation policy bill that failed to receive a green light from the governor.

"While I support several provisions in the bill, the Minnesota Department of Transportation (Mn/DOT) has raised concerns regarding provisions in this legislation," Gov. Tim Pawlenty wrote in his veto message. "Those concerns were brought to the attention of the bill's authors, but the concerns were ultimately ignored."

Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. Steve Murphy (DFL-Red Wing), the law would have required the department to work with Wisconsin to apply for federal economic stimulus funds for planning and construction of a high-speed passenger rail line that would connect Chicago, La Crosse, Wis. And the Twin Cities metropolitan area. (Sec. 45)

Pawlenty noted that MnDOT has been working with Wisconsin officials on a line from the Twin Cities to Chicago, and that the route is part of a statewide rail study. "We have cautioned the Legislature on many occasions about prematurely selecting specific routes, stops, or endpoints," he wrote.

In the area of rail, the bill also would have modified the membership of a MnDOT

committee that provides commuter rail advice to include ex-officio members from labor organizations involved with freight and commuter rail; required MnDOT to preserve rail employee rights under federal law if the department was authorized with passenger rail powers; defined "motor carrier of railroad employees;" and established regulations for those carriers. (Secs. 29, 30, 32, 34)

A 2009 law that requires mitigation on transportation construction impacts on local businesses would have been amended to include rail transit projects. (Sec. 1)

In the area of highways, the bill would have:

- prohibited certain activities at rest stops, including failure to properly dispose of trash, dumping household or commercial trash, leaving an unattended vehicle or trailer at a rest area and pitching tents or sleeping overnight outside a vehicle (Sec. 2);
- designated Highway 200 between Mahanomen and the North Dakota border as "Veterans Memorial Highway," and parts of Highways 34 and 87 in Becker County as the "Becker County Veterans Memorial Highway" (Secs. 4, 5);
- named the new Highway 23 bridge over the Mississippi River in St. Cloud the "Granite City Crossing" (Sec. 6);
- allowed use of divided highway shoulders by buses throughout the state, similar to what is currently restricted to the seven-county Twin Cities metropolitan area (Sec. 18);
- permitted the annual closing of Highway 19 in New Prague one weekend in September for the Dozinky Festival (Sec. 42); and
- required MnDOT to complete the final environmental impact statements for improvement on parts of Highway 14. (Sec. 44)

MnDOT already incorporates bicycle and pedestrian facilities into many planning documents, but the bill would have required bicycle and pedestrian facilities on certain bridges repaired or replaced using the trunk highway bridge improvement program enacted last year. It would have applied only to bridges located in a city or that link to a pedestrian path, trail or bikeway. The provisions would not have applied if MnDOT determined there is no demand or a "reasonable alternative" crossing is located within one-quarter mile of the bridge. (Sec. 7)

A trio of provisions would have affected deputy registrars. One would have permitted deputy registrars to accept credit cards and add a surcharge to cover the costs of the credit card processing fee. However, this became law in HF1849*/SF1544/CH152. Another would

have eliminated a 2012 sunset for a private corporation to be a deputy registrar. Current law says no private corporation can function as a deputy registrar after Jan. 1, 2012. The third would have established an additional registrar in Farmington. (Secs. 9, 10, 43)

Other provisions would have:

- removed the household income threshold from the conditions of allowing a person to retrieve contents from an impounded vehicle (Sec. 12);
- moved up the effective date to July 1, 2009, for a 2009 law that expanded a DWI ignition interlock device pilot program to be statewide (Secs. 22, 23);
- prohibited driving into an intersection controlled by a stoplight until a vehicle is able to move completely through (Sec. 17);
- added the reduction of greenhouse gases to MnDOT's mission (Sec. 27); and
- created the Minnesota Council on Transportation Access to improve coordination, availability, cost-effectiveness and safety of transit services to transit dependent persons (Sec. 28).

Pawlenty wrote that the council would overlap the Interagency Committee on Transit Coordination. "I established ICTC to coordinate health and human service programs with public transportation systems. ... I will direct Mn/DOT to expand the membership of the ICTC to address the purported need for the new council."

A number of provisions in the bill regarding mini trucks — from required equipment on the vehicle to where it can be driven — became law in HF571/SF492*/CH158. (Secs. 13, 15, 16, 47)

HF928*/SF1455/CH151

No Homestead-Lender Mediation Act

Minnesota home values are predicted to plummet by more than \$7 billion by 2010, while 30,000 additional home foreclosures are predicted this year.

A bill sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Linda Scheid (DFL-Brooklyn Park) intended to promote mediation as a tool to prevent some of those foreclosures was vetoed by Gov. Tim Pawlenty.

HF354, the Homestead-Lender Mediation Act of 2009, was modeled after the 1986 Farmer-Lender Mediation Act, which Hilstrom said helped 14,000 farmers avoid foreclosure.

The mediation option would have been available to homeowners who had already received mortgage counseling as currently required to be offered, requested the mediation and demonstrated in good faith that they

could meet the financial obligations of a refinanced mortgage, an adjusted repayment schedule or other arrangements agreed to by debtor and creditor.

"While I am supportive of a mediation option for certain foreclosure cases, this bill does not incorporate my key recommendations," Pawlenty wrote in his veto message.

Having a mediator rather than a mortgage counselor determine who is eligible for mediation is "nonsensical," the governor wrote. If the mediator is making that decision, "the mediation process would have already begun." Instead, "the counselor should determine eligibility for mediation based on objective criteria prior to the matter being referred to a mediator."

The attorney general's office would have appointed and paid for qualified mediators, but Pawlenty wrote that the office "is not the proper entity to select neutral dispute resolution personnel or procedures." He preferred the Office of Administrative Hearings with the use of qualified volunteers.

To fund the program, the fee charged to lenders for recording a notice of a pending foreclosure sale would have increased by \$125 per foreclosure, even those not involving mediation. Pawlenty wanted the program to fund itself through fees applied within the mediation transaction.

The governor wanted all meetings to be available electronically, instead of having the initial meeting by telephone or video conferencing with the subsequent option to meet in person at the mediator's discretion, as the bill proposed.

HF354*/SF340/CH154

Election changes vetoed

Minnesota's political primaries will continue to be held in September.

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Katie Sieben (DFL-Newport), Gov. Tim Pawlenty vetoed an omnibus elections bill that would have made a variety of mostly technical changes to the state's election laws.

Among the more significant provisions included in the bill, primary elections for the state's major political parties would have been held in August instead of September and absentee ballots would have been processed in a central location, rather than by the election judges in each individual precinct. Other provisions included administrative changes requested by local governments, the Campaign Finance and Public Disclosure Board.

Previous versions of the bill included provisions such as online voter registration,

early voting and various absentee voting reforms; however, these were removed by a conference committee in an effort to make the bill non-controversial and court the approval of Republican legislators.

The effort failed, however, and during floor debate, House Republicans stated that members of their caucus would not vote for any elections bill that did not include a photo ID requirement for voters. The photo ID measure is opposed by most Democrats as well as by the Office of the Secretary of State, and was never included as part of the bill.

In his veto letter, Pawlenty stated that he would not sign a bill that did not have support from Republican lawmakers.

"Election laws set forth rules relating to the fundamental right to vote and the government's administration of those rights," Pawlenty wrote. "Omnibus election bills making changes to our election process should be bipartisan. Unfortunately, this bill fails that test."

HF1351/SF1331*/CH162

Safe schools bill is not signed

A bill that would have strengthened schools' responsibility to intervene and prevent bullying was vetoed by Gov. Tim Pawlenty.

In his veto message, the governor called the bill "duplicative of current law," and that school boards are already required to adopt written sexual, religious and racial harassment and violence policies that conform to the Minnesota Human Rights Act.

The measure was sponsored by Rep. Jim Davnie (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls).

Pawlenty wrote that he agreed with the bill's goal, adding that "bullying is a serious issue that must be vigilantly monitored, prevented, and addressed by school administration and staff." He has instructed the education commissioner to review the model policy required by state law and to contact school districts "to ensure they are meeting the requirements of Minnesota law relating to intimidation and bullying" and to encourage them "to revisit" how policies are enforced.

HF1198/SF971*/CH164

Medical marijuana use vetoed

Gov. Tim Pawlenty vetoed a measure that would have allowed doctors to prescribe medical marijuana to patients suffering from certain terminal illnesses.

Sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. Steve Murphy (DFL-Red Wing), the bill would have made Minnesota the

14th state to allow medical use of marijuana. A regulatory process would have been set up through the Health Department, requiring patients to possess special photo identification cards and providing for registration of marijuana dispensaries.

The bill passed the House and Senate with bipartisan support — and bipartisan opposition — following a series of committee hearings earlier in the session where advocates for medical marijuana pressed their case by emphasizing the benefits to cancer patients and others. Survivors of cancer victims gave testimony that marijuana — obtained illegally — was the only thing that increased the quality of life for their loved ones during their final days and weeks.

The bill included a sunset date of Oct. 1, 2011. This was a concession made in an attempt to assuage concerns from law enforcement. According to Rukavina, the proposal would have been much more restrictive than medical marijuana laws in other states.

Opponents of the measure cited widespread opposition from the law enforcement community, who expressed concerns about whether it would increase the street availability of marijuana. Many argued it would also send the wrong message to young people about the potential dangers of using marijuana.

In his veto letter, Pawlenty echoed these sentiments, stating the bill posed "serious public safety and health risks.

"While I am very sympathetic to those dealing with end-of-life illnesses and accompanying pain, I stand with law enforcement in opposition to this legislation," the governor wrote.

Noting that the U.S. Food and Drug Administration has not approved and does not regulate medical marijuana, Pawlenty stated that the scientific evidence regarding the benefits and risks of medical marijuana is "insufficient."

HF292/SF97*/CH166

Spending bills with no tax increase

The governor and the Legislature were at loggerheads all session as to how to fill what was to be a nearly \$3 billion funding gap to support programming for the 2010-2011 biennium.

The governor's stand was no new taxes, but to rely on cuts, shifts and use of appropriation bonds. The Legislature said that appropriation bonds would be "borrowing against the future," and even with shifts, an increase in taxes would be necessary to stave off devastating cuts.

A bill (HF885*/SF681) that would have raised income taxes and alcohol taxes, and

imposed a new tax on interest was vetoed by the governor nine days before session adjournment, and positions were held firm right up to the last hour of session. With all spending bills passed and approved by the governor (some with a few line-item vetoes), House DFLers hoped for another chance at funding them with what they termed sustainable revenue.

Despite Republican efforts to stall a vote on the second tax bill (HF2323*/SF2074), both bodies hurriedly passed the bill approved in a conference committee about an hour earlier. That bill contained the same income, alcohol and interest tax provisions as the earlier bill and also included language for the school finance shift proposed by the governor.

Vetoed by Gov. Tim Pawlenty, the bill would have closed an approximate \$2.7 billion budget gap by delaying payments to schools, raising income taxes on joint filers earning more than \$250,000 a year, increasing alcohol taxes and creating a surcharge on lenders charging high interest rates.

"I think everyone can be proud of this bill," said Rep. Ann Lenczewski (DFL-Bloomington), chairwoman of the House Taxes Committee and sponsor of the bill.

Sen. Tom Bakk (DFL-Cook), Senate Tax Committee chairman, and the bill's co-sponsor, was among the 31 senators who abstained from voting in the final seconds of session.

Session-long disagreement

The governor announced May 14 that there would be no special session to solve the funding disagreement, and that he would use his unallotment authority to resolve the deficit.

"A key principle is that the DFL-controlled Legislature shouldn't spend more money than the state has available," Pawlenty said. "Unfortunately, they have done just that and now I'll fix it."

With negotiations between legislators and Pawlenty failing to produce an agreement, and the Legislative Commission on Planning and Fiscal Policy demanding answers about the potential unallotment scenario, Pawlenty's ultimatum forced the Legislature to try to override an earlier veto.

An override attempt of the first tax bill (HF885*/SF68), sponsored by Lenczewski and Bakk, failed to get the 90 votes needed with a vote of 85-49 on May 17. Rep. Gene Pelowski, Jr. (DFL-Winona) and Rep. Jeanne Poppe (DFL-Austin) joined all House Republicans in supporting the veto.

That bill was similar to the latter in that

it would have raised more than \$1 billion in taxes in the 2010-2011 biennium, but did not include the K-12 shift. It was an attempt to save cuts to schools, hospitals and nursing homes by creating a new tax bracket for the state's top earners, increasing alcohol taxes and adding a tax for excessive interest rates.

New tax law

Though the Legislature was not successful with either of its omnibus tax finance bills, the governor did sign HF1298*/SF1257/CH88, a policy law containing many technical policy and non-controversial tax provisions.

It includes more federal tax conformity that Congress has adopted since HF95, the House federal conformity bill, was signed into law earlier in the session. The ability to make levy adjustments is addressed for cities and counties that may lose local government aid, market value homestead credit and county program aid due to unallotment is provided.

HF2323*/SF2074/CH179