

New Laws 2010



A Summary of the 2010 Regular and Special Sessions

**Produced by
Minnesota House of Representatives
Public Information Services**

CONTENTS

Agriculture

Agriculture omnibus law.....	5
------------------------------	---

Banking

Instruments to secure debt clarified.....	5
More securities lending options.....	5
Enforcing foreign country judgments.....	6

Bonding

Capital investment bill chopped into law.....	6
Technical changes made to allocations.....	10

Budget

Early retirement incentive.....	10
Supplemental budget law trims \$312 million.....	10
Impact note requesters increased.....	13

Business

Body art licensure.....	13
Food carts can stay longer.....	13
Deputy registrar terms won't expire.....	13
Entrepreneur resource network.....	13
Business screening services.....	14
Corporate law changes.....	14
Protecting auto dealers.....	14

Consumers

Keeping laws up with new tobacco.....	
New rules for roofers.....	14
Ensuring consumer choice.....	14
Directory scams banned.....	15
OK to brew in basements.....	15
Impound notice date exclusions.....	15
Battery recycling fee increased.....	15
Changes to liquor laws.....	15

Crime

Getting a post-sentence DNA sample.....	15
Changes to MSOP policies.....	16
Expanded service animal harm penalty.....	16
A felony for skimming tool.....	16
Detention placement.....	16
Revoking health-related licenses.....	16
No salvia divinorum possession.....	17

Development

New law targets job growth.....	17
---------------------------------	----

Education

Concession stand fees reduced.....	18
School's payments accelerated.....	18

Elections

Disclosure of political spending.....	18
Voting equipment grants.....	19
Campaign finance reform.....	19
Determining ward boundaries.....	19
Affidavit of candidacy requirements.....	19
Election administration changes.....	19

Absentee ballot board creation.....	20
State primary moves to August.....	20
Election changes signed into law.....	20

Employment

Firefighter background checks.....	20
Updating a 1955 arbitration act.....	20
State labor contracts ratified.....	20
State employee and teacher pensions.....	21

Energy

C-BED wind projects modified.....	21
Solar energy goals adjusted.....	21
Utilities may seek advance prudence.....	21

Environment

Appropriating natural resource, energy funds.....	21
LCCMR projects pass, except one.....	22
Conditional land use allowed.....	23
Syringe, lancet stewardship program.....	23
Composting gets OK ranking.....	23
Drainage laws modified.....	23
Speeding up BWSR review.....	23

Family

Student mental health emergency notification.....	23
Child support regulation changes.....	23
Guardian ad litem board creation.....	24
Timely notification of alleged abuse.....	24
Clarifying child protection, services.....	24
Foster care extended.....	24
Office of Early Learning proposed.....	24
No private transfer fees.....	25

Government

Revising and updating statutes.....	25
Corrections to new laws.....	25
State government policy provisions.....	26
Energy improvement program.....	26
Changes for nursing homes, schools.....	26
Government collaboration.....	26
Faster complaint process.....	26
PFA authority to expand.....	27
Land exchange with tribal government.....	27
Eminent domain modification.....	27
Cookie notification not required.....	27
Publication survey required.....	27

Health

Licensure cheating addressed.....	27
Hospital construction law modified.....	28
Health information procedures.....	28
Rules on epilepsy drugs.....	28
Children's cavity prevention.....	28
DHS technical changes.....	28
Appealing disability decisions.....	28
Licensing of health professionals.....	28
Changes to MCHA.....	29
Provider grouping modified.....	29
Records oversight established.....	29

Contracts between providers, plans.....	29
Rules on cancer chemo co-pays.....	29

Housing

Solving home warranty disputes.....	29
Mortgage, foreclosure updates.....	30
Landlord-tenant changes enacted.....	30
Foreclosure sale postponement.....	30
Utility shutoffs must be posted.....	30

Human services

Pawlenty signs GAMC bill.....	30
Licensing home care providers.....	30
Changes to MFIP, childcare.....	31
Contract reporting available online.....	31
Mental health policies modified.....	31
After-death care modified.....	31
Health care directive clarification.....	31
Documents must be accessible.....	31
Service contracts changed.....	32
Pilot projects authorized.....	32
Flood relief fund assistance.....	32
Keeping track of juvenile offenders.....	32
Funding nursing homes.....	32
'Ladder Out of Poverty'.....	32
Changes to continuing care.....	32
Reporting substance abuse.....	33
DHS licensing modified.....	33

Humanities

Juneteenth recognition.....	33
Explore Minnesota council changes.....	33

Industry

Licensure requirements modified.....	33
Energy mandate exemption.....	33
Sewer fees help stagnant fund.....	33
Licensure requirements modified.....	34
New boiler license requirements.....	34
New rules for real estate agents.....	34
Accountant requirements clarified.....	34
Contractor continuing education.....	34
Elevators and manlifts.....	34
Boiler bill' becomes law.....	34
Construction codes and licensing.....	35
Getting the lead out.....	35
Utilities must report expenses.....	35
Lower emission deadline extended.....	35
Liquor for Gophers fans?.....	35

Insurance

Small-employer health insurance.....	35
Miscellaneous insurance changes.....	36
Auto insurance for minors.....	36

Law

Updating an interest ownership act.....	36
Unsworn declarations act enacted.....	36
New law bans 'live checks'.....	36
Joint powers can include tribes.....	37

Financial records release clarified	37
Transcribing DWI arrest not needed.....	37
Civil commitment signature changes	37
Recording declarations	37
Readable electronic documents.....	37
Probate trust law changes	37

Local Government

County assessors' duties clarified	38
Notary stamp and fee changes	38
Rate exemptions for governments.....	38
Presentence investigation optional.....	38
Firefighters may collect for charity	38
Employees can't be a city leader.....	39
New Richfield firefighter residency.....	39
Commission structure adjustment.....	39
Duluth area board expansion	39
Town hall meeting minutes.....	39
Bridge plans swing forward.....	39
Property maintenance codes OK'd.....	39
Public plowing on private roads.....	40
Eminent domain practices revised.....	40

Military

Designating American Legion Day.....	40
North Branch to honor war hero	40
Veterans honored in North Branch.....	40
Veterans of Foreign Wars Day	40

Recreation

St. Clair baseball field ads OK.....	40
--------------------------------------	----

Safety

Safe disposal of leftover drugs.....	40
Civil immunity provided for helping.....	40
Who can draw blood for DWI.....	40
Firefighter definition amended.....	41

Bicyclists can turn on red	41
Petroleum spillage rules clarified	41
Medical exam record conformity	41
Predatory offender registration	41
Mercury test requirements updated.....	41
License reinstatement extension.....	41
Peace officer probationary period	42
Tougher, lighter penalties for guns at school ..	42
New sexual conduct changes	42
Clarifying pay to stay law	42
Enhanced driver's license created.....	42
Window tinting law expanded.....	43
Domestic abuse changes now law	43
Violent crime council creation	43
State's forfeiture laws updated	44
Ignition interlock enacted; other DWI changes...	44
Civil commitment confusion clarified.....	45
Kelsey Smith Act.....	45
Sentencing error turns to claim	45

Taxes

Tax law targets property tax reform	46
Tax relief for Haitian help.....	46

Technology

A little bit of everything in omnibus economic development law	47
Higher education policy changes	48
Data practices changed by law	48
Broadband for everyone	48

Transportation

Intersection reconstruction gets OK.....	48
Bridge classification system.....	49
Fleet redefined to conform to IRP.....	49
Escort driver certification ahead	49
Updates to truck regulations.....	49

Roadways given to local jurisdictions.....	49
Procurement for transit vehicles	49
Fee compliance, funds for road work	49
Traffic safety laws.....	50
Bridge inspection enhancement	50
New law paves way for new policies	50

Vetoes

Easier MnSCU credit transfers vetoed	51
No teachers' insurance pool	51
Salary reporting exception vetoed.....	51
Coercing candidates bill 'unneeded'	51
GAMC veto eventually leads to compromise .	51
HHS budget bill vetoed	52
'Mixture' definition gets vetoed	52
Big fish law — One that got away.....	52
No vehicle definition change.....	52
Indemnification clause vetoed	52
No expunging offender records.....	52
Whistleblower protection rejected	53
The budget fix that wasn't	53
Aquifer restrictions vetoed.....	53
PACE funding, rate increase vetoed.....	53
Domestic partner provision vetoed	54
No juvenile records reform	54
Group would have examined expenses	54

Special Session Highlights

Budget law ratifies unallotments, erases shortfall	55
---	----

AGRICULTURE

Agriculture omnibus law

Restrictions on those who can own easements for wind power, along with increased late filing fees for pesticide dealers and tree trimmer registry businesses are included in the omnibus agriculture, rural economies and veterans affairs policy law.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Dan Skogen (DFL-Hewitt), the law will:

- add an official from the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, a peace officer from the county sheriff's office or a licensed veterinarian to those who are able to make a personal inspection of a farmer's livestock loss due to a gray wolf (Art. 1, Sec. 1);
- require the Department of Agriculture to make it a goal to issue or deny environmental and resource management permits within 150 days (Art. 1, Sec. 4);
- consider horses raised for riding, driving, farm or ranch work, competition, racing recreation, sale or as breeding as livestock for the purposes of financial transactions and collateral (Art. 1, Sec. 5);
- make it unlawful for someone to advertise tree care or tree trimming services without being registered (Art. 1, Sec. 10);
- permit the agriculture commissioner to waive certain review fees for businesses that sell prepackaged foods, such as video stores (Art. 1, Sec. 16);
- repeal a law that requires a report on a potential loan incentive program for Native Grasses and Wildflower Seed Production (Art. 1, Sec. 40);
- allow nonprofit farms smaller than 40 acres in size, and those less than 160 acres prior to Aug. 1, 2010, who use profits solely for educational purposes to be exempt from corporate farm land prohibitions (Art. 1, Sec. 28);
- add easements taken by individuals or businesses for the use of wind rights to a list of exemptions from a law that prohibits foreign ownership of agricultural lands (Art. 1, Secs. 26-27);
- permit cities and towns to spend money for county extension work, such as 4-H programs (Art. 1, Secs. 14-15);
- require certain conditions to be met before Minnesota will move to a higher-mandated ethanol blend, including that all cars can use the ethanol mixture authorized in a waiver issued by the federal government,

and giving the Department of Commerce the ability to specify how long it could take gas stations to set up for the ability to deliver E-15 (Art. 1, Secs. 17-21);

- allow feed mills a priority lien against livestock when providing feed to a farmer for 45 days at the beginning of the mediation process, resulting in mills being paid for that feed (Art. 1, Secs. 30-32);
- require the agriculture commissioner to convene meetings to consider elements of a dairy research and education facility that would represent a partnership between higher education institutions and the dairy industry (Art. 1, Sec. 35);
- appropriate \$40,000 for a report to determine the total propane and anhydrous ammonia terminal capacity located in the state or within 100 miles of the state's borders (Art. 1, Sec. 36);
- require the agriculture commissioner to identify and analyze industrial hemp laws in Canada or one of 30 other nations and report to law enforcement how to differentiate between industrial hemp and marijuana growing in fields (Art. 1, Sec. 37);
- instruct the agriculture commissioner to actively pursue federal and other resources to promote and achieve greater production and use of biofuels and report on accomplishments to the Legislature (Art. 1, Sec. 38);
- instruct the agriculture and natural resources commissioners to form a workgroup to develop recommendations on how the state should address mitigation of invasive and exotic forest pests like gypsy moth and emerald ash borer (Art. 1, Sec. 39);
- detail procedures on the proper way to fold and present the state flag (Art. 2, Secs. 1-2);
- broaden eligibility for veteran-owned businesses in a state bid preference program (Art. 2, Secs. 3-4);
- require the veterans affairs commissioner is to annually publish a report on the calls placed to each of the department's help lines by consumers and citizens (Art. 2, Sec. 8);
- clarify appointments and qualifications for veterans service officers and assistant county veterans service officers (Art. 2, Secs. 16, 18, 19, 24); and
- permit the veterans affairs commissioner to determine a suitable site and plan for three new state veterans cemeteries in northeastern, southeastern and southwestern Minnesota (Art. 2, Sec. 23).

The law has various effective dates.
HF2679/SF2737*/CH333

BANKING

Instruments to secure debt clarified

A new law retains the requirement that an instrument explicitly state its intent to be used as security for a debt, but caps the amount of the debt to the initial amount stated in the instrument.

The law comes about because of a 2009 Minnesota Supreme Court decision where the debt secured was greater than the amount of the mortgage, and the mortgage registry tax was not fully paid. This is a common situation in commercial loans where a company, for example, gets a \$1 million corporate loan secured by a guarantee on the principal's homestead. However, because there is only a limited amount of equity in the homestead, the mortgage is limited to \$200,000.

Rep. Gail Kulick Jackson (DFL-Milaca), who sponsors the law with Sen. Linda Scheid (DFL-Brooklyn Park), gave another example of loaning someone \$4 million, securing \$1 million of it on the person's residence and the other \$3 million on a coin collection. "We will pay mortgage registry tax on \$1 million, and therefore, even if your land doubles, I can't come back and collect \$2 million off of foreclosing. I am limited to the amount of the debt expressed in the mortgage and expressed by the mortgage registry tax."

The law takes effect July 1, 2010.

HF2828*/SF2231/CH211

More securities lending options

Mergers and acquisitions in the financial industry in recent years have left cities and municipalities with only one securities lender option - U.S. Bank - because of a state law requiring them to do business with a Minnesota-based lender.

A new law will expand the options to financial institutions that have a bank office located in the state. It takes effect Aug. 1, 2010.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Linda Scheid (DFL-Brooklyn Park), the updated law will save cities money and provide more options for investment decisions, according to Tom Grundhoefer, general counsel with the League of Minnesota Cities.

With the law, cities may do business with qualifying financial institutions that can both broker investments and hold them for

safekeeping, instead of having to buy from one broker and incur new fees to transfer investments to a different institution for safekeeping.

The law also adds registration and insurance requirements.

HF3065*/SF2590/CH234

Enforcing foreign country judgments

The last time Minnesota passed an update to the Uniform Foreign-Country Money Judgments Recognition Act was 1985.

The act establishes clear and uniform standards under which state courts will enforce foreign-country money judgments that come within its scope.

Based on recommendations from the National Conference of Commissioners on Uniform State Laws, a new law will provide five primary changes from current law:

- clarify the relationship between the act and the Enforcement of Foreign Judgments Act because getting recognition for jurisdiction under the law is a different procedure from collecting on a judgment that has already been ordered in a foreign court;
- expressly provide that a party seeking recognition of a foreign judgment has a burden to prove that the judgment is subject to the act;
- impose the burden of proof for establishing the specific ground of non-recognition upon the party raising it;
- address the specific procedure for seeking enforcement; and
- a statute of limitations is provided to recognize a foreign-country judgment.

Rep. John Lesch (DFL-St. Paul), who sponsors the law with Sen. Ron Latz (DFL-St. Louis Park), said the update is "a critical step" towards updating state laws for the 21st century, which has changed because of the global economy. The law takes effect Aug. 1, 2010.

HF776*/SF612/CH263

BONDING

Capital investment bill chopped into law

In the end, Gov. Tim Pawlenty signed a capital investment law smaller than his initial request, angering some and pleasing others.

Presented with a bill totaling \$999.6 million in general obligation bonding, Pawlenty used his line-item veto authority to drop the total to almost \$686.3 million.

"The DFL-controlled legislature seems incapable of prioritizing projects or simply saying no. So, I have again done it for you,"

he wrote in his veto letter. "... Reducing the bill to this level reflects my commitment to fiscal discipline and an attempt to prioritize important state projects."

The first conference committee report — which Pawlenty said he would fully veto — sought almost \$999.92 million, approximately 27 percent greater than the governor proposed, and it lacked some of his core projects. However, after legislative approval the bill was not presented to the governor and returned to the Senate.

Bill supporters lament that Minnesota has lost an opportunity to spark more economic growth because of favorable interest rates and lower construction bids. Rep. Alice Hausman (DFL-St. Paul) said the veto means about 7,000 fewer jobs will be created. She and Sen. Keith Langseth (DFL-Glyndon) sponsor the law.

"(This is) clearly a very muddled message about his priorities, certainly no vision for a Minnesota that takes us to a better place in terms of educating our workforce and rebuilding our economy," she said.

Noting the state's nearly billion-dollar projected deficit, many Republicans applauded Pawlenty's action.

"It's just really bad timing to pass a debt bill right now when your top priority of the session is to eliminate debt," Rep. Tony Cornish (R-Good Thunder) said in a statement. "There's no doubt that some of the bonding projects are worthwhile in a typical year, but we are way too easygoing with our money as it is."

Pawlenty repeatedly said he would not sign a bill in excess of \$725 million in general obligation bonding, the amount suggested by Minnesota Management & Budget when releasing its economic forecast. Because the vetoes put the total below the forecasted amount, the law provides a \$4.63 million debt service savings over the next three fiscal years. Total requests for bond money exceeded \$4 billion.

HF2700*/SF2360/CH189

Corrections/Moose Lake sex offender facility

Arguably, the most contentious piece of the law is an additional \$47.5 million to construct Phase II of sex offender treatment program at Moose Lake. Pawlenty wanted \$89 million, and a conference committee was told \$61 million would provide the needed infrastructure. The original conference committee report had no money for the expansion, and some legislators questioned the true costs of the facility and wondered if other programmatic options exist to treat the state's sex offenders.

The law contains language for the administration, corrections and human

services commissioners to study "the potential for using existing vacant or underused state facilities, including regional treatment centers, for the sex offender treatment program or for other programs or services administered by the Department of Human Services." A report is due the Legislature by Jan. 15, 2011.

"The study must analyze the feasibility, time required, and cost of making the building and infrastructure changes necessary for the program," the law states. "The study must also examine the current civil commitment policies of the state, sex offender treatment, and possible legislation to change determinate sentencing for sex offenders. The study must include a review of how other states use civil commitment for sex offenders."

Dennis Benson, executive director of the sex offender program, told conferees that the facility is already overcrowded and that about 65 more patients are expected to be added in each of the next five or six years. "I don't think we want to be careless, reckless or flippant about how we're going to manage these people," he said.

The law also includes gubernatorial priorities of \$10.03 million for security upgrades at the Oak Park Heights State Prison, \$8 million for Corrections Department asset preservation and \$5.8 million (Pawlenty wanted \$8 million) for migration of the Allied Radio Matrix for Emergency Response into all state correctional facilities. That system will allow the department to upgrade some obsolete radio communications and allow for improved operations, capacity and interoperability. Currently, the department operates 10 independent facility specific systems that range in age and use capability. (Secs. 18, 20)

Education and higher education

The University of Minnesota and the Minnesota State Colleges and Universities system were among the biggest recipients and victims in the law.

The university received nearly \$89.67 million in bonding dollars: \$56 million in asset preservation, \$23 million to renovate Folwell Hall on the Minneapolis campus, \$6.67 million for systemwide lab renovations and \$4 million for predesign and design of a new physics and nanotechnology building on the Minneapolis campus. However, the latter amount is not available until the Board of Regents certifies to the state "that the building will not be built within the area impacted by vibration or magnetic resonance caused by light rail transit on Washington Avenue."

Pawlenty vetoed \$6.67 million for an American Indian Learning Resource Center on the Duluth campus and \$3.67 million for

a biological station and lakeside lab at the university's facility in Itasca State Park.

MnSCU received \$88.11 million in state bonding dollars, but nearly \$91 million more was vetoed. State dollars will be supplemented with \$18.05 million from the system for to total \$106.17 million for bonding projects.

The three largest funded projects are: \$52 million for asset preservation, nearly \$9.86 million for an addition and renovation at the Center for Business and Technology at North Hennepin Community College and \$8.07 million for an addition and renovation to the Health and Science Center at Lake Superior College. Other campuses that received some bonding money are Alexandria Technical College, Mesabi Range Community and Technical College, Metropolitan State University, Minnesota State Community and Technical College in Moorhead, Normandale Community College and St. Cloud Technical College.

Among the 17 projects vetoed by Pawlenty is \$28.23 million for a science and engineering laboratory at St. Cloud State University, \$9.53 million to equip instructional space at Ridgewater Community College in Willmar and almost \$8.91 million for a learning resource center at South Central College in Faribault.

"Fully funding all these requests would reduce consideration of other worthy projects in order to achieve a reasonably sized bill," Pawlenty wrote. "I am also troubled by the disparity in funding levels between the University of Minnesota and MnSCU in the bill."

Hausman noted that MnSCU has three times as many students as the University of Minnesota, but gets less in the law.

Langseth, who said the cuts show Pawlenty "places such a low priority on higher education," added all the projects would be built eventually, but at a higher cost.

Pawlenty also axed \$5.78 million for the Red Lake School District to renovate existing facilities and construct new ones, and \$2 million for statewide library improvement grants.

Asset preservation at the state academies for the deaf and blind will receive \$2 million and \$500,000 is allocated to construct independent living housing at the Minnesota State Academy for the Blind. "The project will be conducted in collaboration with the carpentry class of South Central College of Faribault and provide housing for students 18 to 21 years of age in the nontraditional student component of the Academy Plus Transition program."

The Perpich Center for the Arts in Golden Valley will receive \$1.37 million: \$755,000

to demolish the Alpha Building, \$489,000 to install windows in the Delta Dormitory to complete the building's renovation, and \$129,000 to construct a storage building on the Alpha Building site. (Secs. 2-6)

Employment and economic development

The law contains \$56.2 million in spending in this area, but also nearly \$65.8 million in vetoes.

A renovation of Orchestra Hall and the adjoining Peavey Plaza in downtown Minneapolis is funded at \$16 million, the same amount awarded for an expansion of the Ordway Center for the Performing Arts in downtown St. Paul.

Of the \$10 million for Greater Minnesota Business Development Infrastructure Grants, \$1 million is for construction of a main line water loop, including connections and a main sanitary sewer line, in North Branch to "provide adequate water volume and pressure for fire protection and suppression for industrial users at ESSBY Business Park." The Voyageurs National Park Clean Water Joint Powers Board will receive \$285,000 to predesign a wastewater collection and treatment facility and \$200,000 will be used to construct an entrepreneurship and technology business incubator at Pine Technical College.

The Rice Street bridge over Highway 36 in Ramsey County will be reconstructed, and other infrastructure improvements made with \$5 million to support bioscience business development. Another \$5 million will be put into a redevelopment account, but \$2 million of the money is directed to Lake Elmo — \$1 million to construct an extension of a sanitary sewer force main and another \$1 million to expand "the city's water pumping, storage and distribution system to provide approximately 1,000 additional hookups and replace a city well lost to contamination by perfluorochemicals."

The law also allocates \$4 million for the state's Innovative Business Development Public Infrastructure Grant Program and \$200,000 for the Lake Superior Zoo for asset preservation and exhibit renewal so the zoo can achieve accreditation.

Phase II of the National Volleyball Center in Rochester can be constructed with a \$4 million appropriation, and \$950,000 for a women's locker room, training room and education display at the National Sports center Super Rink in Blaine made the law. However, \$3.5 million to construct the Northwestern Minnesota Regional Sports Center in Moorhead was vetoed. Supporters of each project spoke of the economic boost each facility gives, or would give, the respective area.

The governor also vetoed a number of other economic development projects, including:

- \$53 million for civic center projects in Mankato (\$12 million), Rochester (\$13 million) and St. Cloud (\$28 million);
- \$5 million for an Asian-Pacific Cultural Center in St. Paul; and
- \$2.2 million for construction of an arts and community center in Chatfield. (Secs. 12, 21)

Environment and natural resources

Nearly \$4.66 million is made available for state park rehabilitation, including: water treatment system, lab building and new discharge pipeline at the Soudan Underground Mine; safety improvements to the historic pedestrian bridge at Minneopa; repaving the wilderness drive and improvements to the beach area amphitheater at Itasca; office consolidation into the historic museum building at Fort Ridgely; new RV sanitary dump stations at Mille Lacs Kathio and Whitewater; road paving and rehabilitation at Lake Marion; and campground electrical upgrades at all parks. Most of this appropriation must be spent within one year of the law's effective date.

The law includes \$4 million for renovation or removal of nine dams: Byllesby, Champlin Mill, Clayton Lake, Drayton, Hallock, Lake Bronson, Lanesboro, Milaca, Montevideo and Pike River. Vetoed was \$750,000 to renovate the Coon Rapids Dam. "This dam is not at an imminent risk of failure, and the DNR has other tools available to maintain the integrity of the dam," Pawlenty wrote in his veto letter.

Another \$4 million is for rehabilitation of five state trails: Gateway, Luce Line, Munger, Paul Bunyan and Root River. Money can also be used to renovate the Alborn-Pengilly Railroad ATV Trail.

Trail connections are funded at \$3.29 million in the law. This includes \$1 million for the City of Rochester to acquire the DM&E Pine Island spur right-of-way to connect to the Douglas State Trail, \$800,000 to construct Phase I of the Rocori Trail from Richmond to the east side of the Sauk River into Cold Spring and \$512,000 to renovate the Roebling suspension pedestrian bridge over the Minnesota River in Granite Falls. Other trails addressed are the Soo Line Trail in Moose Lake, the Carey Lake Bike Trail in Hibbing, the Dairyland Trail in Stearns County and the Shingobee Trail connection near Walker.

Other funding includes:

- \$3 million for diseased shade tree removal and replacement in Minneapolis and St. Paul;

- \$3 million for state forestland reforestation;
- \$3 million to provide the state match for the critical habitat private sector matching account to acquire fee title;
- \$2.15 million to acquire private land from willing sellers within the William O'Brien State Park and Cuyana Country State Recreation Area, and from a seller near Split Rock Lighthouse State Park that provides a view of the lighthouse;
- \$1.2 million for emergency building stabilization at Fort Snelling Upper Bluff;
- \$1 million to install groundwater observation wells to monitor the Mount Simon aquifer and assess groundwater for water supply planning in the south and central regions of the state;
- \$1 million for statewide asset preservation;
- \$1 million for forest road and bridge construction, replacement or repair;
- \$500,000 to construct segments of the Northwoods Regional All-Terrain Vehicle in Aitkin County; and
- \$50,000 to pave a St. Mathias Park trail in Fort Ripley.

A \$21.42 million request for other state trail acquisition and development was vetoed. "While some of these are worthy projects, this level of funding is not affordable at this time," Pawlenty wrote in his veto letter. "This (law) still contains nearly \$8 million for trail rehabilitation and development in Minnesota."

Also vetoed was \$4.5 million in scientific and natural area acquisition — Pawlenty recommended \$500,000 — and \$1 million for a campground expansion in Two Harbors.

The law appropriates \$8.7 million to "construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program," and nearly \$5.08 million to construct a material recovery facility at the Perham Resource Recovery Facility. "The counties using this must agree to achieve a 60 percent recycling rate and an organics recovery of 15 percent by 2025," according to the law. A \$500,000 grant to Becker County to construct a waste transfer facility was vetoed.

Wetland restoration or preservation to replace wetlands drained or filled because of repair or reconstruction of public roads is funded at \$2.5 million. The Board of Soil and Water Resources is "to give priority consideration to establishing wetland credits in the seven-county metropolitan area in partnership with the Minneapolis Park and Recreation Board and the sculpture garden project."

Pawlenty vetoed \$25 million in conservation easement acquisition from landowners "to preserve, restore, create, and enhance wetlands; restore and enhance rivers and

streams, riparian lands, and associated uplands in order to protect soil and water quality; support fish and wildlife habitat; reduce flood damage; and provide other public benefits." The governor indicated the amount was more than six times his recommended amount, and the way the funding was written resulted in an "all or nothing" veto.

A cap on a land purchase price for the proposed Lake Vermilion State Park is stricken. It also requires that until park infrastructure development begins, the land must continue to be open to the public to use for hunting, fishing and trail use.

The law allocates \$30 million in state match for federal grants, including \$10.8 million to provide matching funds for the drinking water revolving fund to match 2011 and 2012 federal grants. The remainder is to be used for clean water revolving fund. The law provides \$27 million for local grants under the wastewater infrastructure funding program; however, \$2.8 million must go to Williams to correct action on a system built with federal money. (Secs. 7-8, 22, 60-61)

Flood hazard mitigation

The second-largest amount in the law is \$63.5 million for "flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage."

Appropriation dollars will be used by Clay County and the following municipalities: Ada, Afton, Austin, Borup, Breckenridge, Climax, Crookston, Felton, Georgetown, Granite Falls, Halstad, Hendrum, Inver Grove Heights, Montevideo, Moorhead, Nielsville, Oakport Township, Oslo, Perley, Roseau, Rushford and Shelly.

The following watershed district projects are funded: Brandt Angus, Middle-Snake-Tamarac Rivers Watershed District; Fountain Lake, Shell Rock River Watershed District; Grand Marais Creek and Thief River Falls, County Ditch No. 1, Red Lake Watershed District; Hay Creek-Norland, Roseau Watershed District; Manston Slough and Upper South Branch, Buffalo-Red River Watershed District; North Ottawa and Red Path, Bois de Sioux Watershed District; Springbrook, Two Rivers Watershed District; and Upper Becker Dams, Wild Rice Watershed District.

Money can be spent toward the Fargo-Moorhead metropolitan diversion project proffered by the U.S. Army Corps of Engineers; however, it cannot be spent until the earlier of April 1, 2012, or an implementation plan for mitigation of downstream impacts has been developed so downstream flooding is not worse than it would have been sans the project.

If a project costs exceeds 2 percent "of the

median household income in the municipality, Oakport Township, or Clay County, multiplied by the number of households in the municipality, Oakport Township, or Clay County, this appropriation is also the local share for the project."

Quarterly reports on flood hazard mitigation spending are due the Legislature. (Sec. 7)

Metropolitan Council

The regional planning agency serving the Twin Cities seven-county metropolitan area received \$29.5 million, but had \$49.6 million in vetoes, including \$43.5 million for the Transit Capital Improvement Program, which Pawlenty said was written in a way where he could not veto specific allocations. The governor also red-lined \$2 million to renovate the Minneapolis Sculpture Garden, \$2 million to expand the Springbrook Nature Center in Fridley, \$1.1 million to improve Phalen-Keller Regional Park in St. Paul and \$1 million to construct a winter recreation center "for developing Olympic-caliber athletes" at Theodore Wirth Regional Park in Golden Valley.

Projects Pawlenty did approve are: \$11 million for exhibit renovation at the Como Zoo in St. Paul, \$10 million for metropolitan regional park improvements, \$3 million for improvements in municipal wastewater collection systems, \$2 million for renovation of the Old Cedar Avenue Bridge in Bloomington for bicycle commuters and recreational users, \$2 million for veteran's memorial parks in Minneapolis and \$1 million for Inver Grove Heights for park and trail development near the Rock Island Bridge.

A 2008 allocation for Cedar Avenue Bridge money is amended to reference renovating, not replacing, the bridge. A 2009 law to prohibit demolition or removal of the Rock Island Bridge is repealed. (Secs. 16, 58, 65)

Military affairs

Of the \$11.9 million in the military area, \$5 million is to renovate the Cedar Street Armory in St. Paul, including mechanical, electrical and life safety improvements.

Other spending includes \$4 million for statewide asset preservation, \$1 million for life safety improvements at other military affairs facilities, \$1 million to complete the renovation of the Troop Support Facility at Camp Ripley and \$900,000 to ensure National Guard training and facility centers throughout the state meet requirements of the Americans with Disabilities Act. (Sec. 13)

Public safety

The law calls for \$10 million in public safety spending, the largest of which is \$6 million to construct an emergency vehicle operator's course at Camp Ripley. Nonmilitary public safety personnel in Minnesota will be given access to the course.

To design a new state operations emergency center in Arden Hills, the law appropriates \$2.25 million. The money is not available until the administration commissioner has provided the Legislature how the site "will be adequately accessible in the event of a disaster that adversely affects major transportation corridors."

An expansion of the Minnesota Emergency Response and Industry Training Center in Marshall is funded with \$1 million, and an emergency operations and training center in Minneapolis is funded with \$750,000. In each case, funds will be made available once the same amount is committed from other nonstate sources.

Pawlenty vetoed two allocations: \$3 million for fire training facility in Maplewood and \$2 million to construct a facility in Princeton to house the city's emergency operations and equipment used to respond to regional emergencies.

Among the nearly \$8.08 million for asset preservation in properties managed by the Department of Administration, \$1.25 million is to be used for Phase I of Capitol Security upgrades. (Secs. 11, 14)

Transportation

The largest single item in the law is \$66 million from the bond proceeds account in the state transportation fund to match federal funds for local bridge rehabilitation or replacement. Money can be used for, among other things, matching federal aid grants to construct or reconstruct key bridges; preliminary engineering and environmental study costs; abandoning an existing bridge in need of replacement but where no replacement will be made; or paying to reconstruct a road to facilitate the abandonment of a bridge if it is determined construction of the road is more economical than replacing an existing bridge.

Of the allocation, up to \$10 million can be used for three Hennepin County projects: Phase II of the removal of the current Canadian Pacific Railway bridge and crib wall structure supporting the roadway, construction of a retaining wall to support Lowry Avenue and construction of an extension of Phase I of the Lowry Avenue bridge replacement over the Mississippi River.

Bridge construction of St. Anthony Parkway over the Northtown Rail Yards in Minneapolis is funded with \$7 million, and \$1.8 million

will be used to renovate the Tower Road bridge in Fergus Falls.

By Nov. 1, 2010, Minnesota Management & Budget, in conjunction with the Department of Transportation, is to implement a grant administration method for the remaining funds. A report on the method used is due the Legislature by that date.

Trunk Highway Fund bond proceeds totaling \$26.43 million will be used to construct a new maintenance facility in Rochester.

Of the \$22.8 million from the Trunk Highway Fund, \$15.8 million is to build a new truck station in Maple Grove, \$3.3 million is to construct a new truck station in Little Falls, \$3 million is to construct a new building in Maplewood for the metro bridge crew and \$700,000 is for design of the new Willmar district headquarters vehicle storage facility and a new Plymouth truck station.

Six projects will share the nearly \$24.3 million in general-obligation bonds, the largest of which is \$11.7 million to construct Phase II of the new terminal facilities at the Duluth International Airport. An equal amount must be committed from nonstate sources before the state money is available. Nearly \$2.1 million will be used to construct a multipurpose hangar at the Their River Falls Regional Airport. A nonstate match of at least \$699,000 is required before the state money is issued.

In the area of rail, the law calls for \$5 million to rehabilitate railroad tracks from east of Gaylord to Winthrop; \$2.5 million to replace active highway railroad crossing devices that have reached the end of their useful life, including \$900,000 for at-grade railroad crossing improvements in Grand Rapids; and \$2 million for the state's rail service improvement program. It also calls for \$1 million "to match federal money for environmental analysis, design, engineering, and acquisition of real property or interests in real property to extend the Northstar commuter rail line from Big Lake to the St. Cloud area."

Pawlenty vetoed five items: \$6.5 million to expand the Arden Hills Training Center; \$3.7 million for a multi-purpose hangar and maintenance and storage facilities at the Range Regional Airport; \$3 million for port development assistance; \$2.5 million for Greater Minnesota transit facilities, including \$520,000 for a multimodal hub in Northfield; and \$1 million for capacity improvements at the Hoffman Interlocking/Hoffman Yard in St. Paul. (Sec. 15)

Other approved items

A number of other provisions are included in the law, including \$10 million to cover about one-sixth of the cost for an addition to Gillette Children's Specialty Healthcare in Ramsey County. The money is available only when the remaining funding has been committed from nonstate sources. "A management contract or use agreement with respect to the facility must require that it be used to carry out a governmental program, including but not limited to providing health care."

The law also allocates:

- \$21 million to the Minnesota Zoo: \$15 million for Phase I of the Heart of the Zoo entry, visitor center and environmental education center and \$6 million for asset preservation;
- \$9.45 million to renovate Building 16 and to demolish the current North Wing of Building 17 and replace it at the Minneapolis Veterans Home;
- \$5 million to equip and relocate a hyperbaric oxygen facility at Hennepin County Medical Center;
- \$3.4 million for historic site asset preservation;
- \$1.08 million in bond sale expenses;
- \$1 million for county and local historic preservation grants;
- \$450,000 to construct a new enclosure attached to the front entrance, re-engineer the circle drive parking lot and provide day room and lounge space on either side of the entrance at the Luverne Veterans Home;
- \$125,000 for "grave markers or memorial monuments for unmarked graves on public land of deceased residents of state hospitals or regional treatment centers";
- \$100,000 to construct a memorial in Eagan dedicated to military members, firefighters and police who have died in the line of duty;
- \$75,000 is to predesign renovation of the governor's residence in St. Paul. (Secs. 10-12, 17-19, 24-25)

Miscellaneous

The law cancels \$27.56 million in previous bond proceeds fund appropriations for projects that are completed or amounts otherwise identified by agencies as unneeded.

It also makes a number of mostly technical and clarifying changes to previous year allocations, such as changing the use of an allocation if money is remaining after the designated project is complete.

For example, the director of Minnesota Management & Budget must report to the Legislature by Jan. 15 of each year "on the amount and percentage of each agency's capital appropriation that is used to pay

for the costs of staff directly attributable to capital programs or projects funded with state general obligation proceeds." A report has previously been due Jan. 1 each year on how entities receiving bonding dollars have used the money.

Contracts for state building construction, renovation or demolition must include a provision that at least 50 percent of nonhazardous construction and demolition waste be recycled if funding from bond proceeds is at least \$5 million and the project is located within 40 miles of a recycling facility that can handle the waste. This is effective with projects that receive funding from bond proceeds beginning Jan. 1, 2011. (Secs. 27-63)

Technical changes made to allocations

Sponsored by Rep. Alice Hausman (DFL-St. Paul) and Sen. Keith Langseth (DFL-Glyndon), the law makes only language changes to some existing appropriations.

Under the law, effective May 26, 2010:

- the date for which bond proceeds authorized in 2005 and 2006, respectively, can be used for the Blazing Star Trail and the Mesabi Trail are extended to June 30, 2014;
- money appropriated in 2008 to construct a family center in Brooklyn Center can also be used for an attached parking facility;
- in addition to predesign and design, Hennepin County Medical Center can use a 2008 appropriation to "construct, furnish, and equip" an outpatient clinic and health education facility;
- a 2010 appropriation for an emergency vehicle operator's course at Camp Ripley may also be used for project predesign;
- any money left over from a 2009 appropriation for a steam pipeline in Olmsted County can be used "to convert heating and cooling systems within existing Rochester Community and Technical College buildings from electrical energy to steam-derived energy"; and
- the scope of a 2010 appropriation for a buildings project at the Minneapolis Veterans Home is clarified.

HF3492*/SF3222/CH399

BUDGET

Early retirement incentive

Eligible state employees can have an amount of money sufficient to pay for two years of health and dental insurance coverage deposited into their health care savings plan as an early retirement incentive, under a new law.

Sponsored by Rep. Loren Solberg (DFL-

Grand Rapids) and Sen. Tom Bakk (DFL-Cook), the law is applicable for an employee with at least 15 years of contributions in certain retirement funds; who accepts the incentive no later than Dec. 31, 2010; retires no later than June 30, 2011, and is not in receipt of certain state retirement plans during the month preceding the termination of qualified employment.

The employee can use the funds for health care expenses.

The employee's appointed authority has the discretion whether to offer the retirement incentive. Employees who accept the incentive may not be reemployed or hired as a consultant by any agency or entity that participates in the State Employee Group Insurance Program for three years.

The Minnesota Management & Budget commissioner must report to the Legislature by April 2, 2011, the number of employees accepting the incentive.

The law is effective May 14, 2010.

HF2038/SF1481*/CH337

Supplemental budget law trims \$312 million

The first supplemental budget law of the 2010 legislative session solved nearly one-third of the state's projected deficit.

Sponsored by Rep. Lyndon Carlson, Sr. (DFL-Crystal) and Sen. Richard Cohen (DFL-St. Paul), the law reduced the state's then-estimated \$994 million deficit by \$312 million. It cut state spending by \$228 million, and included \$84 million in new revenue to the General Fund (mostly through one-time transfers from special accounts). A few policy changes are also included in the law.

In total, the provisions touch on nearly every area of state government except health and human services, K-12 education and early childhood education. Reductions in General Fund spending are made in the following categories:

- \$111.3 million to county and city aids and credits (Art. 13);
- \$47 million to higher education (Art. 2);
- \$35.4 million to public safety (Art. 11);
- \$33 million to state government operations (Art. 12);
- \$24.1 million to environment and natural resources (Art. 3);
- \$23.7 million to energy and commerce (Art. 4);
- \$16.3 million to economic development and (Arts. 7, 8);
- \$14.5 million to transportation (Art. 10); and
- \$7.2 million to agriculture (Art. 5).

The Department of Veterans Affairs is the only agency to see an increase under the

law, which provides an additional \$200,000 from the General Fund to combat veteran homelessness and compensate honor guards. (Art. 6, Sec. 3)

Much of the law takes effect July 1, 2010; however, supplemental appropriations and reductions for fiscal year 2010 are effective April 2, 2010.

Below is a summary of selected provisions in the law. A more detailed summary is available from the nonpartisan House Research Department (<http://www.house.leg.state.mn.us/hrd/bs/86/HF1671.html>). Additionally, spreadsheets detailing program reductions are available from the nonpartisan House Fiscal Analysis Department (<http://www.house.leg.state.mn.us/fiscal/files/hf1671.pdf>). [click here](#)

HF1671*/SF3223/CH215

Local tax aids and credits

The largest reductions in the law come in the area of property tax aids and credits. A total of \$105 million is cut for the current fiscal biennium, with half of the reductions falling on cities and the other half falling on counties (\$52.5 million each). The bulk of the cuts are made through the residential homestead market value credit program. Townships receive no reductions, under the law. Reductions are split roughly equally between the Twin Cities metropolitan area and Greater Minnesota. (Art. 13, Sec. 6)

In addition to the \$105 million in county and city aid cuts, an additional \$6.3 million in savings is achieved in fiscal year 2011 through elimination of a special timing account. (Art. 13, Sec. 10)

The law provides for deeper local aid cuts in the next biennium, cutting \$113 million in aid to cities, \$87.5 million to counties and \$9.5 million to townships, for a total of \$210 million in fiscal years 2012 and 2013. The reductions to counties come entirely out of county program aid, while the reductions to cities come out of local government aid (\$62.1 million), the residential market value credit (\$50.6 million) and the agricultural market value credit (\$302,000). The townships' reductions are divided between the residential market value credit (\$9.1 million) and the agricultural market value credit (\$358,000). (Art. 13, Secs. 2, 7-8)

Effective for withdrawals after April 30, 2010, the law also extends the deadline for those who wish to withdraw non-productive agricultural lands from the Green Acres program to do so without paying a tax penalty.

The deadline is **moved** from May 1, 2010, to Aug. 16, 2010. (Art. 13, Sec. 1)

Higher education

The law cuts higher education by \$47 million. Of that, \$36.1 million falls on the University of Minnesota, \$10.5 million falls on the Minnesota State Colleges and Universities system, and \$413,000 falls on the Office of Higher Education. (Art. 2, Sec. 1)

The University of Minnesota is reduced in the following areas:

- \$32.2 million to operations and maintenance;
- \$2.8 million to agriculture and extension services;
- \$427,000 to the university and Mayo Foundation partnership;
- \$328,000 to the "system specials";
- \$281,000 from health sciences; and
- \$74,000 to the Institute of Technology. (Art. 2, Sec. 5)

The MnSCU system is reduced in the following areas: \$10 million to operations and maintenance and \$500,000 to the central office. (Art. 2, Sec. 4)

Cuts to OHE include the following:

- \$1.8 million to the work-study program;
- \$205,000 to MnLink Gateway and Minitex;
- \$141,000 to OHE administration; and
- \$50,000 to technical and community college emergency grants. (Art. 2, Sec. 3)

The reductions are partially offset by an increase of \$1.8 million that is used to cover money owed to other states for tuition reciprocity. (Art. 2, Sec. 3)

The law transfers funding for the Achieve Scholarship program in fiscal year 2011 to the State Grant Program, and cuts base funding for Achieve in fiscal years 2012 and 2013. Effective April 2, 2010, the number of semesters in which a student is eligible for financial aid from the State Grant Program is lowered from nine to eight. (Art. 2, Secs. 6, 15)

Other selected policy provisions include:

- modifying loan limits and repayment terms for SELF loans (Art. 2, Secs. 7-8);
- increasing the revenue bond limit for the Higher Education Facilities Authority to fund construction projects at private institutions (Art. 2, Sec. 9);
- increasing the revenue bond limit for MnSCU to construct revenue-producing facilities (Art. 2, Sec. 13); and
- changing certain license, registration and various other fees for some private institutions (Art. 2, Secs. 10-12, 14).

Public safety

The \$35.4 million reduction to public safety in the law includes \$20.6 million in actual program cuts and \$12.8 million in transfers from special accounts into the General Fund. The cuts fall on a wide variety of programs and agencies; however, the law protects a handful of areas such as crime victims and youth intervention programs. A handful of funding increases are included as well: \$2 million for firefighter training; \$1.6 million for disaster relief matching funds for the Red River Valley; and \$100,000 for peace officer training.

The following is a summary of the public safety reductions in the law:

- \$8.9 million to the Department of Corrections;
- \$8.3 million to district courts;
- \$1.9 million to the Board of Public Defense;
- \$1.6 million to the Bureau of Criminal Apprehension;
- \$1.5 million to the Supreme Court;
- \$1.3 million to the Office of Justice Programs;
- \$324,000 to the Court of Appeals;
- \$162,000 to the Department of Human Rights;
- \$74,000 to the Alcohol and Gambling Enforcement Division;
- \$37,000 to the Tax Court;
- \$29,000 to the Sentencing Guidelines Commission;
- \$25,000 to the Board of Peace Officer Standards and Training;
- \$24,000 to the Board of Judicial Standards;
- \$5,000 to the Board of Private Detective and Protective Agent Services; and
- \$2,000 to the Uniform Laws Commission.

The reductions in the law must not impact correctional officer positions, offender reentry programs or discharge planning for mentally ill offenders. Drug courts must be maintained at their existing levels. Other areas that will be minimally affected (reduced by 1.5 percent or less) include domestic violence programs, general crime victims programs, youth intervention programs and sexual assault victims programs. (Art. 11, Secs. 5, 10, 13)

The law cuts in half the state subsidy for the Sentence to Service program, which allows inmates to do community service in exchange for reduced sentences. Counties may now charge offenders a fee for participating in the program, and may also charge anyone who directly benefits from the program. (Art. 11, Sec. 13)

State government

In the area of state government operations, the law creates \$33 million in savings, with \$26.9 million of that coming from a new Department of Revenue tax compliance

initiative that will cost \$6.7 million up front. The remaining \$6.1 million will be achieved through budget cuts and a few small transfers out of special accounts into the General Fund. In general, most agencies in this article in the law receive a cut of around 3 percent of their operating budgets. (Art. 12, Sec. 15)

Reductions in the law include:

- \$2.8 million to the Legislature;
- \$1.4 million to the Office of the Attorney General;
- \$985,000 to Minnesota Management & Budget;
- \$419,000 to the Department of Administration;
- \$354,000 to the Office of the Secretary of State;
- \$280,000 to the Office of Enterprise Technology;
- \$210,000 to the governor's office;
- \$110,000 to the Office of the State Auditor;
- \$36,000 to the Campaign Finance and Public Disclosure Board;
- \$23,000 to the Council on Indian Affairs;
- \$17,000 to the Capitol Area Architectural and Planning Board;
- \$16,000 to the Office of Administrative Hearings;
- \$15,000 to the Council on Chicano-Latino Affairs;
- \$14,000 to the Council on Black Minnesotans;
- \$13,000 to the Council on Asian Pacific Minnesotans;
- \$13,000 to the Minnesota Amateur Sports Commission; and
- \$7,000 to the State Board of Investment.

The Revenue Department will receive a \$2 million reduction to its operating budget; however, the agency will see a net gain of \$4.6 million because of the additional funds appropriated for tax compliance efforts. The law also eliminates \$750,000 from a contingent account left over from the American Recovery and Reinvestment Act of 2009. (Art. 12, Sec. 22)

MMB is directed to cut \$3 million from the state budget in fiscal year 2011 by directing state agencies to look for "operational efficiencies" — i.e. reducing travel expenditures, telecommuting, reducing energy usage and other methods. Agencies who fail to reduce expenditures will have the reductions taken out of their operating budgets. (Art. 12, Sec. 31)

Tax preparers who file more than 10 returns annually will now be required to file electronically. The change is expected to save the Revenue Department \$78,000 per year. (Art. 12, Sec. 29)

Environment and natural resources

A savings of \$24.1 million to the General Fund is created from budget reductions and fund transfers from environment and natural resources programs.

Agency reductions (\$12.8 million, in total) include:

- \$6.4 million to the Department of Natural Resources (Art. 3, Sec. 4);
- \$2 million to the Board of Water and Soil Resources (Art. 3, Sec. 5);
- \$1.5 million to the Pollution Control Agency (Art. 3, Sec. 3);
- \$462,000 to the Minnesota Zoo (Art. 3, Sec. 7); and
- \$240,000 to Metropolitan Council parks funding (Art. 3, Sec. 6).

The law also includes \$2.1 million in carry-forward cancellations for the DNR and BWSR. Reductions to specific programs within those agencies are detailed in Art. 3, Secs. 3-6.

In addition, the law provides for the transfer of \$11.3 million from various special funds into the General Fund. These include:

- \$8 million from the closed landfill investment fund (to be paid back beginning in fiscal year 2014);
- \$1 million from the fleet management account in the special revenue fund;
- \$790,000 from the special revenue fund;
- \$335,000 from cost-share flood programs in southeastern Minnesota; and
- \$293,000 from the stream protection and improvement fund, which is repealed.

Energy and commerce

A \$23.7 million savings in the area of energy and commerce appropriations is achieved through \$22.5 million in fund transfers and \$1.2 million in budget cuts.

Agency reductions (all of which impact the Department of Commerce) include:

- \$650,000 for renewable hydrogen initiative grants;
- \$450,000 for E-85 cost share grants;
- \$320,000 for market assurance activities; and
- \$192,000 for administrative services.

A new appropriation of \$400,000 is made to fund state access to a federal mortgage licensing system and registry. There is a \$57,000 reduction to the Petroleum Tank Release Compensation Board from the petroleum tank release cleanup fund. (Art. 4, Sec. 3)

The law transfers \$14 million from the workers' compensation assigned risk plan into the General Fund. It also transfers \$5 million from the special revenue fund and \$3 million from the petroleum tank release cleanup fund. (Art. 4, Secs. 5-7)

Economic development, housing and cultural heritage

The economic development, housing and cultural heritage articles in the law trim \$16.3 million from the budget, with \$8.7 million of that coming from transfers from special accounts into the General Fund and \$7.1 million coming from actual spending cuts.

The largest cut, \$4.2 million, goes to the Housing Finance Agency. Of that, \$3.2 million is from the affordable rental investment fund program (including a \$2.1 million transfer to the General Fund in fiscal year 2010) and \$1 million is from the housing rehabilitation loan program. (Art. 7, Sec. 11)

The Department of Employment and Economic Development receives a \$3.2 million reduction, with the impact spread out among a number of programs. These include:

- \$1 million from the Job Skills Partnership carryforward;
- \$500,000 from the Job Skills Partnership;
- \$353,000 from the Extended Employment program;
- \$350,000 from business and community development block grants;
- \$314,000 from the business and community development operating budget;
- \$190,000 from Independent Living Services;
- \$125,000 from DEED administration;
- \$119,000 from State Services for the Blind;
- \$88,000 from mentally ill supported employment;
- \$44,000 from the Extended Employment operating budget;
- \$40,000 from the BioBusiness Alliance of Minnesota;
- \$40,000 from Enterprise Minnesota;
- \$16,000 from the Office of Science and Technology; and
- \$15,000 from the Minnesota Inventors Congress.

In the area of cultural heritage, the law makes cuts to the following agencies:

- \$700,000 to the Minnesota Historical Society;
 - \$555,000 to Explore Minnesota Tourism;
 - \$543,000 to the Board of the Arts;
 - \$149,000 to public broadcasting; and
 - \$18,000 to the Public Facilities Authority.
- Other agencies reduced include:
- \$133,000 from the Bureau of Mediation Services;
 - \$65,000 from the Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design Board; and
 - \$40,000 from the Board of Accountancy.

Transfers into the General Fund account for the remainder of the savings achieved under these articles. In the area of housing, \$2.1 million is transferred from the housing

development fund into the General Fund. In the area of economic development, several transfers are made, including:

- \$5 million from the petroleum tank release cleanup fund;
- \$1.4 million from assigned risk safety grants;
- \$160,000 from the capital access program account;
- \$80,000 from the unemployment insurance administration state administration account; and
- \$31,000 from cancellation of a grant to Le Sueur County.

The Board of Barber Examiners and the Board of Cosmetologist Examiners receive funding increases of \$69,000 and \$395,000, respectively. These increases are funded by means of increased license fees. (Art. 3, Sec. 7; Art. 7, Secs. 8-9; Art. 8, Secs. 4, 9)

Transportation

The transportation article in the law reduces General Fund spending by \$14.7 million; however, an additional \$117 million is appropriated from the state's trunk highway fund.

The cuts in General Fund spending are made to the following areas:

- \$12.9 million to the Metropolitan Council for bus transit;
- \$1.7 million to the Department of Transportation for Greater Minnesota transit; and
- \$50,000 to MnDOT for commercial and freight operations.

The law appropriates \$112 million to MnDOT in fiscal year 2011 for trunk highway construction, and another \$5 million to the agency for a new federal emergency relief account. The account, established in Art. 10, Sec. 5 of the law, will fund emergency relief efforts to be reimbursed by the federal government.

Agriculture

Agricultural programs in the law are reduced by \$7.2 million, which includes \$6.2 million in appropriation cuts and a \$1 million transfers out of a special account into the General Fund.

Reductions to the Department of Agriculture include:

- \$4.4 million to ethanol producer payments;
- \$716,000 to dairy and food inspection services;
- \$438,000 to administration and financial assistance; and
- \$132,000 to agricultural marketing and development.

Other reductions in the law include \$228,000 to the Board of Animal Health and \$200,000 to the Agricultural Utilization Research Institute. The \$1 million transfer is from the Agricultural Fund. (Art. 5, Secs. 3-5)

Veterans

The law spares veterans and military programs from any budget cuts; instead, it increases General Fund spending by \$200,000 in these areas. Half of the increase, \$100,000, will go to the Minnesota Assistance Council for Veterans to boost services for homeless veterans and those at risk of homelessness. The other \$100,000 will go to help compensate honor guards at veterans' funerals. (Art. 6, Sec. 3)

The Case Management, Outreach, Referral and Education (CORE) program receives a \$400,000 funding increase from the Support Our Troops account. Other programs receiving a funding increase from a reallocation of appropriations made in 2009, including the following:

- \$1 million for the Fergus Falls Veterans Home; and
- \$113,000 for an adult daycare facility at the Minneapolis Veterans Home.

Minerals

Effective April 2, 2010, the law increases the amount of money available from interest and dividends on taconite funds for wage and small business subsidies. In addition, effective on that date, the law extends the Iron Range Resources early retirement incentive until Dec. 31, 2012. (Art. 9, Secs. 1-2)

The law also allocates special distributions of taconite funds to certain cities and townships for public works projects for 2010. (Art. 9, Sec. 3)

This article of the law makes no impact to the state's General Fund.

Impact note requesters increased

The chairs and ranking minority members of the House Finance and Ways and Means committees will be added to the list of people who can request local fiscal impact notes for proposed legislation. Currently, only the chair and ranking minority members of the House Taxes Committee have the ability to request fiscal notes. In addition, Minnesota Management & Budget must provide a copy of the completed note to the chair and also the ranking minority member of any committee that hears the bill.

Rep. Steve Simon (DFL-St. Louis Park), who sponsors the law with Sen. Ron Latz (DFL-St. Louis Park), said it's not only tax bills that cost money and have impact on local communities.

Minnesota Management & Budget

coordinates the development of fiscal notes and calculates the impact on each type of political subdivision that would result from proposed legislation.

The law takes effect Aug. 1, 2010.
HF3748/SF3325*/CH306

BUSINESS

Body art licensure

A new law sets licensing standards for tattoo artists and body piercers, as well as body art establishments. It also specifies health and safety rules for sites, equipment and procedures, including requiring the use of single-use needles and ink. The law sets grounds for granting temporary licensure, denying licensure and conducting an emergency closure of an establishment.

In a change from current law, no tattoos may be provided to people under age 18, regardless of parental consent. Most piercings are allowed.

Additionally, body art technicians and the places where they work will need to be licensed by the Department of Health beginning next year.

Sponsored by Rep. Julie Bunn (DFL-Lake Elmo) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law does not supersede municipal policies that meet or exceed the law's standards. It takes effect July 1, 2010.

HF677/SF525*/CH317

Food carts can stay longer

Effective May 11, 2010, one day after signed by Gov. Tim Pawlenty, the law allows mobile food carts to stay in one location longer than 21 days, provided the local regulatory authority permits.

"We're working to improve our civic climate downtown, create more vibrancy on the streets," said Rep. Frank Hornstein (DFL-Mpls), who sponsors the law with Sen. D. Scott Dibble (DFL-Mpls). The opening of Target Field, the new Minnesota Twins ballpark, was the impetus for that effort in Minneapolis.

The original proposal was meant to apply just to the state's largest city, but an amendment successfully offered by Rep. Mary Kiffmeyer (R-Big Lake) on the House floor makes the law statewide.

HF3591*/SF3115/CH294

Deputy registrar terms won't expire

Nearly half of the 174 deputy registrars in the state are incorporated, and were destined by state statute to lose their appointments in 2012, but thanks to a new law that won't happen. Rep. Randy Demmer (R-Hayfield)

and Sen. Katie Sieben (DFL-Newport) sponsor a law to remove the expiration date.

The legislation makes two other changes related to deputy registrars. First, it allows non-profit corporations (in addition to for-profit companies) to be appointed as a deputy registrar. Second, it allows for the relocation of the Dakota County-operated deputy registrar's office in Burnsville to Burnhaven Library in the city, with full authority to function as a registration and motor vehicle tax collection and driver's license bureau. The move is expected to save the county money by relocating from a rental property to a county-owned facility. However, approval was necessary to move within 15 miles of another deputy registrar office; an Apple Valley office is five miles away.

The removal of expired terms and expansion of appointment eligibility take effect Aug. 1, 2010. The Burnsville office relocation is effective the day after Dakota County files its approval with the secretary of state.

HF1209*/SF973/CH296

Entrepreneur resource network

Sponsored by Rep. Julie Bunn (DFL-Lake Elmo) and Sen. Terri Bonoff (DFL-Minnetonka), a new law will establish a website where entrepreneurs can access both public and private resources to help establish and grow their businesses.

The Minnesota Entrepreneur Resource Virtual Network will be created to provide small business owners with access to technical assistance, grants and other support services. As stated in the law, the network is designed to assist in the creation of new Minnesota ventures, the growth of existing businesses, and the ability of Minnesota entrepreneurs to compete globally.

The network will be established under the umbrella of the Department of Employment and Economic Development; however, no state money will be used. Instead, the law asks DEED to seek private funding to establish the network.

A report to the Legislature is required by Sept. 30, 2010, on progress made toward establishing the network.

The law will leverage an existing collaboration between DEED and the Minnesota Chamber of Commerce called "BusinessConnection," which provides general information to aspiring business owners.

Bunn said her bill can be considered "phase two" of what BusinessConnection represents. The new phase will include an upgraded interface for the website, among other things. Bunn said an eventual "phase three" — a true one-stop shop for starting, registering,

licensing and growing businesses — is hoped for at some point in the future.

The law is effective May 1, 2010.

HF2839/SF2758*/CH283

Business screening services

Business screening services are private entities that collect, assemble, evaluate or disseminate criminal records on individuals for a fee.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Don Betzold (DFL-Fridley), the law clarifies that a business screening service can only share “a criminal record that reflects the complete and accurate record provided by the source of the data.” The record has to have been updated within 30 days of receipt of information or has to have been verified as current by the data source within the previous 90 days. When disseminating a criminal record, the service must include the date the record was collected by the service.

The law also spells out that in an investigation as to the completeness of the record, a service must determine whether the record accurately reflects the content of the official government record. “If the disputed record is found to be sealed, expunged, or the subject of a pardon, the business screening service shall promptly delete the record.”

The law takes effect July 1, 2010.

HF3023/SF2322*/CH240

Corporate law changes

Corporate lawyers take note: a new law makes a number of changes to state laws dealing with business organizations.

Sponsored by Rep. Dave Olin (DFL-Thief River Falls) and Sen. Ron Latz (DFL-St. Louis Park), the law is the result of changes proposed by the Minnesota State Bar Association and the Office of the Secretary of State’s Business Services Division.

Among the most significant changes in the law, corporate boards of directors will no longer be required to appoint or remove all corporate officers. Instead, chief executive officers can appoint or remove officers — other than the chief financial officer — if it’s allowed by the corporate articles or bylaws, or if such authority is granted by the board.

Also under the law, publicly held corporations can eliminate or modify cumulative voting by a simple majority vote instead of a supermajority vote. Supermajorities would still be required for privately held corporations.

The law includes a number of provisions relating to corporations, both for-profit and nonprofit, and limited liability companies. Selected changes include:

- allowing boards of directors to make certain amendments to articles of incorporation in regard to share dividends;
- allowing boards of directors flexibility to maintain corporate records at locations other than the principal executive office;
- various provisions clarifying the process of approving amendments to bylaws and articles of incorporation for nonprofits; and
- modifications to requirements for filing documents with the Office of the Secretary of State.

Most of the law takes effect Aug. 1, 2010.

HF3025/SF2705*/CH250

Protecting auto dealers

Preventing auto dealerships from being unfairly shut down by auto manufacturers is the goal of a new law.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park), the law is a response to conditions that led to the closure of some 60 car dealerships in Minnesota last year. Chrysler and General Motors terminated the dealers’ franchise agreements after the auto manufacturers went bankrupt. The companies were allowed to do so because their bankruptcy deals allowed them to bypass state franchise laws.

“Whether you care about the dealers themselves or the 3,600 employees that work there, this is a big deal,” Atkins said.

Generally, the law limits the type of requirements that manufacturers can place on dealers, and also adds to the list of unfair practices manufacturers are prohibited from using. One provision will require manufacturers who acquire a make of auto as the result of a court approved sale, resulting in the termination of a dealer’s franchise agreement and then open a new dealership in the same area to give the previous dealer the opportunity to run the new dealership.

Rep. Greg Davids (R-Preston), expressing support for the bill, called the auto manufacturers’ actions “unconscionable.” Their decision to close down otherwise profitable dealerships cost many hard-working business owners their life’s savings, he said.

The law is effective May 14, 2010

HF2902/SF2663*/CH339

CONSUMERS

Keeping laws up with new tobacco

From strips that melt in your mouth to orbs that look like Tic Tacs, users can get a nicotine

bump anytime, anywhere and undetected. Supporters of new regulations fear these products could lure in a whole new generation of tobacco users.

Rep. Jim Davnie (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls) sponsor the Tobacco Modernization and Compliance Act of 2010. This will close the loophole on products that supporters say target younger generations.

Effective Aug. 1, 2010, the law expands the definition of tobacco products to include these new products and will regulate them as cigarettes and cigars. It will also apply to electronic cigarettes and candy- or fruit-flavored “little cigars” that are similar in size to cigarettes, but because of their design are not as regulated.

A penalty for sale and/or possession of the products is spelled out in the law. It will be a petty misdemeanor for those under the age of 18 to possess, purchase or attempt to purchase a product containing or delivering nicotine or lobelia intended for human consumption, or any part of such a product, that is not tobacco.

HF3467/SF3055*/CH305

New rules for roofers

A growing number of roofing contractors are trying to convince homeowners to replace roofs that don’t necessarily need replacement. Critics say their aggressive marketing tactics are driving up insurance costs, and a new law is designed to stop them.

Sponsored by Rep. Phil Sterner (DFL-Rosemount) and Sen. Kathy Saltzman (DFL-Woodbury), the law prohibits a residential roofer from advertising to consumers that they will pay part or all of a homeowner’s insurance deductible in a roofing claim. Roofers who violate the provision can be sued for damages by either the homeowner or their insurer.

The law also states that homeowners have the right to cancel a contract with a roofer within 72 hours of being notified that their insurance claim has been denied. Roofing contractors must provide consumers with written notification of their right to cancel a contract, and must refund any payments to the homeowner within 10 days of cancellation. Contractors are entitled to any payments for performing emergency services, however.

The law takes effect Aug. 1, 2010.

HF2060/SF1886*/CH324

Ensuring consumer choice

Renters will be guaranteed the right to purchase cable or telephone services from a provider of their own choosing, under a new law.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Kathy Sheran (DFL-Mankato), the law prevents landlords from forbidding or

discriminating against tenants for choosing one telecommunications provider over another.

Effective April 16, 2010, the law prevents landlords from striking deals with telecommunications companies to give renters who purchase their cable or phone service exclusive rates, or from charging higher rent for tenants that opt for a different provider. A similar protection for renters existed in state law prior to 2004.

A separate provision in the law, effective Aug. 1, 2010, will make it easier for telephone companies to offer "triple-play" services — voice, video and Internet — by letting local governments grant cable franchises to companies that already provide phone services within a given area.

In essence, the law will allow cities to let existing telecommunications providers offer more services to their customers. Rep. Mike Beard (R-Shakopee), who sponsored the provision as a standalone bill, said state law was previously unclear on whether local franchise authorities could allow telephone companies to provide cable services to customers within their existing service area without running into certain legal roadblocks.

A provision effective April 16, 2010, makes it easier for telecommunications providers to disconnect resellers who are delinquent on their bills.

HF3097/SF2616*/CH247

Directory scams banned

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Sandy Pappas (DFL-St. Paul), a new law makes it illegal for companies to misrepresent their location in phone directories, print ads and on the Internet.

The law is intended to address a kind of scam in which out-of-state companies take out ads pretending to be Minnesota-based companies. The companies overcharge customers who place orders, transfer the orders to actual Minnesota companies and then keep the difference as profit. Practitioners have targeted the floral and locksmith industries in particular.

The law generally states that a business misrepresents its geographic location if: they represent themselves to be at a location where there is not at least one owner or employee regularly performing services, and they set up a local phone number that routinely routes calls to out-of-state call centers.

The law takes effect Aug. 1, 2010.

HF3277*/SF3102/CH235

OK to brew in basements

Sponsored by Rep. Mindy Greiling (DFL-Roseville) and Sen. John Marty (DFL-

Roseville), a new law allows the Department of Agriculture to issue permits to businesses producing certain types of beverages in basements or other subgrade areas. It is effective April 2, 2010.

Greiling said basements were previously automatically ruled out due to the "olden days" when basements were wet and had mildew problems. The department would like to look at basements on a case-by-case basis now, she said.

Seth Couenhoven, director of operations for Thuro Bread, told a House committee that he wanted to rent the basement of a building he owns to a company to make fermented tea, but was unable to do so. The basement is updated and approved for commercial packaging, but also needs to be approved for the bottling process, he said.

HF2918*/SF2632/CH209

Impound notice date exclusions

Government workers and impound lot operators won't have to count Saturdays, Sundays and legal holidays among the five days they have to notify a registered vehicle owner and lienholders of a vehicle that their vehicle has been impounded.

Those days will continue to be counted in the five-day notice period until the new law takes effect Aug. 1, 2010.

Rep. Larry Hosch (DFL-St. Joseph) and Sen. Michelle Fischbach (R-Paynesville) are the sponsors.

HF3016/SF2572*/CH257

Battery recycling fee increased

Sponsored by Rep. Paul Gardner (DFL-Shoreview) and Sen. Ken Kelash (DFL-Mpls), a new law modifies a 20-year-old statute requiring consumers who purchase new, lead acid batteries to either recycle their old batteries or pay a \$5 fee.

Currently, when you buy a new battery for your vehicle, you can recycle the old one free-of-charge. If you don't bring in the old battery, you're charged a \$5 fee.

The fee, which serves as an incentive for people to recycle their old batteries, is ultimately paid by the retailer to the battery manufacturer; however, since manufacturers often charge \$10 or more to retailers, the retailers have essentially been getting shorted by \$5.

Beginning Aug. 1, 2010, the fee that retailers charge to consumers at the point-of-sale will increase to "at least \$10," so that retailers recover the full cost of the fee they're charged by the manufacturers. As is the case with current law, consumers who bring in a battery for recycling within 30 days of purchasing a new battery will be able to get their fee refunded.

Gardner has said the law will serve the dual purpose of further encouraging consumers to recycle and also helping retailers' bottom lines.

HF2402/SF2152*/CH258

Changes to liquor laws

Those attending the Minnesota State Fair this year can enjoy a glass of Minnesota-produced wine if they want, thanks to this year's omnibus liquor law.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park), the law also authorizes liquor licenses at several locations. Unless otherwise noted, it takes effect April 23, 2010.

Under the changes, the state fair may issue beer licenses directly to concessionaires; previously, Ramsey County was responsible for issuing the licenses. For the first time, the fair will also be allowed to issue licenses for selling wine by the glass, provided that the wine is produced by a Minnesota winery. In addition, the law allows the fair, and not Ramsey County, to authorize the sale of tobacco on the fairgrounds.

The law includes changes that will allow liquor stores to conduct beer- or liquor-tasting events in addition to the already-allowed wine tastings. The law specifies that the event must be no longer than four hours in duration, and sets a number of ground rules for how tastings must be conducted.

Liquor licenses are authorized for several locations under the law, including:

- the Museum of Russian Art in Minneapolis (pending authorization by the city);
- the University of St. Thomas' Minneapolis campus;
- the Bemidji Regional Event Center; and
- Bemidji State University, for certain events only.

Insurance requirements for liquor retailers are clarified in the law. The changes incorporate a recent Minnesota Supreme Court decision, *Brua v. Minnesota Joint Underwriting Association*. An exemption from the requirements is provided for wholesalers who donate wine to an organization for a wine tasting.

HF3186/SF2808*/CH255

CRIME

Getting a post-sentence DNA sample

A judge will be given permission to order an offender who did not submit a required DNA sample to provide one even if the offender's sentence has expired.

Sponsored by Rep. Karla Bigham (DFL-

Cottage Grove) and Sen. Linda Scheid (DFL-Brooklyn Park), a new law is designed to correct a technical glitch that sometimes occurs when an offender convicted of a felony is supposed to provide a DNA sample. It takes effect Aug. 1, 2010.

Since 2005, all convicted adult felons, adjudicated juvenile felons and felon offenders transferred into Minnesota from another state must provide a DNA sample for testing. If the court doesn't order it, the probation department is supposed to collect a sample. However, if no one makes the order, there is no current remedy to get a sample.

David Brown, an assistant Hennepin County attorney, told a House division that an estimated 10 percent to 20 percent of offenders do not provide the required sample. Bigham said Wisconsin does this, and it has led to the solving of some cold cases.

The order to show cause shall direct the offender to appear before the court within 30 days, unless a specimen is provided. Upon the offender's appearance, the court may issue an order directing the offender to provide the specimen. If an offender fails to provide a specimen or appear in court, an order requiring the offender to submit a specimen within 30 days at a designated location can be issued, and a peace officer would be authorized to detain and bring the offender before the court to show cause why the specimen should not be produced.

The sample will be provided through a painless cheek swab.

HF3447/SF3116*/CH256

Changes to MSOP policies

Changes are in store for the transfer, temporary discharge and release of people civilly committed to facilities under the Minnesota Sex Offender Program.

A new law modifies the statute that governs treatment of sexually dangerous persons and sexual psychopathic personalities. Sponsored by Rep. Terry Morrow (DFL-St. Peter) and Sen. Tony Lourey (DFL-Kerrick), the law does the following:

- describes procedures for notifying a victim of a pending petition for commitment, provisional discharge, discharge or temporary release of a sexually dangerous person or sexual psychopathic personality, as well as the victim's right to submit a written statement;
- prohibits a person committed as a sexually dangerous person or sexual psychopathic personality from being transferred, provisionally discharged or discharged without a hearing and the approval of a judicial appeal panel and special review board;
- sets grounds for revocation of provisional

discharge, as well as procedures for appeal;

- outlines the responsibilities of MSOP for providing supervision, aftercare and case management for sexually dangerous persons and sexual psychopathic personalities after release; and
- gives the Department of Human Services responsibility for placing an individual on a judicial hold due to a petition for civil commitment as a sexually dangerous person or sexual psychopathic personality in the appropriate secure treatment facility. The law takes effect Aug. 1, 2010. HF3300/SF2713*/CH300

Expanded service animal harm penalty

It is already a misdemeanor to intentionally cause bodily harm to a service animal. Effective Aug. 1, 2010, a similar charge can be brought against someone who intentionally renders a service animal unable to perform its duties.

Sponsored by Rep. Mindy Greiling (DFL-Roseville) and Sen. D. Scott Dibble (DFL-Mpls), a new law requires a court to order mandatory restitution for the costs resulting from the criminal act, including the service animal user's lack of income, veterinary expenses, transportation costs and service animal replacement or retraining. A victim can still seek civil damages.

The law also goes after people who train fighting animals by providing that "whoever possesses any device or substance with intent to use or permit the use of the device or substance to enhance an animal's ability to fight is guilty of a gross misdemeanor." The language comes from HF728/SF800 sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Leo Foley (DFL-Coon Rapids).

HF3312/SF2990*/CH292

A felony for skimming tool

Effective Aug. 1, 2010, a new law will make it a felony for someone to possess a scanning device or reencoder used to acquire information from payment cards, a driver's license or state-issued identification card with "the intent to commit a crime, aid, or abet any unlawful activity."

Skimmers record information off the card's magnetic strip. Supporters note that these devices can go unnoticed by a consumer because they are about the size of a Bic lighter. For example, someone in the food or hospitality industry could hide one in their hand and run the strip through the skimmer without your knowledge.

Another common device retrieves someone's information at a cash machine. The skimmer looks like the outlet, albeit about

one-quarter of an inch thicker. When a user inserts their card, the device and the ATM read the information.

Criminals will frequently make a new credit card with the acquired information.

Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul) sponsor the law.

HF2470/SF2493*/CH293

Detention placement

Clarification of detention placement options for extended jurisdiction juveniles pending revocation hearings is the goal of a new law.

Sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Ron Latz (DFL-St. Louis Park), the law is in reaction to new federal legislation. Most of the changes were already in rules, but they are being codified in statute to comply so the state can keep receiving some federal money.

Extended jurisdiction juvenile is designed to give a serious youth offender one last chance. It is used when there is some hope that the youth can be helped in the juvenile justice system, but recognition that this may not happen. A juvenile sentence is imposed on the offender with the caveat that if that sentence is violated, a stayed adult sentence would be imposed. The juvenile court has control of such cases until the offender turns 21.

Under the law, a person convicted as an extended jurisdiction juvenile who has violated conditions of the stayed sentence and is taken into custody pending a revocation hearing must be held in a secure juvenile detention facility. If there is no available facility, the juvenile can be held in an adult confinement facility "up to 24 hours, excluding Saturdays, Sundays, and holidays, or for up to six hours in a standard metropolitan statistical area" provided he or she is kept away from any adults, including "complete sight and sound separation."

It takes effect Aug. 1, 2010.

HF2607/SF2755*/CH330

Revoking health-related licenses

Chiropractors convicted of criminal sexual conduct will lose their licenses under a new law.

The law applies to new licenses issued on or after Aug. 1, 2010. However, the Board of Chiropractic Examiners may establish criteria for someone who has been convicted to become licensed, including requiring that at least 10 years have passed since the person was released from incarceration or supervisory jurisdiction. Someone whose victim was a client or patient is ineligible.

Sponsored by Rep. Gail Kulick Jackson (DFL-Milaca) and Sen. Sharon Erickson Ropes (DFL-Winona), the law requires the Council of Health Boards to review the chiropractic provision and report to the Legislature on how a similar law would impact other health-related licensing boards. This section is effective May 16, 2010, while the chiropractic-specific sections are effective for new licenses issued on or after Aug. 1, 2010.

HF3634/SF3147*/CH349

No salvia divinorum possession

Sponsored by Rep. Morrie Lanning (R-Moorhead) and Sen. Bill Ingebrigtsen (R-Alexandria), a new law creates a misdemeanor for possession of salvia divinorum and a gross misdemeanor for its sale.

The law takes effect Aug. 1, 2010.

Derived from an herb from Mexico and known for its hallucinogenic effects that are often compared to LSD, salvia divinorum is either chewed or smoked. Its psychic effects include perceptions of bright lights and vivid colors, uncontrolled laughter and hallucinations. Harmful physical effects may include lack of coordination, dizziness and slurred speech.

Twenty states have made this illegal, including North Dakota, South Dakota and Wisconsin.

Salvia divinorum is sold by head shops on a retail basis, making it problematic, especially in towns bordering other states where the drug is currently illegal.

A 2009 national survey indicated 5.9 percent of high school seniors had used salvia divinorum, more than have used the drug ecstasy.

HF2975/ SF2773*/CH368

DEVELOPMENT

New law targets job growth

With state unemployment levels hovering around 7 percent, a new law was crafted to target job growth through a variety of new tax incentives for investors who provide money for small businesses, historical building renovations, small high-tech companies, manufacturers and eco-friendly businesses. Language to help the Mall of America expand and an easing of tax increment financing requirements so local governments can lure more development are also included.

Sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Tom Bakk (DFL-Cook), the law specifically targets projects that will be shovel-ready by July 1,

2011. However, the law **does not** assist the Minnesota Vikings with funding a new stadium. The law specifically states that no provision may be used to assist the state, a local government, or any private entity or person in financing or constructing a stadium or ballpark. (Sec. 61)

A summary of the new law compiled by the nonpartisan House Research Department is available by clicking here.

The law has various effective dates.

HF2695*/SF2568/CH216

Investment credits

A proposal from the bipartisan small business caucus and jobs task force to implement an angel investment credit is part of the law. This form of venture capital provides a tax credit to qualified investors, or a network of investors, who provide seed capital for small businesses.

The law allows a 25 percent refundable credit for investments in a qualified small business by a certified private investor or fund. It lays out business eligibility, who qualifies as an investor and the cash investment parameters for the credit.

Investors may qualify for certification through the Department of Employment and Economic Development either by being accredited under Securities and Exchange Commission Regulation D — which generally requires net worth of \$1 million, an annual individual income of at least \$200,000 or \$300,000 for a married couple — or by certifying they intend to invest in an offering that is exempt from registration under state law.

The maximum cumulative credit for a tax year is \$250,000 for married couples filing joint returns and \$125,000 for all other filers.

Several conditions must be met for a business to qualify for the credit by becoming DEED certified:

- it must be headquartered in Minnesota with at least 51 percent of its workforce employed and paid in the state;
- have fewer than 25 employees with annual wages for full-time workers being at least 175 percent of the federal poverty guideline for a family of four; and
- be engaged in, or committed to engage in, innovation using technology to add value to a product, process or service in a qualified high-technology field; or producing a new proprietary technology for use in the fields of agriculture, tourism, forestry, mining, manufacturing or transportation.

The law provides \$11 million in credits to be available on a first-come, first-served basis for tax year 2010, and \$12 million in credits in each tax year 2011 through 2014, with a minor reduction for tax year 2013.

New certification fees are attached to the credit, including a \$150 for businesses, \$350 for investors and \$1,000 for an organized fund participation. Participants are required to file annual reports with DEED and pay a \$100 filing fee. Failure to file a report will result in a \$500 fine.

The credits expire for taxable years beginning after Dec. 31, 2014, except the reporting requirements. (Secs. 1-2)

Historic structure rehabilitation

Minnesota will join several other states by offering an historic rehabilitation credit that will complement a similar federal credit for historic preservation. Rehabilitation credits will be available through the State Historic Preservation Office only for certified historic structures that meet certain conditions:

- listed on the National Register of Historic Places;
- certified as a contributing element of a National Register Historic District; and
- certified as historic by a local heritage preservation commission.

To qualify for a credit or grant, the developer of a project must apply before the rehabilitation begins. The application must be accompanied by a \$5,000 fee to be deposited in the account and used for personnel and administrative expenses of administering the credit. Applications will be accepted by the State Historic Preservation Office for grants in fiscal years 2011 to 2015 only.

The Minnesota Historical Society will annually report to the Legislature on the economic impact of credit.

The credit expires after fiscal year 2016, with few exceptions, and is effective for tax years 2010 for construction contracts entered into after May 1, 2010. (Secs. 11, 17)

JOBZ expands for cars and wind

Under the law, the Job Opportunity Building Zone holds a provision focusing on a series of state and local tax exemptions to help make the St. Paul Ford plant site viable to Ford or another vehicle manufacturer. It also will help a new wind turbine plant slated for Duluth or the Iron Range.

Known as CARZ (Create Automotive Recovery Zone), DEED is allowed to designate the new tax zone around the auto plant for 12 years if, before Jan. 1, 2016, St. Paul enters into an agreement with a qualified automaker to make a minimum investment in the facility of \$100 million.

The guidelines provide for an alternative jobs credit equal to \$2,500 per employee for the first 750 full-time equivalent employees at the site and a \$3,500 credit per FTE employee

for the number of employees at the site over 750. This credit is refundable.

Additionally, the law authorizes a five-year extension of JOBZ tax benefits for a wind turbine manufacturing facility being considered for Duluth or the Iron Range. To qualify for the benefit, the project must be in a county with an unemployment rate that is at least 10 percent or is 10 percent higher than the state average for any month in the year before the business subsidy agreement is signed. (Secs. 33-43)

Help for community development

The law makes adjustments to local development tools, including a one-year easing of tax increment financing eligibility and use of revenue bonds.

Among cities benefiting are Oakdale, North Mankato, Cohasset, East Grand Forks and St. Paul. (Secs. 54-60)

Since its inception more than 20 years ago, the Mall of America's Phase II development has been in the mix, but developers have had to alter plans and timelines as the economy has dipped, especially retail. The law helps the City of Bloomington accommodate this new development timeline through changes relating to revenue bond and sales taxes that were put in place to support the original project. (Secs. 48-52)

A temporary change to criteria for local economic development districts is also included. The law allows for projects of any type in these districts, if three conditions are satisfied:

- the municipality finds the project will create new jobs, including construction jobs, and the project otherwise would not have begun before July 1, 2011, without the assistance;
- project construction begins no later than July 1, 2011; and
- request for consideration in the district is made by June 30, 2011. (Sec. 31)

Other provisions

The law authorizes a local government to issue revenue bonds to finance energy improvements to enable qualifying property owners to pay for cost-effective energy improvements. (Sec. 4)

Charter schools that previously paid property taxes and that meet certain criteria, are tax exempt beginning in assessment year 2010 for taxes payable in 2011. (Sec. 5)

EDUCATION

Concession stand fees reduced

Many schools operate more than one concession stand on their grounds and must pay a \$150 fee to the state for each one. A new law defines "school concession stand" and provides that schools with multiple stands do not need to pay more than one annual \$150 fee.

Rep. Dean Urdahl (R-Grove City), who sponsors the law with Sen. Michelle Fischbach (R-Paynesville), said the law will save school districts about \$35,000, which the department has agreed to absorb.

Private companies that run concession stands on school property would retain responsibility for paying their own fees.

The law takes effect July 1, 2010.
HF3347/SF2996*/CH285

School's payments accelerated

A charter school serving deaf and hard of hearing students will be spared from having to close for lack of cash flow.

Sponsored by Rep. Mindy Greiling (DFL-Roseville) and taken up by House and Senate on the last full day of the session after the rules were suspended, the law is effective May 26, 2010.

Metro Deaf School-Minnesota North Star Academy requested an acceleration of its cash flow payments from the state, which otherwise could be delayed because of the special education billing process.

Although unintentional, the consequences of a 2006 law affect the school more than any other in the state. The new law makes an exception to the normal requirement that the Education Department reimburse school districts and charter schools for special education services rendered rather than pay them forward.

The school, with 100 percent of its students qualifying for special education, does not have a fund balance or cash reserve.

The accelerated payments to the charter school mean that special education reimbursement payments to other school districts and charters will be slightly reduced.

The law also appropriates \$16.9 million in fiscal year 2012 and \$19.18 million in fiscal year 2013 and beyond from the General Fund to the education commissioner for payment of debt service equalization aid.

HF3329*/SFnone/CH395

ELECTIONS

Disclosure of political spending

In the wake of a U.S. Supreme Court ruling that will allow corporations to spend freely to advocate for or against political candidates, a new law will require better disclosure of political expenditures in Minnesota.

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Ann Rest (DFL-New Hope), the law is a response to the case of *Citizens United v. Federal Election Commission*. In January, the court ruled that independent expenditures — political spending by private entities that is not authorized by, or coordinated with, a candidate — could not be limited under the U.S. Constitution. Rather than attempting to limit independent political expenditures, the law would create disclosure requirements.

Expenditures of greater than \$100 by corporations or other associations must be made through independent expenditure political committees or funds, under the law. All such expenditures must be reported to the Campaign Finance and Public Disclosure Board. Those who violate the provision will be subject to a fine of four times the amount of the expenditure, up to a maximum of \$25,000.

Independent expenditures do not include contributions to a candidate's political campaign, or any expenditures authorized by, or coordinated with, a candidate.

Associations that contribute to a committee or fund that makes independent expenditures must provide information on the association's members, including names, addresses and how much of the expenditure is attributable to each member of the association. This will only apply to associations that make expenditures of greater than \$5,000. The association is only required to itemize contributions from individual members who contribute \$1,000 or more toward the association's total contribution to the independent expenditure committee or fund. Standards for determining whether membership dues or fees must be counted for purposes of the required reporting are included in the law. Again, a fine of up to \$25,000 or four times the amount of the expenditure applies for those who violate the provisions.

The law also includes a provision banning public utility companies from recovering political expenditure costs by charging their customers.

The provisions requiring corporations to make their political expenditures under the state's independent expenditure laws are

effective May 28, 2010. Unless otherwise noted, the rest of the law takes effect June 1, 2010.

HF2754/SF2471*/CH397

Voting equipment grants

Grants to counties for voting and vote-counting equipment are included in a new law.

Sponsored by Rep. Marsha Swails (DFL-Woodbury) and Sen. Katie Sieben (DFL-Newport), the law updates the options for counties to replace voting equipment with assistive voting, vote-counting and optical scan equipment. This is effective May 28, 2010.

Two grants totaling \$2.4 million from the Help America Vote Act account are included in the law to help counties defray costs.

The law includes technical language modifying the secretary of state's filing fee for certain business and real property filings. This section is effective Aug. 1, 2010.

HF2755/SF2629*/CH379

Campaign finance reform

Provisions in a new law, sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Ann Rest (DFL-New Hope), include: removing or modifying election laws that have since been ruled unconstitutional; no longer requiring necessary food utensils and supplies or an individual's personal use of an automobile owned by the individual and to be used while volunteering personal time and certain costs related to processing electronic contributions to be reported as campaign expenditures; setting a value of \$5 or less on informational material that may be given to an official without violating the gift ban law; requiring lobbyists to provide an e-mail address and, if applicable, the website of any entity the lobbyist represents when registering; and setting contribution limits for judicial candidates.

The law allows a first-time candidate for judicial office to accept up to \$2,000 in an election year from any individual, political committee or political fund and up to \$500 in other years, and subjects judges to the gift ban law.

Secretary of state and state auditor candidates can accept up to \$1,000 in an election year and \$200 in others. Previously the amounts were \$500 and \$100, respectively.

Technical changes are made to how the board handles late filing fees by lobbyists. An eligible candidate for public subsidy payments who has not filed the report of receipts and expenditures will have their subsidy withheld until they have provided the information, and the board has had sufficient time to review or audit the report.

Under the law, certain financial reports by the two major state party political units will not be released until the reports of each party unit have been filed with the finance board.

The law also moves toward requiring campaign reports to be filed electronically with the board; this requirement is not effective until 2012.

Additionally, the law requires the board to study the possibility of using funds from the state income tax check-off as a sole source of funding for board operations, with a report due to the Legislature by January 2011.

The law has various effective dates.

HF1206/SF80*/CH327

Determining ward boundaries

Cities previously had to wait to redraw district boundaries until the Legislature had completed its redistricting process. Under a new law, cities that elect council members by wards in the year ending in "1" must reestablish boundaries that year, but no later than 14 days before the first day that affidavits of candidacy can be filed for city council members, regardless of whether the Legislature has completed its redistricting process.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Sandy Pappas (DFL-St. Paul), the new law allows the boundaries to be modified before and after the Legislature has redistricted. Once the Legislature has redistricted, no modification in ward boundaries may result in a 5 percent change of the ward population.

In cities of the first class "where council members are elected to serve four-year terms that are not staggered, if the population of any ward changes by 5 percent or more, all council members must be elected to new terms at the first municipal general election after the boundaries have been redefined."

If no election would occur in the year ending in "2" or "3," a municipal general election must be held in one of those years.

Kahn said the timing of council elections can be particularly problematic for cities such as Minneapolis and St. Paul when elections happen before the Legislature has completed redistricting.

The law is effective May 12, 2010.

HF653*/SF834/CH313

Affidavit of candidacy requirements

Those running in a legislative election must live in the district for at least six months prior to filing for the seat. A new law creates an administrative remedy to remove a person seeking candidacy from the ballot if it is determined they reside outside district boundaries.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Sandy Pappas (DFL-St. Paul), the law's impetus is from a court case in Kahn's district where an opponent actually resided in a different district, but was still able to be on the primary ballot.

The new law allows for a filing officer to determine whether a candidate's residential address is within the district. If they are not, the officer must immediately notify a candidate and remove them from the ballot.

Under the law, an affidavit of candidacy requires a candidate's residential address and telephone number. A candidate's residential address may be considered private data if a police report has been submitted or an order of protection completed.

The law also:

- clarifies the rights of a candidate and a candidate's volunteers to access apartments or dormitories in their district for the purpose of campaigning; and
- makes a technical clarification to an absentee ballot that members of a ballot board may declare "accepted."

Candidates for office and resident address changes are effective May 18, 2010. Political candidate access to apartments is effective May 12, 2010, and the ballot board technical change is effective June 25, 2010.

HF655*/SF531/CH314

Election administration changes

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Katie Sieben (DFL-Newport), a new law will require the Office of the Secretary of State to remove from the statewide voter registration system any registered deceased persons and report the name to their respective county auditor.

Other provisions include:

- requiring the Department of Corrections to report felony convictions to the secretary of state, and match the data accordingly with the statewide voter registration system;
- requiring the Department of Public Safety to transfer information related to the citizenship of persons to the statewide voter registration system;
- the county auditor or municipal clerk will preserve all absentee ballot applications for 22 months;
- voters are given the right to be absent from work for a necessary time period and without reduction in pay to vote, unlike previous law that specifically said "during the morning" of a work day;
- allowing local elections to be postponed due to inclement weather;
- details on filling a vacancy in the U.S. House of Representatives;

- people conducting exit polling will be permitted to be within 100 feet of a polling place; and
- conforming changes to federal law in helping military and overseas voters receive their absentee ballot at least 45 days before an election.

The law has various effective dates.

HF3108*/SF2388/CH201

Absentee ballot board creation

Cities, municipalities and school districts must establish a board to examine absentee ballots, under a new law.

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Katie Sieben (DFL-Newport), a new law creates a board to accept or reject absentee ballots based on several factors including: the voter's name and address on the return envelope match information provided on the application; the voter signed the certification on the envelope; the voter's driver's license, state identification number or the last four digits of their Social Security number match that provided on the application; and the voter has not already voted at that election. The process was previously completed by the election judges in each polling place on Election Day.

The law also provides for identification number matching rather than signature matching (with some exceptions) to better ensure an absentee ballot has been completed and returned by the same person to whom it was originally provided. Changes to the schedule for canvassing the results of an election are also provided.

The Office of the Secretary of State will report to the Legislature every two years statistics related to the state's absentee ballots, such as the number of ballots sent and received by voters, and the number rejected and reasons why.

Most of the law is effective June 25, 2010, except the ballot board creation, which is effective March 25, 2010, and a requirement that the official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection 6-10 weeks following the election takes effect Oct. 28, 2010.

HF3111*/SF2622/CH194

State primary moves to August

Minnesota's traditional September primary is no more.

A new law moves the primary to the second Tuesday in August to meet a federal mandate.

Passed in October 2009, the federal Military and Overseas Voter Empowerment Act requires at least a 45-day period for absentee ballots to be returned and counted for primaries and general elections. The law is

meant to ensure that members of the military and other citizens located overseas have ample time to return their ballot prior to Election Day. Previously, Minnesota law provided for an absentee voting period of 30 days. Ten states and the District of Columbia will also have to change primary dates or seek a waiver to comply with the new law.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Terri Bonoff (DFL-Minnetonka), the law will apply beginning with the 2010 election cycle.

HF2552/SF2251*/CH184

Election changes signed into law

A new law authorizes a town that has adopted a November election date to return to the second Tuesday in March as the date of the town general election, and it allows a town with a November general election to adopt a plan providing for a six-year term for town supervisors.

The law takes effect Aug. 1, 2010. Rep. Jeanne Poppe (DFL-Austin) and Sen. Tony Lourey (DFL-Kerrick) are its sponsors.

Under the law, "stepchild" and "stepsibling" are added to the list of individuals not qualified to be election judges, if related to any candidate at the election. However, individuals related to one another can serve as election judges in the same precinct if they serve on separate shifts that do not run concurrently.

Additionally, the law will allow major political parties to submit an electronic list to the Office of the Secretary of State with names of eligible voters who can serve as election judges in each election precinct. Previous law didn't specify the ability to do so electronically.

HF729/SF848*/CH180

EMPLOYMENT

Firefighter background checks

A new law, effective Aug. 1, 2010, aims to ensure that, in addition to being properly trained, responding emergency personnel are upstanding citizens.

Rep. John Lesch (DFL-St. Paul), who sponsors the law with Sen. Don Betzold (DFL-Fridley), said the law was brought to him by a fire chief who, upon discovery that one of his employees had been indicted for arson, found out he couldn't do a criminal background check on his employees. Currently, background checks can only be run on applicants.

The information obtained in the background check would be considered private data, and handled as any other such data.

HF3130/SF2363*/CH259

Updating a 1955 arbitration act

Revision of a five-decade old act is now in law.

The law makes changes to the Uniform Arbitration Act of 1955, which was adopted by 49 states, including Minnesota in 1957. The act provides procedures and standards for arbitration proceedings in certain disputes.

The Uniform Law Conference has revised the act to reflect changes in arbitration over the years. Twelve other states and the District of Columbia have adopted the updated act.

Provisions in the law include:

- additional remedies so the status quo can be maintained during the arbitration process;
- some consolidation of proceedings if they have similar issues of law;
- permitting an arbitrator to conduct the arbitration in such a manner he or she considers appropriate "so as to aid in the fair and expeditious disposition of the proceeding";
- allowing a court to order provisional remedies during arbitration before an arbitrator is selected;
- requiring arbitrators to disclose any potential financial or other conflict;
- allowing an award to be vacated because of an arbitrator's partiality;
- arbitrators will have immunity from civil liability to the same extent as a Minnesota judge acting in a judicial capacity; and
- arbitrators can award punitive damages or other relief if an award is authorized by law in civil action involving the same claim.

Rep. Terry Morrow (DFL-St. Peter) and Sen. Mary Olson (DFL-Bemidji) sponsor the law, which takes effect Aug. 1, 2011. Morrow said the Minnesota State Bar Association and other lawyer and attorney groups support the changes.

HF1692*/SF891/CH264

State labor contracts ratified

State labor contracts and compensation plans negotiated between the executive branch and various bargaining units are ratified under a new law.

Sponsored by Rep. Leon Lillie (DFL-North St. Paul) and Senate President James Metzen (DFL-South St. Paul), the law ratifies agreements and compensation plans for Minnesota State College Faculty; Minnesota State University Association of Administrative and Service Faculty; American Federation of State, County, and Municipal Employees Council 5; AFSCME, Council 5, Unit 8; AFSCME, Council 5, Unit 225; Minnesota Association of Professional Employees; Middle Management Association; Office of Higher Education; Minnesota State Colleges and

Universities Administrators; unrepresented employees; Minnesota Government Engineers Council; Minnesota Law Enforcement Association; Minnesota Nurses Association; and State Residential Schools Education Association.

In aggregate, these contracts and compensation plans are estimated to increase state costs during the current biennium by 0.57 percent.

The law is effective May 14, 2010.
HF2758/SF2386*/CH323

State employee and teacher pensions

Employer and employee pension contributions and benefits will be adjusted in an attempt to help state employee and teacher pension funds reach financial sustainability, under a new law.

Sponsored by Rep. Mary Murphy (DFL-Hermantown) and Sen. Don Betzold (DFL-Fridley), the law makes adjustments to several retirement systems, including the Minnesota State Retirement System plan that covers more than 50,000 active employees and currently pays monthly benefits to over 20,000 retirees, survivors and disabled employees.

Other affected plans include: the Public Employees Retirement Association, Teachers Retirement Association, Duluth Teachers' Retirement Fund Association, St. Paul Teachers' Retirement Fund Association, Minneapolis Employees Retirement Fund and the State Patrol Plan.

The law adjusts the inflow and outflow of money by using various strategies, including reducing cost-of-living adjustments, reducing interest on deferred benefits and eliminating interest on re-employed retiree accounts. Administrative functions of MERF are merged into PERA in the law. The law also provides additional state funding and local employer funding for MERF.

Murphy said the state made a promise to public employees in their pension plans and it should be kept.

The law has various effective dates.
HF3281/SF2918*/CH359

ENERGY

C-BED wind projects modified

Community-based energy development laws are modified under a new law aimed at reducing ambiguity in a 2005 law.

The goal is to create local green energy jobs and self-reliance to meet a community's energy needs, but too often the capital needed to construct a C-BED project isn't available

locally. As a result, current law requires that 51 percent of C-BED project revenues flow to "local owners and other local entities."

Effective May 18, 2010, the new law clarifies what types of revenues are included in that calculation and who may be considered a "qualifying beneficiary" of the project.

Also, the new law requires a developer to obtain a determination of C-BED eligibility from the Office of Energy Security based on the project's final financing terms prior to construction.

Any current project moving that has a position in the Midwest Independent Transmission System Operator interconnection queue or that has a prior letter from OES certifying its C-BED status is exempt from that requirement.

"As we move forward with C-BED there are probably going to have to be further discussions in the next session to look at the C-BED statute, but I believe the changes we are making are good changes," said Rep. Andy Welti (DFL-Plainview), who sponsors the law with Sen. Yvonne Pretzner Solon (DFL-Duluth).

HF3641/SF3081*/CH358

Solar energy goals adjusted

Dairyland Power, which serves Southeast Minnesota, is given authority to count the electricity it plans to buy from a proposed solar power plant north of Rochester toward its required energy conservation improvement goals or its renewable energy goals, but not both.

The solar plant proposed on a closed landfill in Olmsted County would be the Upper Midwest's largest solar farm. Dairyland Power plans to enter into a long-term power purchase agreement with Westwood Renewables, the project developer and manager.

The new law allows the Public Utilities Commission to use a different standard to determine the project's cost-effectiveness for Dairyland Power than for other energy conservation improvements if the commissioner deems it is in the public interest. The kilowatt hours of solar energy purchased by Dairyland Power may count for about a third of its savings goal as required by law.

The law, sponsored by Rep. Andy Welti (DFL-Plainview) and Sen. Dan Sparks (DFL-Austin), is effective May 20, 2010.

HF3429/SF3046*/CH372

Utilities may seek advance prudence

A utility may seek an advance determination of prudence from the Public Utilities Commission prior to making equipment upgrades required to comply with state and federal air quality standards. In essence, the

advance determination from the PUC tells lenders that the utility has the commission's blessing to proceed with the mandated upgrades. Without it, utilities might be denied a loan or be required to pay a higher interest rate, leading to higher costs, resulting in higher rates to consumers.

Sponsored by Rep. Kent Eken (DFL-Twin Valley) and Sen. Dan Skogen (DFL-Hewitt), and effective May 20, 2010, advance determination of prudence may be requested from the PUC until Dec. 31, 2015, for projects with an anticipated minimum cost of \$10 million. When petitioning for advance prudence, a utility must provide the PUC with a description of the project, an implementation schedule, a cost estimate and a description of the utility's efforts to ensure the lowest reasonable costs. The utility may begin recovering the upgrade costs in the next approved rate case after the advance determination of prudence.

HF3640/SF3126*/CH373

ENVIRONMENT

Appropriating natural resource, energy funds

New recreation laws and the Outdoor Heritage Fund appropriations comprise a large part of the omnibus environment and natural resources law.

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

Most provisions are effective Aug. 1, 2010, including a requirement that boaters must drain boating-related equipment by removing drain plugs to prevent the spread of invasive species. (Art. 4, Sec. 25)

Other provisions include: veterans with any service-connected disability will receive free daily entry permits to visit state parks, and horse riders on state land will be required to have a horse pass, a provision that was broadened after some riders claimed they didn't need a horse trail pass because they were riding off or beside the trail. A one-time \$6 collector registration fee is available to owners of all-terrain vehicles at least 25 years old. (Art. 4, Secs. 18, 30, 36)

During winter months, snowmobiles that are at least 25 years old can qualify for exempted registration status. The exemption is non-transferable. (Art. 4, Sec. 13)

Cross-country skiers will face higher trail pass fees, but military personnel and veterans, students and teachers on school-sanctioned cross-country ski outings will be exempt from the fees. (Art. 4, Secs. 33-34)

Revenue within the Outdoor Heritage Fund, a sales tax dedicated to environmental projects, will be used to acquire and restore prairie grassland, to protect shoreline and forest habitat, and to protect shallow lakes and wetlands. (Art. 1)

The law contains nearly \$6.9 million of outdoor heritage appropriations for a wetlands acquisition and restoration program known as Re-invest in Minnesota. (Art. 1, Sec. 2)

A number of studies are required under the new law. A technical evaluation panel must convene by July 1, 2011, to annually study whether conservation efforts funded by outdoor heritage money are achieving the goals set forth. (Art. 1, Secs. 3, 9)

In light of a legislative auditor's report that the Department of Natural Resources has more land than it can manage, the new law requires a report to the Legislature by Jan. 15, 2011, that will contain recommendations on ways to accomplish the reasonable care of state land acquired in fee title or easement. Also by that date, the DNR must provide an analysis of the advantages and disadvantages of compensating the Permanent School Trust Fund for state-owned lands. (Art. 1, Sec. 10; Art. 4, Secs. 70, 74)

The law repeals Outdoor Heritage Fund definitions passed into law in 2009. The amended statute attempts to more narrowly define what is meant by using the funds only to "restore," "protect," and "enhance" wetlands, prairies, forests, and habitat for fish, game, and wildlife. Several legislators and stakeholders argued that the new definitions were never vetted through the scientific community and may be legally challenged. (Art. 1, Sec. 11)

A 25-year strategic plan required for the Outdoor Heritage Fund was also repealed. (Art. 3, Sec. 9)

An appropriation from the Clean Water Fund will enable continuation of total maximum daily load studies for impaired waters, an ongoing project of the Pollution Control Agency. (Art. 2, Sec. 2)

The Minneapolis Park and Recreation Board has the green light from the Legislature to acquire all or part of the Scherer Brothers Lumber Yard to develop a metropolitan area regional park. Any future state appropriations from the parks and trails fund may be used to acquire the property. The authority is effective after the local government units file a letter of approval with the Office of the Secretary of State. (Art. 3, Sec. 7)

Changes to the burning permit law will enable counties to issue a general burning permit to burn vegetative materials to qualified residents, rather than issuing a permit for each individual burn. (Art. 4, Sec. 40)

Due to the sluggish economy and poor construction market, the state has not had enough buyers for some of its harvested timber. The law now allows for unsold timber to be sold below its appraised value. Century-old sunken logs on the bottom of lakes and rivers will remain there due to new language that prohibits the DNR from issuing leases for their removal. A moratorium has been in place since 2001. (Art. 4, Secs. 44, 61)

A task force is authorized to develop effective and timely implementation and enforcement of new regulations to reduce the number of subsurface sewage treatment systems. Representation from county government, realtors and a wastewater association will meet with the Pollution Control Agency to discuss the threat to public health and safety from SSTs violations. Counties will have until Feb. 4, 2012, to adopt new ordinances for SSTs. (Art. 4, Secs. 62, 73)

Another group will convene as the Coon Rapids Dam Commission in order to study the future operation and maintenance of the 100-year-old dam. Owned by the Three Rivers Park District, the dam spans the Mississippi River between Anoka and Hennepin counties and is one line of defense against the invasive Asian carp. A report is due to the Legislature by March 1, 2011. (Art. 4, Sec. 71)

Energy-related provisions

The new law also contains a number of energy-related provisions, including a change to the formula used for funding the Renewable Development Fund.

Xcel Energy pays into the fund based on the number of spent nuclear fuel dry casks it stores at its two power plants. Rather than a flat fee, Xcel will begin paying \$500,000 each year for each stored dry cask, which will increase the fund's bottom line. Development funds are appropriated as grants for research and development to find alternatives to nuclear energy. However, a provision in the law will redirect \$21 million of those funds for a solar module rebate program. (Art. 5, Secs. 2-3)

Line-item vetoes

Three line-item vetoes were handed out by Gov. Tim Pawlenty.

A request for \$800,000 for supplemental staffing at the Public Utilities Commission was deemed inappropriate. In his veto letter, Pawlenty wrote, "In a time of when the state must live within its means, adding additional staff at the expense of Minnesota ratepayers sends the wrong message." (Art. 5, Sec. 9)

For the second straight year, the Board of Water and Soil Resources will not receive a \$100,000 appropriation from the Clean

Water Fund to establish a pilot grant program to engage volunteers and to match private resources to complete water quality restoration and protection projects for lakes and rivers. (Art. 2, Sec. 6)

The City of Minneapolis will not receive \$90,000 for a grant to an organization that would study energy conservation and energy planning in lieu of a proposed high-voltage transmission line along the Midtown Greenway neighborhood. "Projects of this type normally do not receive funds from the renewable development fund for localized studies and I am concerned about the precedence that this would set," wrote Pawlenty. (Art. 5, Sec. 21)

HF3702/SF3275*/CH361

LCCMR projects pass, except one

Environmental projects totaling approximately \$22.5 million will begin thanks to the appropriation of state lottery proceeds in a new law.

However, a proposed \$143,000 appropriation to the University of Minnesota for a lifecycle analysis of available low-carbon energy technologies was line-item vetoed again by Gov. Tim Pawlenty, even though the proposal was reworked after he vetoed it last year.

"This project has a similar objective to the project vetoed last year and although the study focus has been amended, it remains vague and focused largely on existing research," he wrote in his veto letter.

The remaining projects are the recommendations of the Legislative-Citizen Commission on Minnesota Resources. The Environment and Natural Resources Trust Fund account was approved by voters in 1988 and must be spent for the purpose of "protection, conservation, preservation and enhancement of the state's air, water, land, fish, wildlife and other natural resources."

Rep. Jean Wagenius (DFL-Mpls) and Sen. Ellen Anderson (DFL-St. Paul) sponsor the law, which will pay for several state park improvements, in addition to acquiring land purchased on behalf of the Department of Natural Resources.

The law also will provide for new scientific and natural areas; combating aquatic and terrestrial invasive species; and for renewable energy research, development and education projects, including several environmental learning centers.

A combination of projects to train teachers and educate students about the environment will also be funded, such as Project Get Outdoors operated by the DNR and Get Outside-Urban Woodland for Kids outdoor classroom at Como Regional Park in St. Paul.

The new law has various effective dates.
HF2624*/SF2462/CH362

Conditional land use allowed

A zoning snafu in the city of Bayport is resolved by a new law that makes a former non-conforming real estate office into an approved conditional use along protected riverfront property.

When the city annexed a section of land within the Lower St. Croix River area in 1982, there was a real estate property operating in the rural zone, even though such uses are prohibited under the federal Lower St. Croix Wild and Scenic River Act. Under this act, the Department of Natural Resources developed rules for standard lot size, setback from water and bluff lines, and regulated land uses. The DNR discovered that the Bayport ordinance was not in compliance with the federal act and state statute. Also, the non-conforming status could negatively affect the office's property value should the realtor decide to sell the property.

To rectify the disparity, Rep. Julie Bunn (DFL-Lake Elmo) and Sen. Kathy Saltzman (DFL-Woodbury) sponsor a law that changes the rural status from non-conforming to a conditional land use if the property is similar in scope to the use that existed on May 1, 1974, and on Jan. 1, 2010.

The law, effective Aug. 1, 2010, also fixes a similar problem with property in Scandia, according to the DNR.

HF3152/SF2752*/CH338

Syringe, lancet stewardship program

An estimated 30 million syringes and lancets are sold annually in Minnesota. Keeping them out of garbage cans where they can accidentally poke or infect someone is the goal of a new law that takes effect Jan. 1, 2011.

Manufacturers of sharps and pharmaceutical companies that make drugs used in the sharps will be required to share information on their websites about their plans for the proper disposal of sharps and lancets. The plan must include a description of how the manufacturer will:

- provide for the safe collection and proper disposal of sharps;
- educate consumers about safe management and collection opportunities; and
- support efforts by other groups with interest in protecting public health and safety through the sale, collection and proper disposal of sharps.

A public health agency or clinic that participates in a needle exchange program must post to its website a plan that describes how the agency or clinic supports the safe collection and proper disposal of the sharps.

Rep. Paul Gardner (DFL-Shoreview) and Sen. Kathy Sheran (DFL-Mankato) sponsor the law.

HF1372/SF1323*/CH286

Composting gets OK ranking

After reducing, recycling or reusing waste materials, composting of source-separated compostable materials falls into the hierarchy of preferred waste management practices, according to a new law.

Current law lists composting of yard waste and food waste as the third level. The new law is designed to expand composting to fish and animal wastes; plant materials; diapers; and non-recyclable paper (paper towels, tissue, pizza boxes, etc.).

Minneapolis DFLers Rep. Frank Hornstein and Sen. D. Scott Dibble sponsor the law, which is effective April 27, 2010.

HF3061*/SF2991/CH272

Drainage laws modified

Effective Aug. 1, 2010, the Board of Water and Soil Resources is directed to work with stakeholders and to convene informal working groups to develop recommendations for updating drainage laws.

In addition, the new law directs where a person may petition for the rerouting, diverting or impounding of drainage water. If a proposed drainage system is under the jurisdiction of the county drainage authority, the petition must be filed with the county auditor. If a system is in a joint authority's jurisdiction, the petition must be filed with the county with the largest area in the drainage system. A copy of the petition must be submitted to the auditor of each county and be available to the public.

The petitioner should identify funding sources to acquire the land rights needed to construct a drainage project and supply a map that identifies affected areas. The petitioner will be required to pay the county auditor the actual cost of placing public hearing notices, rather than the previous set amount. If the estimated cost of the drainage project is more than \$25,000, a public notice will be required in a trade newspaper. The existing \$3,000 threshold was established in 1947.

The drainage authority will be able to order a drainage lien assessed to properties that benefit from a project to be paid in one or two installments if the cost is under \$500. Current law set the maximum for liens at less than \$50.

Rep. Rick Hansen (DFL-South St. Paul) and Sen. Dan Sparks (DFL-Austin) sponsor the law.

HF162/SF364*/CH298

Speeding up BWSR review

Effective Aug. 1, 2010, the timeline for the Board of Water and Soil Resources to review draft watershed management plans of watershed management organizations will be shortened.

Sponsored by Rep. Rick Hansen (DFL-South St. Paul) and Sen. Sandy Rummel (DFL-White Bear Lake), the new policy will allow public hearings 14 days after the 60-day review period of the draft plan, rather than the previous 30- to 45-day time period and it repeals a second 45-day draft plan review process.

The measure only applies to watershed management organizations located wholly or partially within the Twin Cities metropolitan area.

HF3067*/SF2843/CH218

FAMILY

Student mental health emergency notification

Federal and state law allows higher education institutions to disclose what would otherwise be private data when a student has a "safety emergency" that warrants contacting their parents. Effective Aug. 1, 2010, a new law will clarify that mental health emergencies, such as suicide attempts or psychotic episodes, qualify under the law.

Rep. Andy Welti (DFL-Plainview), who sponsors the law with Sen. Sharon Erickson Ropes (DFL-Winona), said the National Alliance on Mental Illness brought the proposal forward. He said if a student is injured in a car accident or receives a physical injury, colleges and universities can notify parents; however, some parents are concerned that mental health emergencies do not meet the current threshold.

The law does not involve disclosure of medical records - only the right to disclose that an emergency has taken place.

HF2766/SF2425*/CH230

Child support regulation changes

Recommendations from the Department of Human Services and county child support agencies related to child support collections and enforcement are now law.

Rep. Jeff Hayden (DFL-Mpls) and Sen. Don Betzold (DFL-Fridley) sponsor the law, most of which takes effect Jan. 1, 2011.

Information the public authority for child support can request from employers, utility companies, insurance companies, labor organizations and financial institutions in

order to locate child support participants is expanded to include addresses, home and work telephone numbers, mobile telephone numbers and e-mail addresses. Currently, only a place of residence, employment status, wage and benefit information and a Social Security number have to be provided. The definition of utility companies is expanded to include mobile phone companies, satellite television companies and Internet service providers.

The child support public authority will be permitted to administratively reassign basic support, medical support and child care support under certain conditions:

- if the child resides with the relative caregiver who has applied for public assistance on behalf of the child;
- the child has been placed with a new caregiver by a voluntary placement agreement between the custodial parent and the caregiver that was approved and is being monitored by county social service agencies; or
- the child has been placed in a new caregiver by the court and the child support issue was not addressed.

State law governing enforceability of judgments is changed to provide that child support judgments are enforceable 20 years after the entry of the judgment. This section applies retroactively to child support judgments that have not expired.

HF3299/SF2562*/CH238

Guardian ad litem board creation

Oversight of a group that advocates for the best interests of children in protection and parental rights cases will change.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul), a new law transfers the guardian ad litem function from the judicial branch to an independent board. State appropriations currently directed to the courts to oversee the program will also be transferred.

Modeled after the Public Defense Board, which supervises Minnesota's public defender system, the law aims to eliminate the conflict of interest between guardians, who represent the best interest of the child, and the court system, which pays for and appoints the guardian.

The seven-member board will be comprised of four gubernatorial appointees and three members appointed by the Supreme Court, one of whom must have former guardian ad litem experience. An active judge cannot serve, but a retired one can. Registered lobbyists cannot be appointed.

Guardian ad litem conduct an independent investigation to determine the facts relevant to

the situation of a child and family, including observing the child in the home setting and considering the child's wishes. They then present written reports and recommendations concerning the child's best interests to the court.

The law takes effect July 1, 2010.

HF2990/SF2880*/CH309

Timely notification of alleged abuse

Parents never want to learn their child may be a victim of maltreatment or abuse at school, but if that is the case, a new law ensures that they will be quickly notified.

It requires the education commissioner to notify parents or legal guardians of a child who is the subject of a report alleging maltreatment or abuse at a school facility within 10 days after the report.

The issue resulted from a Spring Lake Park case in which 6-year-old Kyle Herman, who has Down syndrome, was physically and emotionally abused by his kindergarten teacher over several months in 2006. Because the teacher had requested an arbitration hearing, details of the case were not made public by the Education Department, even to the boy's parents, until May 2008, after that hearing was completed.

The commissioner also must give written notice to parents or legal guardians of a child alleged to be a victim of maltreatment within 10 days after the department completes its investigation, and may notify parents or guardians of other students who witnessed alleged maltreatment.

The new law, sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Senate Minority Leader David Senjem (R-Rochester), takes effect Aug. 1, 2010.

HF3157*/SF3087/CH276

Clarifying child protection, services

Representing the work of the Juvenile Law Committee of the Minnesota County Attorneys Association, a new law adds a basis for finding a child in need of protection or services. It adds cases where a child has a parent whose parental rights to another child have been involuntarily terminated or whose custodial rights have been involuntarily transferred to a relative, but there are compelling reasons why it is in the child's best interest not to have parental rights terminated.

The law also clarifies that if a petition is filed for transferring custody of a child to a named relative, the relative has a right to be a party to the permanency proceeding "on the issues of the relative's suitability to be a legal and physical custodian for the child, whether the transfer is in the child's best interests, and the needs of the child."

Further, local law enforcement is permitted to take a runaway to a shelter, if possible, instead of back to their parent's residence. The problem was that runaways would sometimes be returned home by the authorities and leave again right away.

Rep. Dave Olin (DFL-Thief River Falls) and Sen. Mary Olson (DFL-Bemidji) sponsor the law that takes effect Aug. 1, 2010.

HF3391*/SF2999/CH281

Foster care extended

Sponsored by Rep. Jeff Hayden (DFL-Mpls) and Sen. Patricia Torres Ray (DFL-Mpls), a new law will allow young adults to stay in foster care until age 21, provided they are working, pursuing an educational program or unable to do either due to a medical condition. Youth who left foster care while under state guardianship as dependent or neglected may return anytime between the ages of 18 and 21.

Effective Aug. 1, 2010, the law also addresses other provisions related to child custody hearings, foster care and permanent placement:

- clarifies the right of a child and guardians to attend custody proceedings;
- expands the definition of "parent" for the purpose of child protective proceedings to allow a putative father who did not timely register with the adoption registry to still be considered as a parent for Child in Need of Help or Protection proceedings only;
- modifies the information the Department of Human Services must provide to county or private agencies conducting a background check on a prospective adoptive parent;
- modifies what income and resources belonging to young adults over age 18 who continue to receive care or treatment through a county may be used to reimburse the county; and
- clarifies the responsibilities of social service agencies in contacting presumed fathers when a petition for protection or services is filed on behalf of a child.

HF3039/SF2690*/CH269

Office of Early Learning proposed

Priorities underlying the omnibus early childhood law, sponsored by Rep. Nora Slawik (DFL-Maplewood) and Sen. Terri Bonoff (DFL-Minnetonka), are to streamline early childhood care and education services, foster quality improvements in child care settings and determine if children are on track to school readiness.

HF2760/ SF2505*/CH346

Task force goals and objectives

The law supplements the membership and duties of the State Advisory Council on Early Childhood Education and Care. The health commissioner or their designee is added to the council.

The council must appoint a task force to develop recommendations on creating an Office of Early Learning similar to the Department of Early Childhood Care and Education proposed in HF3510 by Rep. Sandra Peterson (DFL-New Hope). If established, an office could streamline oversight of education and child care services now administered by three departments: education, health and human services.

Task force membership must include representatives of state agencies serving young children, nonprofit organizers in the early childhood area, members of the council and representatives from the early childhood caucus.

In coordination with existing council projects, the task force will consider 11 objectives related to delivering, measuring and improving quality of early childhood services delivered in public and private sector settings. They include creating better quality of services and greater access to services. The council must use private funds if there is a cost to making its recommendations, and must report its recommendations to the governor and the Legislature by Jan. 15, 2011.

The council must also make recommendations by March 1, 2011, on creating a statewide school readiness report card to monitor progress toward the goal of having all children ready for kindergarten by the year 2020. According to the law, "The recommendations shall include what should be measured including both children and system indicators, what benchmarks should be established to measure state progress toward the goal, and how frequently the report card should be published."

The council is also to make recommendations to the governor and Legislature on how to screen earlier and comprehensively assess children for school readiness in order to provide increased early interventions and increase the number of children ready for kindergarten.

Some items the council shall consider in formulating their recommendations include:

- ways to interface with parents of children who are not participating in early childhood education or care programs;
- ways to interface with family child care providers, child care centers and school-based early childhood and Head Start programs;
- if there are age-appropriate and culturally

sensitive screening and assessment tools for three, four, and five year olds;

- incentives for parents to have children screened at an earlier age; and
- how to monitor progress toward the goal of having 50 percent of three-year-old children

screened and 50 percent of entering kindergarteners assessed for school readiness by 2015

and 100 percent of three-year-old children screened and entering kindergarteners assessed

for school readiness by 2020.

The council must report its recommendations to the governor and Legislature by Jan. 15, 2013, with an interim report by Feb. 15, 2011.

The law defines "school readiness" as a child's skills, knowledge and behaviors at kindergarten entrance in these areas of child development: physical; social; self-regulation; and cognitive, including language, literacy, and mathematical thinking.

School districts are directed to use school readiness aid for eligible children; allow other children to participate in such programs for a fee; and allow community education revenue to be used for school readiness programs (Art. 1, Secs. 4-5, 7-9)

Charter schools that provide health and developmental screening are directed to do so according to statutory guidelines, and to inform parents of children applying for admission that they provide such screening. (Art. 1, Secs. 1-3)

Child care

Effective Oct. 15, 2010, parents under age 21 who are in school will more easily maintain Child Care Assistance Program eligibility. Eligibility re-verification will be required up to every 12 months, in conjunction with the school year, instead of every six months. Rep. Gail Kulick-Jackson (DFL-Milaca) originally sponsored this provision as HF3220. (Art. 2, Secs. 1-2)

The human services commissioner must direct a one-time amount of \$500,000 in federal funds in fiscal year 2011 to provide training, coaching and quality improvements for child care pro

No private transfer fees

The imposition of private transfer fees is prohibited when conveying land from one person to another.

Rep. Gail Kulick Jackson (DFL-Milaca), who sponsors a new law with Sen. Linda Scheid (DFL-Brooklyn Park), said private transfer fees are "a future stream of income created by developers in restrictive covenants." The covenants usually dictate that a percentage of

every future sale of the property for up to 99 years be paid back to the original developer. She said these are being sold as securitized instruments in other states where such fees have popped up.

Without the change, there would be additional expenses with private transfer fees included in each successive sale. Jackson is aware of one case in Minnesota, and said that 43 other states are addressing the issue.

Jackson said the builders, land title, realtor and state bar associations support this, as does the U.S. Department of Housing and Urban Development. The law is effective May 20, 2010.

The law also changes an effective date contained in Chapter 238 enacted earlier in the session from Jan. 1, 2011, to July 1, 2011. It applies to a provision that would provide for a 20-year period during which an action to collect a child support judgment could be maintained, rather than the existing 10-year period provided in law. This change is for technical real estate search reasons.

HF3786/SF3361*/CH371

GOVERNMENT

Revising and updating statutes

The yearly version of what is commonly referred to as the Revisor's Law makes technical changes to statutes. This can include correcting cross-references; striking references and language to repealed sections, and when appropriate, inserting the correct references; fixing miscellaneous drafting errors, such as typos or grammatical errors; and making any other necessary 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, 2010.

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 clarifying changes from other state agencies, make up the law.

HF2970/SF2642*/CH382

Corrections to new laws

Before some of this year's new laws are even enacted, their sponsors caught small mistakes that could lead to oversights, inconsistencies, ambiguities or unintended results.

A new law makes the necessary corrections to a variety of laws, most of them passed this year. The law's effective dates correspond to the laws to which it refers.

Sponsored by Rep. Gail Kulick Jackson

(DFL-Milaca) and Sen. Mee Moua (DFL-St. Paul), the law makes changes to the omnibus capital investment law and the omnibus agriculture and veterans' policy law. It also addresses laws regarding municipalities' securities lending agreements; business screening services regulation and criminal record modification; snow removal in some subdivisions; civil commitment of sex offenders; exemption for certain increased interest rates on certain monetary judgments; human services training and licensing; and the ignition interlock law.

HF3787*/SF3323/CH385

State government policy provisions

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Don Betzold (DFL-Fridley), a new law will make policy changes to various departments of state government, including:

- the Council on Black Minnesotans is permitted to solicit and accept payments for advertising, use of exhibition space, media productions and informational programs sponsored by the council;
- the Legislative Coordinating Commission may map data showing the public how money was spent from the appropriations made by the Legislative Citizen Commission on Minnesota Resources and from appropriations made from constitutionally dedicated sales tax funds;
- the LCC must issue a request for information on obtaining business intelligence and information analytics software to improve legislative access to public data on state executive branch accounting, procurement and budget systems;
- any agency with deposits totaling \$1,000 or more must deposit them daily, the previous amount was \$250;
- the chief information officer, along with the Information Policy Analysis Division of the Department of Administration shall develop standards to enhance public access to certain state government data maintained by the state;
- data collected by the clean water partnership program and agencies monitoring groundwater shall maintain databases using standards by the Office of Enterprise Technology and the Minnesota Geospatial Information Office;
- the chief information officer, in consultation with the Minnesota Management & Budget commissioner, must study and report to the Legislature by Jan. 15, 2011, the feasibility of entering into a lease agreement with a private nonprofit, involving a private sector developer, to develop a centralized data center for state agencies; and

- a **Commission on Service Innovation** is established to provide the Legislature with a plan to reengineer delivery of state and local government services.

The law takes effect July 1, 2010, except for the innovation commission, which is effective May 26, 2010.

HF3449/SF3134*/CH392

Energy improvement program

Technical changes to the Department of Administration's energy improvement financing program for state-owned buildings are included in a new law.

Sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. D. Scott Dibble (DFL-Mpls), the law adds technical language to allow the commissioner to solicit proposals from private financial institutions on an individual project or line-of-credit basis.

Kalin said the law allows the department to add a line-of-credit so they can cost effectively manage multiple projects that involve varying pieces of equipment, rather than just one.

Another section of the law allows the commissioner of administration, upon request of an agency head, to sell, demolish, or otherwise dispose of a state building that the commissioner determines is not being used or is a fire or safety hazard. Legislative approval is needed if the building's market value exceeds \$50,000. If sold, the building's proceeds must be placed in the account from which the building was built or the state's General Fund.

The technical change is effective May 19, 2010. The sale of buildings takes effect Aug. 1, 2010.

HF3682/SF3318*/CH369

Changes for nursing homes, schools

A new law will affect how some nursing home payment rates are established, while also modifying the state's K-12 physical education standards. It is effective May 26, 2010, unless otherwise noted.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. John Doll (DFL-Burnsville), the law will allow publicly owned nursing facilities to apply for a higher payment rate from the state if the local government entity agrees to pay a higher share of nonfederal Medical Assistance costs.

The law will also make the following changes to physical education policies beginning with the 2012-13 school year:

- designate health and physical education as two different subject areas;
- effective Aug. 1, 2010, ask school districts to post their wellness policies on their websites;
- encourage the Department of Education

to develop guidelines that promote "quality recess practices," as well as a physical education course catalogue;

- require the department to adopt the most recent standards developed by the National Association for Sport and Physical Education; and
- establish a "Healthy Kids Awards" program to reward schools that encourage students to be physically active and make healthy food choices. This begins in the 2010-11 school year.

HF3055/SF2908*/CH396

Government collaboration

Sponsored by Rep. Marsha Swails (DFL-Woodbury) and Sen. Ann Rest (DFL-New Hope), a new law creates a nine-member council chaired by the state auditor to develop recommendations to increase collaboration such as:

- improving delivery of governmental services;
- connecting entities and sharing information through the use of technology;
- facilitating credit and debit card transactions and electronic data interchanges; and
- creating model forms for joint powers agreements.

The council will submit its recommendations by Feb. 1 of each year to the Legislature and governor. The council expires on June 30, 2015.

Council members will include the League of Minnesota Cities; Minnesota Association of Townships, Association of Minnesota Counties, Minnesota School Boards Association; American Federation of State, County, and Municipal Employees Council 5; Service Employees International Union; Education Minnesota and the Minnesota Chamber of Commerce.

Swails said the law is based on meetings she and Rep. Carol McFarlane (R-White Bear Lake) had as they traveled the state meeting with local officials and several service cooperatives that work with school districts in Greater Minnesota and asked, "What are the obstacles that keep schools, counties, cities and towns from sharing services or collaborating?"

The law is effective June 1, 2010.

HF2840/SF2511*/CH319

Faster complaint process

When a citizen files a data practices complaint against a state agency, it often takes months or years to resolve. A new law aims to speed up the process.

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Don Betzold (DFL-Fridley), the law establishes a new process through the Office of Administrative Hearings when filing

a complaint under the Data Practices Act.

Under the law, a person will file a complaint with the office, along with a \$1,000 filing fee. The complaint must be filed within two years after the occurrence of the act or failure to act that is the subject of the complaint. If the government entity concealed information and the act wasn't known about within the two-year period, the complaint must be filed within one year after the concealment is discovered.

A hearing, if needed, must occur within 30 business days of the involved parties being notified. An administrative law judge must: dismiss the complaint; find that an act or failure to act constituted a violation; impose a civil penalty against the respondent of up to \$300; issue an order to comply with the law violated; or refer the complaint for consideration of criminal charges.

A complainant who "substantially" prevails will be presumed to be entitled to an award of reasonable attorney fees up to \$5,000 and will be refunded the \$1,000 filing fee minus \$50.

The law also requires the Board of Teaching, Department of Education and Minnesota Board of School Administrators to enter into a private data sharing agreement for the purpose of approving preparation programs for teachers and school administrators. The licensing boards may approve only those redesigned preparation programs that address identified areas of K-12 concern.

The private data may include information on teachers and school administrators, and "summary data" on students, defined as "statistical records and reports derived from data on individuals but in which individuals are not identified."

The law takes effect July 1, 2010, except for the education data portion, which takes effect Aug. 1, 2010.

HF2899*/SF2354/CH297

PFA authority to expand

The Public Facilities Authority provides financing programs to help communities build or improve their wastewater treatment and drinking water facilities. Due to an infusion of federal stimulus money last year, the PFA saw an increase in the scope of its work and increased grant-making ability.

Effective May 1, 2010, the law permits the authority to hire staff; makes changes to mirror state law with federal language; and expands the type of projects eligible for grants from the Clean Water Revolving Fund.

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

The authority resides under the Department of Employment and Economic Development,

and Kath said the staffing language is an "umbrella change" to make sure the authority is contractually meeting the obligations of the bondholder covenants."

Additionally, the new law will increase the authority's grant-making ability from \$5 million to \$1 billion.

HF2925/SF2873*/CH290

Land exchange with tribal government

Effective April 11, 2010, the Department of Transportation is able to exchange land with the Upper Sioux Community tribal government for the rerouting of State Highway 274 near Granite Falls.

A new law adds American Indian tribal governments to a state law that allows for land exchanges. The road is being moved for safety reasons.

Rep. Lyle Koenen (DFL-Clara City) and Sen. Gary Kubly (DFL-Granite Falls) sponsor the law.

HF2956*/SF2563/CH226

Eminent domain modification

If a governing body determines that land it acquired through eminent domain for public use has not been used and is no longer needed for a public use, it must offer to sell the land back to the owner from whom it was acquired at the lower of the condemnation price or the fair market value.

A new law will correct an oversight in a 2006 law to put Minnesota in compliance with federal law when dealing with excess property in the transportation area.

Effective Aug. 1, 2010, it requires the acquiring authority to offer to sell excess, unneeded property acquired by eminent domain back to the previous owner at fair market value if the property interest was obtained with federal transit funding. This is already established in law for property acquired using federal highway funding.

Rep. Steve Simon (DFL-St. Louis Park) and Sen. Sandy Pappas (DFL-St. Paul) are the sponsors.

HF3336*/SF3031/CH219

Cookie notification not required

Effective Aug. 1, 2010, a government entity will no longer be required to provide notice when installing a temporary cookie on a person's computer that will be deleted when the user closes their web browser or web application. An entity would still need to notify the user if placing a permanent cookie on their computer.

Brought forth by the Office of Enterprise Technology, the law is needed because current statute does not differentiate

between temporary and permanent cookies.

Current statute says that if a person refuses to accept a temporary cookie, a state agency still has to facilitate the transaction.

Designed to facilitate a transaction by connecting Web pages together — such as one page that contains your name and address and another that page contains credit card information — temporary cookies are typically not considered a threat to data privacy, and are used by the federal government, most other states and many companies.

Rep. Gene Pelowski, Jr. (DFL-Winona) and Sen. Don Betzold (DFL-Fridley) sponsor the law.

HF2988*/SF2327/CH222

Publication survey required

Sponsored by Rep. Brita Sailer (DFL-Park Rapids) and Sen. Lisa Fobbe (DFL-Zimmerman), a new law requires the Office of the Revisor of Statutes to survey and obtain written requests from people authorized to receive free distribution of 2010 Minnesota Statutes, 2010 Minnesota Laws and 2011 Minnesota Rules.

The survey must notify the recipients that the text of the statutes, laws and rules will be available on the revisor's website prior to the availability of the print versions. The revisor is also required to ask recipients if they would like to continue to receive the free copies. Only those who respond to the survey requesting copies will receive them.

The law is effective April 7, 2010.

HF1780*/SF1682/CH217

HEALTH

Licensure cheating addressed

Beginning Aug. 1, 2010, civil action can be taken against someone who deliberately cheats with respect to a board licensing or certification examination.

Rep. Jim Abeler (R-Anoka), who sponsors the law with Senate President James Metzen (DFL-South St. Paul), said that in addition to cheating during an exam, test questions have been made available for a fee, often on the Internet. The law simply says if someone engages in examination subversion, they could be sued by "any person damaged or likely to be damaged" by the practice.

Examination subversion could include:

- removing examination materials from the examination room without authorization;
- disclosing or publishing any portion of the examination;

- selling or offering to sell any portion of a future, current or previously administered examination;
- improperly obtaining examination questions, answers or materials before, during or after the examination;
- communicating with another person during administration of the examination to give or receive help; and
- copying answers from another examinee or letting another examinee copy your answers.

Supporters say the law will help ensure that qualified people are working in patient care, not just someone who received exam questions and answers in advance.

HF1713/SF1494*/CH202

Hospital construction law modified

A technical change to a law enacted last year will allow planners of a children's psychiatric hospital to build at their desired location.

The 2009 law makes an exception to the moratorium on hospital construction to allow a children's psychiatric hospital of up to 20 beds to be built in western Hennepin County. A new law amends the earlier provision to specify the hospital will be located in the western two-thirds of Hennepin County.

Sponsored by Rep. Marsha Swails (DFL-Woodbury) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law is effective March 27, 2010.

HF3116/SF2743*/CH198

Health information procedures

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Tony Lourey (DFL-Kerrick), a new law addresses health care clearinghouses, which process data from one format into a standard billing format. The law includes the following provisions:

- requiring all health care providers, clearinghouses and group purchasers to provide an electronic acknowledgement when receiving health care claims or similar information;
- beginning in 2012, clearinghouses must provide clear and understandable information and instructions for responding to questions from providers and group purchasers;
- clearinghouses must provide electronic connections with other clearinghouses and trading partners when requested; and
- the Department of Health is allowed to require electronic publishing of clearinghouse contact information and other information useful to clients.

The law takes effect Aug. 1, 2010.

HF2927/SF2852*/CH243

Rules on epilepsy drugs

Current law allows a pharmacist to substitute generic anti-epilepsy medications for equivalent brand name drugs. People with epilepsy, their doctors and other experts have mixed opinions on whether this is good policy.

A new law leaves the decision up to the U.S. Food and Drug Administration. Under the law, if the FDA determines the substitution of drugs used to treat epilepsy or seizures poses a health risk to patients, the state Board of Pharmacy must adopt rules that mirror the FDA finding. Those rules supersede the substitution provisions in current statute, if there is a conflict with the provisions. If a new rule will increase costs for state public health programs, it will need to be reported to legislative leaders before its adoption.

Sponsored by Rep. Marsha Swails (DFL-Woodbury) and Sen. Linda Higgins (DFL-Mpls), the law takes effect Aug. 1, 2010.

HF1320*/SF1137/CH289

Children's cavity prevention

Primary care providers are encouraged to provide basic cavity prevention services to children and teens on Medical Assistance, under a new law.

Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Kathy Sheran (DFL-Mankato), the law specifies cavity prevention services that may be offered to children and teens during check-ups or episodic visits. These include a general visual examination of a child's mouth, as well as a risk assessment based on factors established by the American Academy of Pediatrics and the American Academy of Pediatric Dentistry. With parental consent, providers may administer a fluoride varnish to children ages 1 and older who are assessed as being high-risk.

Providers who choose to provide cavity prevention services will need to give a child's parent or legal guardian information on caries etiology and prevention, dental homes and discuss the importance of finding a dentist. These actions, and any services provided, must be documented in the child's medical record.

The law takes effect Aug. 1, 2010.

HF984/SF633*/CH307

DHS technical changes

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), a new law makes the following selected changes to current law:

- expands the availability of state grants awarded to community-based health care initiatives, modifies requirements for participation in these programs and extends the grants' sunset date;
- removes a requirement that an infant under

age 1 must reside in his or her mother's household to receive coverage under Medical Assistance;

- exempts federally qualified health centers and rural health clinics from certain limitations on participation in Medical Assistance, General Assistance Medical Care and MinnesotaCare;
- modifies dental services covered by Medical Assistance, including clarifying coverage of medically necessary services for pregnant woman and orthodontia for children; and
- specifies that the department may not set income standards below those for July 1, 2009, when updating income standards for Medical Assistance, General Assistance Medical Care and MinnesotaCare.

The law takes effect July 1, 2010.

HF3237/SF3027*/CH310

Appealing disability decisions

Rep. Kent Eken (DFL-Twin Valley) and Sen. Linda Berglin (DFL-Mpls) sponsor a new law related to the state officials who make disability determinations. Under the law, someone who appeals his or her disability determination must receive a decision on the appeal within 90 days; otherwise the appeal must immediately be reviewed by the chief appeals referee. The law also requires the department to annually report to the Legislature how long it took to issue a written decision on each disability appeal.

The law takes effect Aug. 1, 2010.

HF3405*/SF3199/CH261

Licensing of health professionals

Sponsored by Rep. Maria Ruud (DFL-Minnetonka) and Sen. Ann Lynch (DFL-Rochester), a new law makes the following changes to professions licensed under the Department of Health:

- amends requirements for audiologists and speech-language pathologists turning in documentation of continuing education completion;
 - removes a requirement that speech-language pathologists and audiologists respond to a request from the department or advisory council by certified mail;
 - specifies that an occupational therapist or occupational therapy assistant applying for licensure four or more years after completing credentialing requirements must complete 480 hours of supervised experience within six months and may do so at their place of work; and
 - amends requirements for temporary licensure as an occupational therapist or occupational therapy assistant.
- Effective Aug. 1, 2010, the law also allows

outpatient surgical centers to be accredited by any group recognized as an accreditation organization by the Centers for Medicare and Medicaid Services.

HF2969/SF2851*/CH274

Changes to MCHA

The Minnesota Comprehensive Health Association is a health care safety net that offers insurance to people who are otherwise unable to access coverage due to pre-existing conditions. Its policies will undergo a handful of changes under a new law.

Sponsored by Rep. Greg Davids (R-Preston) and Sen. Dan Sparks (DFL-Austin), the law removes a requirement that the association must hold a public meeting before filing a rate increase or benefit change with the Department of Commerce. Instead, a requirement to "provide notice and solicit public comment" on the proposed change may be satisfied through a meeting, written notice or electronic means. This provision is effective May 19, 2010, as is a language change related to people whose employers offer some health care coverage.

Effective Aug. 1, 2010, charges for out-of-state inpatient treatment for a mental or nervous disorder are not covered by MCHA, except when certain conditions are met.

HF3210/SF2879*/CH363

Provider grouping modified

Provider peer grouping is an initiative under the 2008 health care reform law that's intended to promote quality and transparency in the health care market. Under development by the Department of Health, the system will use a combined measure of risk-adjusted cost and quality to compare health care providers to each other.

A new law makes changes to the statute on provider peer grouping. Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Tony Lourey (DFL-Kerrick), the law changes the deadline for when the department must give providers data on their facilities' total cost of care, resource use, quality of care and care results. By next year, providers must receive similar data related to care of patients with specific conditions.

Among other provisions, the law changes the timeframe for when Minnesota Management & Budget must use the data to establish a system that rewards high-quality, low-cost providers.

The law takes effect July 1, 2010.

HF3056*/SF2815/CH344

Records oversight established

As part of the American Recovery and Reinvestment Act of 2009, Congress passed a

law that offers Medicaid incentives to health care providers who demonstrate "meaningful use" of electronic health records. A new law positions Minnesota providers to take part.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Tony Lourey (DFL-Kerrick), the law establishes state oversight of the organizations that facilitate the transfer of electronic medical records from one hospital or clinic to another. In essence, these organizations provide the technology infrastructure that allows patients' medical information to easily and securely follow them as they visit health professionals in different locations.

Under the law, "health data intermediaries" must be certified by the Department of Health, which is also charged with ongoing monitoring and compliance enforcement.

According to Huntley, nothing in the law changes Minnesota's health privacy standards, which he called among the strictest in the nation. Patients may already demand that their records not be shared with other providers, he said.

The law takes effect July 1, 2010.

HF3279/SF2974*/CH336

Contracts between providers, plans

A new law modifying rules on contracts between health plan companies and providers also has implications for patients.

Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. Yvonne Pretzner Solon (DFL-Duluth), the law specifies that health plan companies may not prohibit providers from collecting deductibles and co-insurance from patients at or prior to the time of service. It also prohibits providers from withholding services from a health plan enrollee based on failure to pay within the same timeframe.

The law also modifies language related to claims adjustment timelines and the termination of a contract between a company and a provider. One provision prohibits health plan companies from communicating with enrollees about the possible termination of a contract before receiving final notice from a provider.

Most of the law takes effect Jan. 1, 2011, and applies to contracts entered into, renewed or amended on or after that date. The provision dealing with provider collection of deductibles and coinsurance takes effect Aug. 1, 2010.

HF3042/SF2700*/CH331

Rules on cancer chemo co-pays

Sponsored by Rep. Patti Fritz (DFL-Faribault) and Sen. Linda Scheid (DFL-Brooklyn Park), a new law prohibits health plan companies from charging higher co-pays or deductibles for oral chemotherapy drugs

versus those that are injected or infused. Nothing in the law prohibits a company from "requiring prior authorization or imposing other appropriate utilization controls" in approving chemotherapy coverage.

Most of the law takes effect Aug. 1, 2010, and applies to health plans offered, issued, sold, renewed or continued on or after that date. A provision that prohibits companies from increasing co-pays for injected or infused drugs to comply with the law takes effect May 14, 2010.

HF1847/SF1761*/CH326

HOUSING

Solving home warranty disputes

Under Minnesota law, homeowners have the right to make builders or contractors repair major damage that occurs in their homes as a result of faulty workmanship performed within the last 10 years. When a builder or contractor denies fault, homeowners often sue, and the resulting lawsuits can drag out for years and cost both sides tens of thousands of dollars in legal fees.

Sponsored by Rep. Marsha Swails (DFL-Woodbury) and Sen. Kathy Saltzman (DFL-Woodbury), a new law is designed to help homeowners avoid costly court battles with builders and home improvement contractors. It takes effect Jan. 1, 2011.

The new law will establish a dispute resolution process through the Department of Labor and Industry. Under the provisions, the department will maintain a list of qualified "neutrals" who can evaluate home warranty claims. Homeowners and builders will have the opportunity to have their cases evaluated by the neutral party before a lawsuit could be filed.

The neutral party would issue a nonbinding decision that could not be used as evidence in a court case. The goal is simply to give both parties a better idea of the real cost of the damages involved and the likely outcome of a lawsuit. Supporters say the measure will have the effect of eliminating cases where one side is obviously being unreasonable.

The law also states that another, alternative dispute resolution process can be used to process claims, if both sides agree to it. In addition, it clarifies a builder or contractor's rights and obligations to inspect building defects and offer to make the necessary repairs and makes a variety of other changes in the existing laws relating to home warranties.

HF3386*/SF2832/CH343

Mortgage, foreclosure updates.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Linda Scheid (DFL-Brooklyn Park), a new law includes clarifying notification to persons when a mortgage on their property is being or has been foreclosed, including a more detailed notice of redemption rights than previously required.

Under the law, effective Aug. 1, 2010, a person attempting to acquire title to the mortgagor's property following the sheriff's sale and prior to the end of the redemption period, must provide to the mortgagor, by personal delivery three days prior to entering into an agreement to acquire title, notice of the foreclosure results, including the sale date, identity of the purchaser and the sheriff's sale price. The information will also spell out things a mortgagor must know once the mortgagor's house has been auctioned, including how many months the mortgagor has to pay the winning bidder the sale price plus interest and costs to keep the home. It also spells out that the sale price may be less than the amount owed prior to the sheriff's sale.

It also addresses an emerging equity stripping scam in which people observe the bidding process at a sale and see that the property was sold for a low bid and a potentially high profit to be made. They then seek to acquire the right of redemption from the homeowner before the homeowner knows the redemption price. Some homeowners have turned over the right of redemption for as little as \$200 for a quit-claim deed only to later find they had the ability to get the needed money for the redemption price some other way.

Other provisions include:

- clarifying that before a lender accepts a reverse mortgage application or assesses any fees, the lender must refer the borrower to an independent housing counseling agency for reverse mortgage counseling and receive proof the applicant has received counseling;
- a borrower is not bound for seven days after acceptance of the lender's written commitment to obtain a reverse mortgage loan and cannot be required to close or proceed with the loan during that time; and
- no lender, mortgage broker or residential mortgage originator can require the purchase of an annuity, investment, life insurance or long-term care insurance product to obtain a reverse mortgage loan.

The law is supported by the banking and realty industries.

HF2699/SF2430*/CH375

Landlord-tenant changes enacted

Provisions in a new law, sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. D. Scott

Dibble (DFL-Mpls), include:

- landlords cannot charge a late fee for rent unless agreed to in writing, and the late fee cannot exceed 8 percent of the overdue rent payment;
- landlords must provide receipts if the rent or other payments are paid in cash;
- if a lease provides for attorney fees for a landlord that prevails in an action or summary proceeding, a tenant could also be awarded attorney fees if they prevail;
- a landlord who breaks the law related to utility building and single-metered buildings is liable to the tenant the greater of \$1,000 or twice the actual damages plus reasonable attorney fees;
- new notice requirements for eviction actions when a tenant remains in a property after the redemption time has expired;
- a new penalty up to \$500 plus reasonable attorney fees is established for tenants who lie on their application, and an existing penalty that applies to landlords who keep a deposit in bad faith is increased from \$200 to \$500; and
- additions to the prohibited activities of a landlord with respect to an applicant's screening fee, including a prohibition from using, cashing, or depositing a screening fee "until all prior applicants have been screened and rejected, or offered the unit and declined to enter into a rental agreement."

Most of the law takes effect Aug. 1, 2010. The late fee provision takes effect for leases entered into beginning Jan. 1, 2011; the attorney fees provision is effective for leases entered into beginning Aug. 1, 2011, and for leases renewed on or after Aug. 1, 2012.

HF2668*/SF2595/CH315

Foreclosure sale postponement

The 2009 law gives a mortgagor or property owner permission to postpone a foreclosure sale by five months, thereby giving an owner extra time to pay up the arrearages after the time a normal sheriff's sale would have been.

However, Rep. Joe Mullery (DFL-Mpls), who sponsors a new law with Sen. Ken Kelash (DFL-Mpls), said certain mortgages had a little different redemption period, for example, if they were already paid down one-third of the principal or if they were on farmland over 40 acres. The law should put all mortgages on the same timeframe.

Mullery said lenders like this because they don't get properties back; owners are happy because it gives them more time to get caught up on payments and not lose their home.

The law takes effect May 15, 2010, and applies to foreclosure sales scheduled to occur on or after that date.

HF2708/SF2559*/CH237

Utility shutoffs must be posted

A new law requires those who plan to discontinue supplies of home heating oil, propane, natural gas, electricity or water to a building due to a building owner's non-payment to notify building residents. The posting must be placed in a conspicuous location in, or on, the building. The provision to post on a building's exterior was added to enable suppliers to notify tenants when they are unable to gain access inside a building. Tenants would then have the option of paying for continued services.

Sponsored by Rep. Mike Beard (R-Shakopee) and Sen. Rick Olseen (DFL-Harris), the law is effective April 2, 2010.

HF3259*/SF2875/CH210

HUMAN SERVICES

Pawlenty signs GAMC bill

Under a new law, the estimated 35,000 low-income Minnesotans covered by GAMC each month have the opportunity to receive basic medical services by enrolling in "coordinated care delivery systems" — partnerships of hospitals that may contract with the Department of Human Services for reimbursement. This provision is effective June 1, 2010, for hospitals serving the largest number of GAMC patients. Hospitals with fewer GAMC patients may receive reimbursement through February 2011 from a temporary uncompensated care pool as they decide whether to form similar delivery systems.

The law also implements reforms in the delivery of mental health urgent care, which may be phased in based on the limits of appropriations and the level of need, as determined by the Department of Human Services. Other provisions include the establishment of a collaborative psychiatric consultation service, as well as a state review of procedures for administering antipsychotic and attention deficit disorder medications to children.

Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. Linda Berglin (DFL-Mpls), the law is a result of months of bipartisan work by legislators and discussions with the governor on how best to care for the GAMC population.

HF802/SF460*/CH200

Licensing home care providers

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Sharon Erickson Ropes (DFL-Winona), a new law broadens the enforcement powers of the Department of Health related to home care licensing. The law, effective Aug.

1, 2010, allows the department to impose a conditional license on a provider for certain infractions and allows license suspension to include requirements that must be met before the suspension is lifted. It also sets procedures for transferring clients after a license has been suspended or revoked and expands sanctions against home care management.

Other provisions in the law modify requirements for licensure applicants and remove a time limit on licensure exemptions.
HF3196/SF2923*/CH246

Changes to MFIP, childcare

Policy and technical changes to child care funding and the Minnesota Family Investment Program make up the bulk of a new law.

Minnesota Family Investment Program is operated through the Department of Human Services and provides food and cash assistance to working families. Under the new law, qualifying households with four to 10 members will see a slight increase in their food benefits. The law also modifies requirements for people with newborns and eligibility criteria for hardship extensions, among other changes.

The law takes effect July 1, 2010.

Sponsored by Rep. Jeff Hayden (DFL-Mpls) and Rep. Patricia Torres Ray (DFL-Mpls), the law also has implications for child care and child welfare. It modifies rules for administering child care grants and removes a requirement that child care resource and referral programs provide loans for childhood development, education and training. It also includes language extending foster care benefits to age 21, which is part of another new law (HF3039/SF2690*/CH269).

HF3088/SF2855*/CH301

Contract reporting available online

Sponsored by Rep. Kory Kath (DFL-Owatonna) and Sen. Jim Carlson (DFL-Eagan), a new law lowers the threshold from \$50,000 to \$25,000. The head of the agency administering the contract must submit a report to the Department of Administration commissioner, who then will make the report available online. Current law requires a hard-copy be submitted to the Legislative Reference Library.

As is in current law, the report must include a contract summary, including why it's necessary, the amount spent, if it was awarded without following the solicitation process and a written performance evaluation of the work done.

The commissioner must currently send a yearly report of the contracts to the governor, and chairs of the House Ways and Means Committee and the Senate finance

committees. The ranking minority members are added, under the new law.

Kath said the change will give greater transparency to how government spends money and give "greater sunshine to these types of contracts."

The law takes effect July 1, 2011.

HF3589*/SF3084/CH302

Mental health policies modified

Most of a new language addresses concerns regarding children from American Indian tribes who receive treatment for mental health concerns. The law gives Indian Health Services, and certain tribal health facilities the responsibility for determining a child's level of care when one of those entities will be paying for it. It also specifies that a representative from a child's tribe must be invited to be part of a "juvenile treatment screening team" that includes social workers, juvenile justice professionals and others.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Linda Berglin (DFL-Mpls), the law also directs the Department of Human Services to come up with a new rate structure for payment of mental health diagnostic assessments.

It takes effect Aug. 1, 2010.

HF2926/SF2912*/CH303

After-death care modified

Sponsored by Rep. Carolyn Laine (DFL-Columbia Heights) and Sen. Sandy Pappas (DFL-St. Paul), a new law modifies restrictions on who may control a dead body, how a body may be transported and how it must be preserved. Under the law, next of kin have the right to control a dead body, including removing the body from place of death with authorization from the Department of Health. A requirement in current statute that a body be embalmed before it is transported is removed.

Effective Aug. 1, 2010, the law also permits a body to be packed in dry ice instead of embalmed in preparation for private viewing. With permission of the funeral home, family and friends of the deceased may assist with the washing and dressing of the body someplace other than the funeral home's preparation room.

Laine said the law reflects a growing desire for after-death procedures that are more natural and less reliant on toxic chemicals.

HF3151*/SF2903/CH262

Health care directive clarification

A new law provides that only a court, rather than a guardian, may declare a person's health care directive unenforceable. The court would be required to find "by clear and convincing

evidence that the health care directive was executed under coercion of fraudulent inducement... or if it finds that the health care directive is not legally sufficient." A guardian could previously replace a health care agent under certain circumstances specified in law.

Brought forth by groups working on elder law and vulnerable adult issues, the law also:

- establishes that a ward or protected person may outline their health wishes in a health care directive when a guardian does not have the authority to make a medical decision;
- ensures that the wishes of a ward or protected person nominated for a guardian are honored and respected; and
- modifies and streamlines certain informational reports that must be submitted to the court by a guardian or conservator.

Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul) are the sponsors.

The law is effective April 16, 2010. Certain modified filing and documentation requirements apply to petitions filed and protective orders issued or renewed beginning Aug. 1, 2010, or earlier if directed by the court.

HF3128*/SF2796/CH254

Documents must be accessible

All public documents in the state must be stored in a format that is accessible to people with disabilities beginning Jan. 1, 2013.

Sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm), the law will require all public records created by public entities to be available consistent with state and federal laws prohibiting discrimination against persons with disabilities. This includes state and local government agencies, public colleges and universities, school districts and all other government entities.

As an example, an electronic document will have to be stored in a format compatible with screen-reader technologies that blind people can use to have a computer or other device read the document to them.

The law will also apply the same standards to any documents pertaining to a continuing education or professional development course offered by government entities or public colleges and universities.

Those who violate the law will be subject to a penalty of \$500 per violation, plus limited attorney's fees and other costs payable to a disabled person who brings a lawsuit against the public entity.

The law also requires rehabilitation counselors who work with blind people to complete certain training requirements. Beginning Jan. 1, 2011, these include:

- at least six weeks of intensive training at an adjustment-to-blindness center;
- any additional training requirements specified by State Services for the Blind;
- any continuing education requirements specified by SSB.

Counselors who meet all the requirements will be certified by the state.

HF737/SF1246*/CH271

Service contracts changed

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Ann Rest (DFL-New Hope), a new law will ensure that 19 percent of contracts are awarded to organizations that employ workers who are severely disabled for janitorial services, document imaging and shredding, mailing, collating and sorting services.

"For the 19 percent requirement to be applicable in any given year, the contract amounts proposed by eligible providers must be within six percent of the estimated fair market price for at least 19 percent of the contracts awarded for the corresponding service area," according to the law.

The administration commissioner is to track each service area and each contract entered into and report to the Legislature each Feb. 15.

The law takes effect Aug. 1, 2010.

HF3096*/SF2735/CH266

Pilot projects authorized

Sponsored by Rep. Tina Liebling (DFL-Rochester) and Sen. Julie Rosen (R-Fairmont), a new law authorizes the Department of Human Services to implement pilot projects intended to improve the delivery of chemical health services. The department may enter into agreements to execute the projects as soon as July. The law takes effect July 1, 2010.

The law specifies that the pilot projects must fall within the department's forecasted expenditures. Any savings must go into a separate account for use toward future projects. Participating counties are responsible for any excess costs.

DHS officials are charged with evaluating the projects and issuing a report to the Legislature by January 2013.

The law's language is also included in SSHF1*/SSSF1, the budget-balancing law.

HF3246/SF2937*/CH376

Flood relief fund assistance

The 2010 spring floods have receded, but cleanup costs remain for local communities in the Red River Valley and along the Minnesota and Mississippi rivers.

A new law sponsored by Rep. Kent Eken (DFL-Twin Valley) and Sen. Keith Langseth (DFL-Glyndon) should help.

Effective May 26, 2010, it calls for a \$3.69 million General Fund appropriation to help with cleanup efforts in 24 counties declared federal disaster areas. However, the price tag could be closer to \$4 million once all assessments are complete.

The federal government will pick up 75 percent of flood damage costs, and the state has traditionally picked up the remaining 25 percent. Bonding dollars cannot be used because the money is for repair, not construction.

Rep. Morrie Lanning (R-Moorhead), who sponsored an identical bill (HF3796) said the flooding could have been worse.

For example, his city has spent \$10 million of its own money for flood mitigation projects in recent years and the state has provided significant money for statewide flood mitigation as well. He warned that work needs to continue.

HF3795/SF3379*/CH377

Keeping track of juvenile offenders

Minnesota is becoming part of an interstate operation for transferring youth who are part of the corrections system.

A new law, effective Aug. 1, 2010, adopts the revised Interstate Compact for Juveniles. As of April 2010, Minnesota was one of eight states yet to enact the compact.

According to Donna Bonner, chair of the Interstate Commission for Juveniles, "This important interstate agreement is the only legally authorized method available to the state to transfer juvenile delinquents and return of runaways across state lines so that they are properly placed into custody or care in the appropriate jurisdiction." It is designed to help ensure the safety of the public and the juvenile.

Rep. Joe Mullery (DFL-Mpls), who sponsors the law with Sen. Mee Moua (DFL-St. Paul), said by not being part of the compact, at-risk juveniles could enter Minnesota without the knowledge of public safety officials.

The Department of Corrections will absorb compact costs within its existing budget.

Minnesota is already part of a similar compact for adults.

HF3131/SF2891*/CH378

Funding nursing homes

The information used by the Department of Human Services to determine payments to nursing facilities will be modified under a new law.

Under the law, when DHS is making statistical comparisons of nursing facility payment rates to determine future adjustments, it must exclude adjustments for raw food costs related to residents with special

diets based on religious beliefs. Under the old law, this requirement applied only to rate increases.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Richard Cohen (DFL-St. Paul), the law takes effect July 1, 2010.

HF2859*/SF2567/CH394

'Ladder Out of Poverty'

A hand up — not a handout — is the goal of a new law that supporters hope will help fight poverty in Minnesota.

Effective May 20, 2010, it establishes a "Ladder Out of Poverty Task Force" to help Minnesotans who are struggling economically. The task force will make recommendations on policies that would increase Minnesotans' financial literacy, reduce predatory lending practices and encourage the accumulation of personal wealth.

Rep. Morrie Lanning (R-Moorhead) and Sen. Michael Jungbauer (R-East Bethel) sponsor the law, which will leverage the Family Assets for Independence in Minnesota program. FAIM helps Minnesotans gain financial self-sufficiency through education and matched savings incentive programs. It is run by local community action partnerships.

The idea for the task force stems from the key findings of the Legislative Commission to End Poverty in Minnesota by 2020's final report, which is available online. The commission, of which Lanning and Jungbauer were members, studied poverty in the state for more than a year and a half beginning in 2007.

The task force will comprise four senators, four House members, the commissioner of commerce and the attorney general or their designees. Task force members are directed to consult with a wide range of interests ranging from financial institutions to community groups in developing their recommendations.

Appointments and designations are to be completed by Aug. 15, 2010. The task force will sunset on June 1, 2012, and must provide its recommendations to the Legislature by that date.

HF2062/SF1770*/CH374

Changes to continuing care

Policy and technical changes to continuing care are included in a new law.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Tony Lourey (DFL-Kerrick), the law includes the following provisions:

- adds to the list of criteria used to determine Medical Assistance payment for long-term care services;
- establishes criteria for a relative to provide licensed supported living services to a loved one and allows Medicaid reimbursement under certain conditions;
- specifies the responsibilities of home care

services providers when they decide to discontinue services to someone;

- sets criteria for a personal care assistant who wishes to enroll with a different provider agency;
- modifies requirements for reporting alleged or suspected maltreatment of vulnerable adults;
- allows seniors with a certain home care rating to be eligible for the elderly waiver program;
- makes an exception to a limitation on personal care services for children on Medical Assistance; and
- modifies requirements on how personal care assistants are trained and evaluated.

The law has various effective dates.

HF3234/SF2933*/CH352

Reporting substance abuse

Current law requires health care and social services professionals to report suspected alcohol or controlled substance abuse by pregnant women who they care for. Rep. Maria Ruud (DFL-Minnetonka) says sometimes that policy backfires.

She and Sen. Kathy Sheran (DFL-Mankato) sponsor a new law that will create an exemption from the reporting requirement. According to Ruud, a pregnant woman who uses drugs or alcohol may be less likely to obtain prenatal or other health care if she believes it will lead to action by law enforcement or a welfare agency. During committee testimony, some Minneapolis providers said they are aware of pregnant women in their area who have chosen not to seek prenatal care for this reason.

The new law will exempt health care and social services professionals from reporting alcohol and marijuana use as long as they are providing the woman prenatal care or other health care services. Prenatal care refers to comprehensive physical and psychological care received throughout the pregnancy.

The law takes effect Aug. 1, 2010.

HF3059/SF2695*/CH348

DHS licensing modified

Sponsored by Rep. Jim Abeler (R-Anoka) and Sen. Tony Lourey (DFL-Kerrick), the law makes the following selected changes to policies on licensing and fair hearings under the Department of Human Services:

- adds to the exemptions from the nursing home moratorium to allow the construction of a new facility in Goodhue County that will consolidate and relocate beds from existing facilities;
- allows DHS to sell all or part of the property at the Brainerd Regional Human Services Center to an American Indian tribe;

- allows Medicaid reimbursement for the provision of supported living services when certain conditions are met;
- requires DHS and the Department of Commerce to prepare an annual report to the governor and legislative leaders on the calls to their consumer help lines;
- directs licensed child care centers to develop risk reduction plans that assess the general risks to children in their facilities;
- modifies rules for how a facility may continue to operate when the suspension or revocation of its license is under appeal; and
- establishes criteria for a relative to provide licensed supported living services to a loved one.

The law has various effective dates.

HF3239/SF2935*/CH329

HUMANITIES

Juneteenth recognition

Since 1996, Minnesota had recognized June 19 as Juneteenth. A new law designates the third Saturday in June as Juneteenth in recognition of the historical pronouncement of the abolition of slavery on June 19, 1865.

Sponsored by Rep. Bobby Joe Champion (DFL-Mpls) and Sen. Linda Higgins (DFL-Mpls), the new law "creates an opportunity for the governor to issue a proclamation," Champion said. It also adds a bit more information about Juneteenth in the law.

Juneteenth marks the day the Emancipation Proclamation was read for the first time publicly in Texas. The announcement came two and a half years after President Lincoln's Emancipation Proclamation and two months after Gen. Robert E. Lee's surrender in April 1865.

Under the law, the proclamation required to be issued by the governor can include "honoring this observance and recognizing the important contributions African-Americans have made in Minnesota's communities, culture, and economy."

The law is effective April 16, 2010.

HF2928/SF2580*/CH245

Explore Minnesota council changes

Sponsored by Rep. Bud Nornes (R-Fergus Falls) and Sen. Mary Olson (DFL-Bemidji), the law removes the reference of "four" from the tourism marketing regions of the state that have representatives on the Explore Minnesota council.

John Edman, director of Explore Minnesota Tourism, said the change is merely a housekeeping bill. When the council was

created it had four regions, now it's expanded to five regions, he said.

The law takes effect Aug. 1, 2010.

HF3143*/SF3013/CH252

INDUSTRY

Licensure requirements modified

A new law was prompted by confusion related to the language contained in the rule that left some counselors confused about postgraduate and continuing education requirements needed to maintain their licenses. Under the law, a counselor whose license was terminated prior to Aug. 1, 2010, does not need to complete certain continuing education activities, including those for re-licensure, if the person has completed a specific number of postgraduate semester credit hours. The provision does not apply to an individual whose license has been cancelled.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Ron Latz (DFL-St. Louis Park), the law takes effect Aug. 1, 2010.

HF3212/SF2877*/CH248

Energy mandate exemption

An exemption during the winter months on the state's biodiesel content requirement will be extended to March 31, 2012. That's one of a handful of changes brought by a new law dealing with weights and measures. Rep. Greg Davids (R-Preston) and Sen. Debbie Johnson (R-Ham Lake) are the sponsors.

State law requires that diesel fuel contain a certain percentage of biodiesel. The law gives the Department of Commerce flexibility to lift that mandate between October and March. Davids said extremely low temperatures during those months sometimes cause biodiesel blends to "gel up."

Among other various changes included in the law, tanks used to store gasoline and ethanol can be marked with plastic tags instead of metal ones.

The law takes effect Aug. 1, 2010.

HF3363/SF2840*/CH228

Sewer fees help stagnant fund

Because of the stagnant economy and slow construction starts, the Metropolitan Council's wastewater reserve capacity fund, normally funded by sewer availability charges (SAC) assessed on new commercial or residential development, is running low.

A new law authorizes the council, if necessary, to temporarily change its source for revenue to cover debt service payments from the wastewater reserve capacity

transfer to regular sewer fees charged to local governments in the seven-county Twin Cities metropolitan area served by the council. Local governments could then assess consumers to cover the increase. That cost per household is estimated at no more than \$1.20 per month.

The law takes effect April 2, 2010, and expires Dec. 31, 2015.

Rep. Paul Gardner (DFL-Shoreview), who sponsors the law with Sen. Ann Rest (DFL-New Hope), called the measure "a common sense approach during economically difficult times" that would help maintain high bond ratings.

The shift would be made up in subsequent years when a two-year balance in the wastewater reserve fund is reached. Then, the SAC transfer to the operating fund must be increased to make up for prior reductions. At that point, charges to local governments would be reduced proportionately.

HF2949*/SF2925/CH212

Licensure requirements modified

Psychologists can expect a handful of noncontroversial changes to licensure requirements, under a new law.

Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law:

- provides reciprocity for psychologists licensed in other jurisdictions as they apply for full licensure in Minnesota;
- extends the time limit for guest licensure from 30 days to nine months;
- allows a retired psychologist to apply for licensure to offer services pro bono as a "licensed psychologist-volunteer;"
- allows psychologists to be the last reviewer of appeals for denial of services by health plans, except for cases in which the treating professional was a psychiatrist; and
- redefines the make-up of the Board of Psychology.

Norton said the law is intended to make it easier for qualified psychologists to practice in Minnesota. It takes effect Aug. 1, 2010.

HF2897/SF2596*/CH199

New boiler license requirements

Effective Aug. 1, 2010, a new law will add training and licensure requirements for school boiler operators and certain types of contractors.

Sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park), the law will clarify statutes relating to the licensing of various construction trades. Selected provisions include:

- requiring eight hours of annual training for school boiler operators;

- forbidding contractor businesses and individuals from advertising services for which they are not licensed;
- establishing licensure requirements for those who install and maintain medical gas systems;
- allowing cities to establish rules that require exterior work on buildings to be completed within a certain time frame following issuance of a building permit; and
- transfers rulemaking on standards for water conditioning servicing and installation for the plumbing board from the commissioner of labor and industry. The commissioner, however, retains licensing responsibilities.

Mahoney described the legislation as a "housekeeping bill" for the Department of Labor and Industry.

HF927*/SF1004/CH183

New rules for real estate agents

Beginning next year, real estate agents in Minnesota will have to comply with new continuing education requirements. A new law sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park) adds a number of requirements supported by the Minnesota Association of Realtors.

Effective July 1, 2011, residential real estate brokers and sales associates must receive several hours of training each year in a "module" format that covers topics of current interest to the profession. A test on the material will be required, and the Department of Commerce must approve the training. The requirement does not apply to commercial realtors.

Additionally, beginning July 1, 2011, real estate associates will have to acquire three years' experience before they can take their real estate broker's examination. Previously, the law required only two years of experience.

Atkins said the real estate industry asked for the changes because it wants to enhance the professionalism of the industry.

HF2856*/SF2512/CH190

Accountant requirements clarified

Certified public accountant licensing standards will be clarified, under a new law.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ann Rest (DFL-New Hope), the law consists of technical changes to clarify current statutes regarding CPAs.

Changes brought by the new law include adding the word "certified" in front of "public accountant" in several areas of statute, and adding "in accordance with" in other areas. The law will also require public audit

functions to be conducted by a certified public accountant rather than an experienced or public accountant.

The law is effective Aug. 1, 2010.

HF2706*/SF2252/CH191

Contractor continuing education

Sponsored by Rep. Mike Nelson (DFL-Brooklyn Park) and Sen. David Tomassoni (DFL-Chisholm), a new law represents an attempt by the Department of Labor and Industry to make course standards more transparent for residential building contractors. Provisions include:

- setting clear standards for course content;
- allowing contractors to fulfill education requirements through approved online courses; and
- raising fees for approval and renewal of courses.

The law takes effect Aug. 1, 2010.

HF3360/SF2944*/CH260

Elevators and manlifts

Hand-powered manlifts and electric endless belt manlifts will not be subject to the state's elevator operating permit fee beyond the initial inspection, under a new law.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Rod Skoe (DFL-Clearbrook), the law makes several other changes to the statutes regarding the operation of elevators. It takes effect Aug. 1, 2010.

The law specifies that manlifts are subject to the initial inspection and permit fee, but no subsequent inspections. It also states that special purpose personnel elevators are subject to inspections only once every five years, and elevators in churches only once every three years. All other elevators are subject to annual inspections.

HF3076/SF2844*/CH282

Boiler bill' becomes law

Sponsored by Rep. Bob Gunther (R-Fairmont) and Sen. Steve Murphy (DFL-Red Wing), the law clarifies various statutory provisions, updates obsolete references and terminology, and makes grammatical changes.

The law includes changes proposed by the Department of Labor and Industry, and represents an attempt to streamline and reduce excessive requirements on boiler operators, owners, license-holders and boat owners. It also reflects advancements in boiler technology and construction.

The changes take effect Aug. 1, 2010.

HF2855*/SF2726/CH287

Construction codes and licensing

Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Kathy Saltzman (DFL-Woodbury), a new law includes changes requested by the Department of Labor and Industry.

Selected changes made by the law include:

- clarifying that people may receive state agency rulemaking notices either electronically or by regular mail;
- modifying statutes dealing with apprenticeship training to conform to changes in federal law;
- deleting outdated statutory language;
- removing a requirement that hard copies of construction code and licensing rulemaking changes be filed with the Office of the Secretary of State;
- clarifying that municipalities that fail to comply with reporting requirements on the collection of development-related fees are subject to enforcement actions;
- clarifying that DOLI may not pay compensation from the contractor recovery fund in an amount greater than \$75,000 per licensee;
- clarifying requirements for having an application for compensation from the contractor recovery fund verified; and
- changing from 30 days to 45 days the time in which an administrative hearing must be conducted unless the parties agree to a later date, and requiring that notice be given at least 15 days before the hearing; Most of the law takes effect Aug. 1, 2010. HF3048*/SF2928/CH280

Getting the lead out

Sponsored by Rep. Karen Clark (DFL-Mpls) and Sen. Ken Kelash (DFL-Mpls), a new law will incorporate the new Environmental Protection Agency rules into the state's contractor licensing and building permit requirements. It takes effect Feb. 1, 2011.

The EPA adopted rules requiring contractors who work on homes built prior to 1978 to receive special training on how to keep themselves and the homeowners safe from dust particles of lead-based paint. The law will require contractors to be certified in lead safety procedures, and also require that cities issuing permits for work on pre-1978 homes verify that contractors are certified.

Clark said the goal of the law is partially to raise awareness of the new federal rule, which went into effect April 22, 2010, and encourage contractors to complete the required training. The law does not add any additional requirements above and beyond what is already in the EPA rule.

HF3292/SF3128*/CH321

Utilities must report expenses

The Public Utilities Commission may not allow, as operating expenses, a public utility's travel, entertainment and similar employee expenses that the commission deems are unreasonable and unnecessary for providing utility service.

To help the PUC determine an acceptable expense, a public utility filing a general rate case petition must include an itemized schedule of all travel and lodging, food and beverage, recreational, gifts and lobbying expenses requested by the commission.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Ellen Anderson (DFL-St. Paul), the law is aimed at protecting ratepayers by preventing excessive utility expenses. It is effective Aug. 1, 2010.

HF2798/SF2519*/CH328

Lower emission deadline extended

Minnesota Power, the Duluth-based utility, will have until July 1, 2015, to file mercury emissions reduction plans for its Boswell 4 generating facility and until Dec. 31, 2018, to implement those plans. The extension is needed because the economic downturn, coupled with a pending rate increase request for capital investment dollars to install mercury reduction technology, have slowed the company's ability to comply with state law. Also, Minnesota Power would prefer to delay the completion of emission controls until pending federal regulations are known that could impact compliance standards.

Sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Yvonne Prettnier Solon (DFL-Duluth), the law requires Minnesota Power to submit annual reports to the Legislature beginning July 1, 2011.

Reports must contain mercury control plans, including how the plan may affect the performance and cost-effectiveness of emission controls for pollutants other than mercury. Reports must also assess the impact of proposed federal laws regulating air pollution emitted by coal-fired power plants and how the utility plans to react to those laws, such as installing pollution control equipment, using pollution allowances to achieve regulatory compliance and retiring or repowering a plant with cleaner fuels. Impact on ratepayers must be analyzed and included in the report, as well.

The law is effective May 14, 2010.

HF3667/SF3080*/CH325

Liquor for Gophers fans?

Alcoholic beverages would be available, with restrictions, at University of Minnesota sports events — if the university agrees.

Effective May 26, 2010, a new law will

give the university greater discretion to sell alcoholic beverages at its sports arenas, including TCF Bank Stadium. It states that alcoholic beverages may be sold in premium seating areas as long as they are also sold in at least one-third of the general seating areas too.

The law is meant to resolve an ongoing dispute between the university's administration and the Legislature. The university wants to allow liquor sales only in the club seats of its facilities and argues some other Big Ten schools have the same policy. Some lawmakers consider this "elitist," and last year the House voted overwhelmingly to require the university to either sell liquor in all seating areas or not at all.

In response, the university doesn't sell liquor at the stadium or Mariucci and Williams arenas, and claims that as a result, it has lost more than \$1 million in revenue. Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park), the new law is intended to, in Atkins' words, "extend an olive branch" to the university in an attempt to find common ground on the issue.

The law gives the university's Board of Regents discretion on how to achieve the one-third requirement for the general seating areas. At least 75 percent of the revenue generated from liquor sales would go to student scholarships, under the provisions.

The law also provides for technical changes affecting the Department of Commerce's market assurance and consumer protection activities. Many of the provisions merely conform to changes made in other laws; others include eliminating redundancies in statutes. Atkins added the language on university liquor sales as an amendment on the House floor.

A separate provision, also added as an amendment by Rep. Jenifer Loon (R-Eden Prairie) on the House floor, will allow health plans to offer flexible benefits to individuals and small businesses with up to 100 employees. Currently, only businesses with up to 50 employees are allowed to offer flexible benefits. The change is effective Jan. 1, 2012.

HF2942/SF2839*/CH384

INSURANCE

Small-employer health insurance

A state-level working group will explore the possibility of increasing the employee cap on the small-employer health insurance market from 50 to 100 employees.

Sponsored by Rep. Diane Loeffler (DFL-Mpls) and Sen. Linda Scheid (DFL-Brooklyn

Park), a new law establishes the working group under the Department of Commerce. The group will study and analyze the implications of expanding the small-employer market to 100 employees, and report on the options available "to increase rate predictability and stability."

The 20-member group will include lawmakers, representatives of business and insurance lobbying groups, and representatives of small businesses. Among the topics to be addressed in the report, which is to be submitted to the Legislative Commission on Health Care Access, include:

- cost for employers, employees, brokers and health plans;
- underwriting concerns and rating requirements; and
- creating a uniform application form.

The law takes effect Aug. 1, 2010, and the working group is to disband by June 30, 2011.
HF2163/SF1905*/CH370

Miscellaneous insurance changes

Several technical changes to the state's insurance statutes are made by a new law.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Dan Sparks (DFL-Austin), the law addresses a miscellany of policy issues with regard to several areas of insurance law. Unless otherwise noted, its provisions take effect Aug. 1, 2010.

Effective April 27, 2010, the law modifies the Insurers Rehabilitation and Liquidation Act by clarifying rights and obligations with regard to parties involved in a netting agreement or qualified financial contract. Also effective on that date, it spells out requirements for group life insurance for groups other than ones already defined in statute.

The law also modifies the Minnesota Life and Health Insurance Guaranty Association Act in several ways, including limitations of benefits and notice requirements. The existing act requires the life and health insurance industries to compensate policyholders who end up with unpaid claims due to an insurance company becoming financially insolvent.

The law also includes a number of provisions dealing with fraternal benefit societies. It establishes requirements for risk-based capital reports submitted to the Commerce Department, and spells out the department's duties in cases where corrective measures are required.

HF3146/SF2825*/CH275

Auto insurance for minors

Under certain conditions, Minnesotans under the age of 18 can own their own cars. Effective April 27, 2010, they can buy their own insurance policies, too, on the same basis as adults.

A new law allows minors to purchase automobile insurance on the same basis as adults, provided they meet the state requirements to own their own automobile. Previously, the law was unclear as to whether minors could enter into a binding agreement to buy their own insurance policies.

Rep. Karla Bigham (DFL-Cottage Grove), who sponsors the law with Sen. Katie Sieben (DFL-Newport), said the change will close a "loophole" discovered by one of her constituents.

In order to own a car and/or buy their own insurance, under this law, a minor must meet one of the following qualifications:

- complete an approved driver training course and be 17 years old;
- be a high school graduate and be 17 years old;
- be an employed, emancipated minor who holds a Minnesota driver's license; or
- have become the owner of the passenger automobile or truck that the person seeks to register in Minnesota while a resident of a foreign state, district, territory or country, and which passenger automobile or truck is duly registered in the person's name in the foreign state, district, territory or country.

HF2879*/SF2592/CH278

LAW

Updating an interest ownership act

Rep. Gail Kulick Jackson (DFL-Milaca) said a new law is not an overhaul of the Minnesota Common Interest Ownership Act; rather, it is "a 50,000-mile tune-up."

The act governs condominiums, cooperatives and planned communities, including townhomes. It also mandates certain warranties and disclosure for the benefit of buyers.

The new law is the culmination of two years of work by the real property law section of the Minnesota State Bar Association, owners real estate agents, lenders, county surveyors and developers. It takes effect Aug. 1, 2010.

It clarifies some things and makes changes to address unforeseen situations that came about because of the recent real estate market crisis.

Among its provisions:

- a clearer mandate for the developer to responsibly operate the owners' association;
- stronger requirements for funding association replacement reserves;
- increased requirement for disclosures to prospective buyers with respect to developer obligations;

- a penalty increase from \$1,000 to \$5,000 for developers who fail to deliver a disclosure statement to the buyer prior to the closing of a unit sale;
- removal of the obligation of a developer to turn over to an association the plans, records and warranties that are not under the developer's control or that will prevent a developer from enforcing the warranties against third parties;
- authorizes declarants to universally license garage stalls and storage lockers to unit owners when units are sold; and
- an owners' association can obtain lenders' consent to amendments to the association's governing documents in a manner consistent with current Fannie Mae and Freddie Mac regulations.

Jackson, who sponsors the law with Sen. Ron Latz (DFL-St. Louis Park), said there have been some problems getting consent of lenders that hold mortgages because they receive the amendment but never respond. Under the law, the lender's consent will be automatic if the lender does not respond within 60 days.

HF3393*/SF2985/CH267

Unsworn declarations act enacted

The Uniform Unsworn Foreign Declarations Act allows a person physically outside the United States who needs something notarized to do an unsworn foreign declaration. Such a declaration is subject to perjury penalties and would be useful in cases where a person cannot get access to a notary.

Rep. Melissa Hortman (DFL-Brooklyn Park), who sponsors the law with Sen. Mee Moua (DFL-St. Paul), said the act exists because of increased security following Sept. 11, making it harder to get to United States consulates abroad.

Proposed for adoption by the National Conference of Commissioners on Uniform State Laws, a new law provides that if Minnesota law requires a sworn declaration for something, an unsworn foreign declaration would have the same effect. A similar federal law already exists.

Unsworn declarations cannot be used for depositions, oaths of office, an oath required to be given before a specified official other than a notary public, declarations recorded under certain real estate laws, oaths related to self-proved wills and power of attorney.

The law takes effect Aug. 1, 2010.

HF3318*/SF2984/CH295

New law bans 'live checks'

"Live checks" are checks that obligate consumers to purchase goods and services they don't necessarily want and may not even be aware of. They're often mailed to people

under the pretense of being rebate checks for a product they already purchased.

In reality, live checks come from third parties who obtain consumers' credit card information without their knowledge. Consumers who cash the checks are often surprised to find charges show up on their credit card statement for purchases they didn't know they were making by cashing the checks.

The checks usually contain fine print informing consumers that cashing them obligates them to buy something, but consumers often don't see it. Moreover, they are seldom aware that their credit card information has been transferred to the third party that sent the check.

A new law bans the distribution of live checks, and classifies them as a deceptive practice under the state's consumer protection laws. Sponsored by Rep. Andrew Falk (DFL-Murdock) and Sen. Kathy Saltzman (DFL-Woodbury), the law takes effect Aug. 1, 2010.

The law does not apply to checks sent from credit card companies as a benefit for their customers, or to similar checks from other lenders or financial institutions.

HF2599/SF2439*/CH192

Joint powers can include tribes

The Mille Lacs Band of Ojibwe was invited to participate in the Northern Lights Express Coalition, a joint powers agreement advocating a railroad project from the Twin Cities to Duluth. The band did so and paid \$48,000 in dues, but discovered that because the joint powers act did not include them it could not participate as a voting member.

A new law allows the Mille Lacs Band and other federally recognized Indian tribes, as well as the Minnesota Historical Society, to enter into joint powers agreements. It is effective Aug. 1, 2010.

Rep. Bill Hilty (DFL-Finlayson) and Sen. Ann Rest (DFL-New Hope) sponsor the law, which Hilty said allows tribes to collaborate with other government entities on shared services such as education, transportation, emergency management, emergency response and economic development.

HF2797/SF2259*/CH193

Financial records release clarified

No government authority has permission to access or obtain copies of the records from a financial institution of any customer unless the records are reasonably described and meet an expressly stated reason for access.

Judicial or administrative subpoenas have been added to the list of acceptable reasons.

Sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Mee Moua (DFL-St. Paul), the law is identical to language

inadvertently removed from a 2009 law related to investigations of the financial exploitations of vulnerable adults. The law is retroactively effective Aug. 1, 2009.

HF3139*/SF2952/CH214

Transcribing DWI arrest not needed

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Leo Foley (DFL-Coon Rapids), a new law will clarify that a pretrial filing of a written transcript from an audio or videotape in a law enforcement vehicle is not a prerequisite for admission of that recording evidence in a DWI criminal trial or license revocation hearing. Simon said some courts have been reading into the law a requirement that is not there.

The law takes effect July 1, 2010.

All state patrol vehicles and many police vehicles have dashboard cameras. Simon said there are about 40,000 DWI arrests annually, and only about 500 of those go to trial; thereby potentially forcing agencies to make the time and cover the expense of producing an unneeded transcript in most cases. Other potential problems include transcriber error and inaudible statements by the accuser making it tough to certify the transcript. He also said the tape is the evidence, not the transcript.

HF212*/SF333/CH231

Civil commitment signature changes

Sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Don Betzold (DFL-Fridley), a new law permits documents related to civil commitment to be officially made under oath or affirmation if a statement is included that the signer attests the document is true and correct, and is being signed under penalty of perjury. A telephone number and address where the signer can be contacted must also be included.

The law also clarifies that electronically signed documents, as part of an electronic record system now used by most hospitals, may be allowed as evidence in civil commitment cases.

Bigham said the state hospital association, county attorneys association, Minnesota Disability Law Center and the Department of Human Services are all comfortable with the change.

The law is effective Aug. 1, 2010.

HF3187*/SF2328/CH220

Recording declarations

A new law adds a supplemental declaration to parts of law that affect common interest community certificates and the formal recording of common interest community properties with the registrar of titles.

A supplemental declaration is required when a common interest community, such as a condominium owners' association, seeks to bring more land within the community's jurisdiction.

Current statute does not specifically permit supplemental condominium and planned community declarations to be recorded on common interest community certificates of title. The law permits the supplemental recording on a certificate of title.

Sponsored by Rep. Gail Kulick Jackson (DFL-Milaca) and Sen. Linda Scheid (DFL-Brooklyn Park), the law takes effect Aug. 1, 2010, except for the replacement of erroneous cross-references in a 2009 law with substantive definitions of certain terms related to filing a contract for deed. That section is effective April 16, 2010.

HF2823*/SF2232/CH233

Readable electronic documents

While not a problem in most areas of the state, a new law gets at the few trouble spots.

Upon request from a district or state public defender, or an attorney working for a public defense corporation, the court, prosecutors and law enforcement must provide copies of any documents in their possession at no charge, including police reports, photos, grand jury transcripts, audiotapes and videotapes. Effective Aug. 1, 2010, "audio or video files on CD Rom or DVD Rom disc" will be added to the list. The law also specifies that the provider, upon request, shall include the software needed to open, view or play the electronic file.

Rep. Debra Hilstrom (DFL-Brooklyn Center), who sponsors the law with Sen. Mee Moua (DFL-St. Paul), said the Public Defense Board brought forth the legislation because they have had some issues in getting files in formats they can open.

HF2991/SF2517*/CH239

Probate trust law changes

Effective Aug. 1, 2010, unless otherwise noted, this new law clarifies the inheritance rights when a person dies without a will. It provides that a parent is barred from inheriting from or through a child of the parent if the parent's parental rights were terminated and the parent-child relationship was not judicially reestablished. The same holds true if the child died before age 18 and there is "clear and convincing evidence" before the death that parental rights could have been terminated immediately before the child's death for nonsupport, abandonment, abuse, neglect or other action or inaction.

Other clarifying provisions in the law include:

- a parent's marital status does not affect the parent-child relationship for purposes of succession;
- a parent-child relationship exists between an adopted child and the adopting parents for purposes of intestate succession;
- a person in the process of being adopted by a married couple when one of the spouses dies is treated as adopted by the deceased spouse if the adoption is subsequently granted to the surviving spouse;
- unless otherwise decreed, a parent-child relationship does not exist between an adoptee and the adoptee's genetic parents, except when adopted by certain relatives;
- a parent-child relationship does not exist between a child of assisted reproduction and a third-party donor; and
- standards are provided for the appointment of an emergency and temporary conservator. This section is effective May 14, 2010. Similar standards currently exist for appointment of an emergency guardian.

The law does not affect state law regarding gestational agreements; nor does it affect the doctrine of equitable adoption.

Brought by the Uniform Laws Commission via the Minnesota State Bar Association, the law also makes clarifying comments about how wills and trusts will be interpreted now that certain tax provisions have expired.

Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Don Betzold (DFL-Fridley) sponsor the law.

HF2825/SF2427*/CH334

LOCAL GOVERNMENT

County assessors' duties clarified

A new law is intended to help clear a bottleneck of appeals cases in property tax court.

Sponsored by Rep. Gail Kulick Jackson (DFL-Milaca) and Sen. Lisa Fobbe (DFL-Zimmerman), the new law clarifies the original intent of a 1993 law by specifically authorizing county assessors to perform property appraisals, prepare reports and testify before any court as an expert within the jurisdiction.

The law is mostly effective May 15, 2010, for testimony offered and opinions or reports prepared in cases or proceedings that have not been finally resolved.

Jackson said that a strict reading of the earlier law in a 2009 tax court case, *Shoppes of Woodbury v. Washington County*, has prevented courts from accepting county assessors' expert testimony regarding

property appraisals. Hiring outside appraisers is a costly alternative, adding an estimated \$25,000 to the county's cost.

A section takes effect Aug. 1, 2010 that amends the division of duties between local and county assessors to provide that, if directed by the county assessor, the local assessor shall perform certain duties, such as performing appraisals, reviewing the original assessment and determining its accuracy or preparing an appraisal or report.

HF3147/SF2885*/CH354

Notary stamp and fee changes

Changes are made to notaries public, such as requiring all notaries to obtain an official stamp, under a new law.

The law is effective Aug. 1, 2010, unless otherwise noted.

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Don Betzold (DFL-Fridley), the new law reduces the fee of recording a notary commission that may be charged by a court administrator from \$100 to \$20. To offset the lost revenue, the fee submitted to the Office of the Secretary of State when filing an application for a notary commission is increased from \$40 to \$120, so the total amount paid by a notary remains unchanged.

Other changes include:

- the notary's name on the stamp must be identical to the certificate of acknowledgment and in the notary's commission;
- references to an "official seal" are changed to "notarial stamp";
- effective July 31, 2011, extends from 60 days to six months prior to expiration the period during which a notary may apply for renewal of a commission;
- a notary public may certify an individual's signature "when it appears that the individual has a physical limitation that restricts the individual's ability to sign by writing or making a mark"; and
- permits a couple's certificate of premarital education to be either notarized or marked with a church seal. Current law only permits the certificate to be notarized.

HF910*/SF214/CH380

Rate exemptions for governments

Effective April 16, 2010, a new law undoes an inadvertent 2009 increase in the interest rate when money is owed to state or local governments or vice versa for things like tax appeals and eminent domain judgments.

Last year's omnibus public safety finance law increased the interest rate on any award or judgment greater than \$50,000 from the simple interest per annum based on the secondary market yield of a one-year U.S.

Treasury bill (roughly 4 percent) to 10 percent.

Rep. Paul Marquart (DFL-Dilworth), who sponsors the law with Sen. Rod Skoe (DFL-Clearbrook), said the law was intended to just apply to large insurance companies. He said in some cases insurance companies that had to pay a claim were instead holding onto the money and putting it into an account with an interest rate greater than 4 percent. Therefore, the companies were making money before paying the claim.

The new law provides that judgments greater than \$50,000 for or against the state or a political subdivision, including cities, counties and school districts, revert back to simple interest plus annum law. The interest continues to be computed as simple interest per annum for all judgments of \$50,000 or less.

HF3085/SF2722*/CH249

Presentence investigation optional

Effective Aug. 1, 2010, a presentence investigation concerning felony violations of a controlled substance crime will be permitted to include a description of any adverse social or economic effects the offense has had on persons living in the neighborhood where the offense took place. This investigation is required under current law.

Rep. Sheldon Johnson (DFL-St. Paul), who sponsors the law with Sen. Ann Lynch (DFL-Rochester), said the change would give probation officers more discretion in situations where an investigation might not be warranted based on different factors, including caseload management or specifically defining a neighborhood.

HF1457/SF987*/CH236

Firefighters may collect for charity

Since 2000 in Minnesota, and since 1955 in other states and Canada, firefighters have raised money for the Muscular Dystrophy Association by collecting spare change from motorists stopped at red lights. A new law gives them the green light to continue to use the "Fill the Boot" strategy to raise funds for charity.

A new law, effective Aug. 1, 2010, will allow a municipality to permit firefighters to use this technique for up to three days a year to benefit one registered nonprofit organization qualified under section 501(c)(3) of the Internal Revenue Code. It is sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ann Rest (DFL-New Hope).

Minneapolis and Duluth had expressed concerns about liability and requested statutory permission to permit them to allow such charitable solicitation, said Atkins, though they have no reservations about the cause. According to the law, the charitable

organization must have general liability insurance against certain kinds of claims, with a limit of no less than \$1.5 million per occurrence.

HF3017*/SF2413/CH227

Employees can't be a city leader

Full-time, permanent employees of a city will be prohibited from serving as mayor or on the city council while employed by the city. However, they can run for office, and if elected, will have to give up their full-time job.

The new law takes effect for elections held or appointments made on or after Aug. 1, 2010.

Rep. Steve Smith (R-Mound), who sponsors the law with Sen. Gen Olson (R-Minnetrasta), said it is consistent with other statutes regarding school board and county employees serving as elected officials.

David Osmek, a Mound City Councilmember, told a House division that the law will prevent some ongoing conflicts of interest. He cited the case of a city employee participating in closed union contract negotiations, which had a direct effect on the Mound administrative code, and in turn, his own salary.

In another instance, the council had to decide on home water meters based on what they later learned was incomplete information given by one of its members who worked in that field and favored a particular kind of meter.

HF3350*/SF2953/CH206

New Richfield firefighter residency

The City of Richfield is permitted to require newly hired firefighters to live within a response time of no more than 10 minutes from the fire station.

Rep. Linda Slocum (DFL-Richfield), who sponsors the law with Sen. Ken Kelash (DFL-Mpls), said it will help the city respond to budget cuts without compromising public safety. She said the residency requirement is a better alternative to shifting some full-time employees to part-time and paying off-duty personnel to be on call whether they are actually called to an emergency.

The requirement holds for the first 10 years of employment or until the proposed seven-year expiration date. The sunset clause will allow the city to evaluate the measure, Slocum said.

The law is effective April 2, 2010.

HF2729*/SF2400/CH207

Commission structure adjustment

The Minneapolis School Board was recently restructured by voter referendum from an at-large board to one composed of six members representing specific zones and three at-large members.

A new law gives the city permission to appoint two members from the school board to that city's redistricting commission, in lieu of current commission members appointed by the majority and minority caucuses of the city council.

The school board members would participate in redistricting school board districts in the city, but not city council districts.

The law requires new school board districts, to the extent possible, to hold relatively equivalent distributions of population; retain concentrations of racial or language minority populations; consist of "contiguous compact territory;" and, when possible, feature boundaries that run mostly run east to west, or north to south.

Rep. Jim Davnie (DFL-Mpls) and Sen. Patricia Torres Ray (DFL-Mpls) sponsor the law, which takes effect the day after the Minneapolis school district files with the secretary of state a certificate indicating its approval of this law.

HF2360*/SF2738/CH208

Duluth area board expansion

The Spirit Mountain Recreation Area Authority can increase its board from seven to nine members.

A new law takes effect upon approval by the City of Duluth, and specifies the two new board terms will initially be four years, then revert to three-year terms.

The Duluth ski area plans to offer four-season activities to draw more tourism, according to Rep. Roger Reinert (DFL-Duluth), who sponsors the law with Sen. Yvonne Prettner Solon (DFL-Duluth). More members will help the board carry an increased workload accompanying its expansion plans.

HF2786*/SF2397/CH203

Town hall meeting minutes

Outdated references to how town hall meeting minutes are signed will be removed from statute, under a new law.

Sponsored by Rep. Jeanne Poppe (DFL-Austin) and Sen. Tony Lourey (DFL-Kerrick), the law allows the town clerk and a meeting moderator to sign meeting minutes. If the town clerk is the moderator, the minutes will also have to be signed by a supervisor in attendance.

Poppe said the changes come at the request of the Minnesota Association of Townships because elections were previously held simultaneously with town hall meetings. Now that events are separate, statutes need to reflect the changes.

The law is effective Aug. 1, 2010.

HF3468/SF3167*/CH195

Bridge plans swing forward

The Rock Island Swing Bridge, built in 1895, was the last operating bridge of its kind with a design that had cars use the bottom deck, while trains used the top deck. It was closed in 1999 and ordered removed by the U.S. Coast Guard in 2001.

Owned by the City of Inver Grove Heights, plans to convert the bridge into a recreational pier can move forward thanks to a new law effective March 15, 2010.

Efforts to save the bridge from the scrap heap began in 2009 after a law was enacted to allow for a two-year moratorium on the bridge's demise, giving planners time to raise funds for redevelopment of the area. The efforts took less than a year.

According to the city's Web site, the plan includes refurbishing the existing spans, and constructing two new spans to connect the pier to shore. A nearby park is also planned.

The law is sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Senate President James Metzen (DFL-South St. Paul).

HF2485/SF2253*/CH188

Property maintenance codes OK'd

A 2008 state Supreme Court decision, *City of Morris v. Sax Investments Inc.*, threw enforcement of local building codes into question if they differed from those contained in the state building code. Rep. Tim Mahoney (DFL-St. Paul) said that decision has made it harder to allow municipalities to enforce health and safety inspections of rental property.

Signed by Gov. Tim Pawlenty May 11, the new law, sponsored by Mahoney and Sen. Dan Sparks (DFL-Austin), makes an important clarification that while the State Building Code supersedes local ordinances, municipalities can enact and enforce local property maintenance ordinances in order to keep buildings "in a safe and sanitary condition or in good repair."

However, those local codes may not exceed standards on which the structure was built, remodeled or added to "unless specific retroactive provisions for existing buildings have been adopted as part of the State Building Code."

Minneapolis Director of Building Inspection Henry Reimer said the change is necessary to maintain livability of many older neighborhoods, especially with the "unprecedented conversions of single family homes to rental" he said is occurring in the wake of the foreclosure crisis.

HF2945/SF2759*/CH308

Public plowing on private roads

For the next three years, local road authorities can remove snow from private roads where a developer, because of insolvency or pending foreclosure, is unable to maintain the road. Effective April 27, 2010, the law sunsets May 2, 2013.

Unplowed roads are a safety hazard for school buses and emergency vehicles, said Rep. Mike Nelson (DFL-Brooklyn Park), who sponsors the law with Sen. Ken Kelash (DFL-Mpls).

The law will require a local road authority to adopt an annual resolution finding that a developer has failed to maintain the road. The city or local government may impose a reasonable and proportionate charge on all properties within the subdivision for the plowing services provided.

HF2231*/SF2004/CH279

Eminent domain practices revised

The maximum award is increased that utilities will pay for property owners' attorney fees in eminent domain cases when acquiring property for the construction of a high-voltage transmission line of 100 kilovolts or more.

A new law effective May 1, 2010, also requires the property owners to be compensated if the taking destroys their business. Besides high-voltage transmission lines, the law applies to property acquired for substations or a natural gas, petroleum, or petroleum products pipeline, compressor or pumping stations.

Sponsored by Rep. David Bly (DFL-Northfield) and Sen. Kevin Dahle (DFL-Northfield), the law requires the Public Utilities Commission to consider locating a route for a high-voltage transmission line on an existing high-voltage transmission route or the use of parallel existing highway right-of-way. If those routes are not used, the commission must state the reasons why. The PUC and the commissioner of transportation must add the policy to a list of 12 other considerations when determining where to locate a new high-voltage transmission line.

HF1182*/SF1112/CH288

MILITARY

Designating American Legion Day

Sponsored by Rep. John Ward (DFL-Brainerd) and Sen. Sharon Erickson Ropes (DFL-Winona), the law recognizes "the millions of American Legion veterans who have dedicated and continue to dedicate themselves to service of community, state, and nation."

Sept. 16 commemorates the date in 1919 that

Congress chartered the American Legion.

The law is effective Aug. 1, 2010.

HF2538/SF2373*/CH185

North Branch to honor war hero

Marine Cpl. Johnathan Benson, a graduate of North Branch High School, was granted a purple heart after he was wounded during a second tour of duty in Iraq in 2006. The 21-year-old died from his injuries Sept. 9, 2006.

In remembrance of Benson's sacrifice, a stretch of Highway 95 in North Branch will be renamed the "Corporal Johnathan Benson Memorial Highway." It takes effect Aug. 1, 2010.

Rep. Jeremy Kalin (DFL-North Branch) and Sen. Rick Olseen (DFL-Harris) are the law's sponsors.

The Transportation Department will adopt a suitable marking design and erect the appropriate signs. Community funding will pay for new signs.

HF2575/SF2183*/CH196

Veterans honored in North Branch

A new law authorizes a name change of the Highway 95 Bridge in North Branch to the "Veterans Memorial Bridge." The Transportation Department will adopt a suitable marking design and erect the appropriate signs. Community funding will pay for new signs.

Rep. Jeremy Kalin (DFL-North Branch) and Sen. Rick Olseen (DFL-Harris) sponsor the law, which takes effect Aug. 1, 2010.

HF2561*/SF2182/CH204

Veterans of Foreign Wars Day

Sponsored by Rep. Jerry Newton (DFL-Coon Rapids) and Sen. Lisa Fobbe (DFL-Zimmerman), the law recognizes May 28 because it is the same day the Veterans of Foreign Wars was founded in 1899. The group was federally chartered by Congress on May 28, 1936.

Signed April 15 by Gov. Tim Pawlenty, the law takes effect July 1, 2010.

HF2674/SF2475*/CH244

RECREATION

St. Clair baseball field ads OK

Rep. Tony Cornish (R-Good Thunder), who sponsors a new law with Sen. Julie Rosen (R-Fairmont) directed at the St. Clair School District, said that it is "meant to be a fix between two conflicting state statutes." One permits school districts to collect revenue from outdoor ads, such as billboards placed on

school property; the other permits advertising only within 100 feet of a school.

The new law, effective April 7, 2010, allows the ads within a specifically identified baseball field area and requires signs to be visible only to those inside the stadium area.

HF3172*/SF2797/CH221

SAFETY

Safe disposal of leftover drugs

Sponsored by Rep. Paul Gardner (DFL-Shoreview) and Sen. John Doll (DFL-Burnsville), a new law was proposed as the "Minnesota Safe Drug Disposal Act," and included plans to collect discarded drugs from medical facilities, where state law required them to be flushed down the toilet. The product stewardship plan was removed in committee because it was considered an unfunded mandate on nursing homes. Instead, the law simply allows for the handling of drugs by employees in certain professions, including law enforcement, hazardous waste transportation, and county hazardous waste or drug collection and disposal programs.

Effective April 11, 2010, the law defines who may legally possess leftover drugs, including their collection, storage, transport and destruction. The law includes prescription and non-prescription drugs categorized as legend drugs. A provision for "reverse distribution" would enable drugs to be returned to their producers or distributors.

HF1217*/SF1568/CH223

Civil immunity provided for helping

Immunity from civil damages or administrative sanctions is provided for entities that help with a gubernatorial declared emergency or disaster, provided their actions in good-faith.

Sponsored by Rep. Kim Norton (DFL-Rochester) and Senate Minority Leader David Senjem (R-Rochester), the law will allow businesses, nonprofits and other entities to provide assistance during a disaster without fear of legal responsibility, provided that the entity has previously registered with the local jurisdiction or agency, and the assistance is provided under the direction and control of the jurisdiction or agency.

It is effective April 11, 2010.

HF2709*/SF2555/CH224

Who can draw blood for DWI

In an effort to expedite the process for police and the courts, a new law will allow medical personnel trained in a licensed hospital or educational institution to withdraw blood to

determine the presence of alcohol, controlled substances or hazardous substances.

The current DWI statute limits who can draw blood for implied consent to a physician, medical technician, emergency medical technician-paramedic, registered nurse, medical technologist, medical laboratory technician, phlebotomist or laboratory assistant.

Law supporters want it made clear that anybody who is qualified to take blood for DWI samples can do so. It eliminates cases where a person arrested for DWI is taken to a hospital, but there is not a person on duty who fits one of the titles in the DWI statute. In such cases, either law enforcement has to wait for a qualified technician to arrive, or if somebody medically draws blood and the sample is challenged, the test is thrown out and the DWI case is dismissed. The new law should save money for law enforcement and the courts by eliminating hearings based on technicalities.

Sponsored by Rep. Kory Kath (DFL-Owatonna) and Sen. Kevin Dahle (DFL-Northfield), the law takes effect July 1, 2010.
HF2881*/SF2817/CH225

Firefighter definition amended

For the purposes of the firefighter certification statute, the definition of a full-time firefighter has been modified.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ann Rest (DFL-New Hope), a new law clarifies that a full-time firefighter is charged with the prevention and suppression of fires. Previous law used "or" instead of "and." A full-time firefighter is defined in law as someone "directly engaged in the hazards of firefighting or is in charge of a designated fire company or companies that are directly engaged in the hazards of firefighting."

A 2009 law required that full-time firefighters be licensed, but a technical change is needed to properly define a firefighter. Atkins said the law tries to clarify that fire personnel, such as those solely engaged in fire prevention, do not have to go through all the training required to obtain firefighter certification.

The law is effective April 11, 2010.
HF2701/SF2267*/CH229

Bicyclists can turn on red

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Jim Carlson (DFL-Eagan), a new law allows a bicyclist to enter or cross an intersection against a red light under certain conditions, including if the light shows red for an unreasonable amount of time, the bicyclist is unable to trigger the signal to change

to green and no other vehicle or person is approaching that could pose a hazard.

It is effective April 16, 2010.

Kahn said bicycles were included in a 2003 House bill allowing this provision for motorcyclists, but a conference committee removed the bicycle language.

The problem, Kahn said, is that bicycles, like motorcycles, are not heavy enough to trigger the signal sensor to turn the light from red to green.

Without the change, the possibility exists of bicyclists clogging intersections and inconveniencing other drivers behind them.

Dorian Grilley, executive director of the Bicycle Alliance of Minnesota, told a House committee that many times while in a left-turn lane, he has moved his bicycle into a crosswalk so a vehicle behind him could come up closer and trip the signal sensor so they could both turn on a green arrow. However, he said because of "Minnesota Nice" motorists don't always pull closer.

HF2616*/SF2453/CH232

Petroleum spillage rules clarified

Rules regarding the cleanup of spilled petroleum are part of a technical Department of Commerce law.

Sponsored by Rep. Greg Davids (R-Preston) and Sen. Kevin Dahle (DFL-Northfield), the law clarifies that the Petrofund may be used to cover cleanup costs from tanker truck spills.

HF3362*/SF2841/CH241

Medical exam record conformity

Sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Rick Olseen (DFL-Harris), a new law will amend the process for the Department of Public Safety to issue commercial class driver's licenses on behalf of the federal government for interstate commerce. Among the changes, license applicants subject to a federal requirement for a medical exam will be expected to submit medical certificates or medical waivers to the department, which will retain the records for three years.

Most of the law takes effect Aug. 1, 2011.
HF3420/SF3091*/CH242

Predatory offender registration

Effective July 1, 2010, predatory offenders will be prohibited from listing homeless shelters as their primary or secondary address. This will prevent homeless predatory offenders from avoiding registration requirements placed on those who do not have a primary or secondary address. Under current law, if an offender registers as homeless, they are required to check in weekly with local law enforcement; however, by using the shelter as a primary or secondary residence, the offender does not

need to check in weekly, even if they are not staying at the shelter.

Effective April 16, 2010, the law clarifies that an offender's duty to register is reactivated when the person returns to the state after having lived outside Minnesota if the offender's registration period has not expired. This came as a request of the Bureau of Criminal Apprehension to reinforce current state law that suspends, not terminates, registration requirements if an offender begins living in another state.

There are no additional costs to adopt the changes.

Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Linda Scheid (DFL-Brooklyn Park) sponsor the law.

HF3174*/SF2862/CH251

Mercury test requirements updated

Solid waste incinerators that are diligent about testing for and removing mercury from their emissions will be rewarded, under a new law.

For example, Olmsted County has a proven track record of removing more than the required amount of mercury under its current permit. It plans to expand its incinerator facility and, if mercury emissions remain below 50 percent of the new unit's permitted limit for one year, fewer tests will be required, according to the new law. That could save the county up to \$40,000 annually, according to county officials.

Rep. Kent Eken (DFL-Twin Valley) and Sen. Dan Skogen (DFL-Hewitt) sponsor the new law, which is effective April 2, 2010.

HF3027*/SF2604/CH213

License reinstatement extension

Effective March 27, 2010, a new law extends the period that people are allowed to participate in the driver's license diversion program.

The 2009 law authorizing a program contained a June 30, 2011, sunset. The new law removes that sunset and clarifies that a city participating in the program can accept participants until that date. A third party administering the program can collect and disburse collected fees through Dec. 31, 2012, at which time the pilot project will end.

People charged with driving after suspension or revocation, but who have not yet entered a plea can participate. In exchange for a diversion driver's license, participants must 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. It is directed at people who want to get valid licenses, but for various

reasons, such as limited finances, are unable to do so.

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. That is not expected until after a report is submitted next year on the program's effectiveness. Nearly 500 people are taking part in the St. Paul program.

This just says that people that get into the program late have the same amount of time and opportunity as people who got in the program early, said Rep. John Lesch (DFL-St. Paul), who sponsors the law with Sen. Yvonne Prettner Solon (DFL-Duluth).

HF3321/SF2946*/CH197

Peace officer probationary period

New Hope and East Grand Forks were the only communities in the state with a six-month probationary period for their peace officers.

A new law effective March 10, 2010, lengthens that period to 12 months.

Rep. Sandra Peterson (DFL-New Hope), who sponsors the law with Sen. Ann Rest (DFL-New Hope), said the longer period is consistent with all other municipalities in the state and a reasonable period for mentoring new officers.

Last year, a newly hired officer in New Hope had an extended medical leave; by the time he returned to work, he had missed the training requirements for probationary officers and had to be let go.

HF2713/SF2309*/CH186

Tougher, lighter penalties for guns at school

Sponsored by Rep. Sandra Peterson (DFL-New Hope) and Sen. Ann Rest (DFL-New Hope), a new law will increase the maximum penalty for knowingly possessing, storing or keeping a firearm on school grounds from two years imprisonment and a \$5,000 fine to five years imprisonment and a \$10,000 fine. Peterson noted the current maximum penalty for bringing a gun to a courthouse or library is already five years behind bars.

The law takes effect Aug. 1, 2010.

It also decreases to a gross misdemeanor the penalty if someone "uses or brandishes a replica firearm or a BB gun while knowingly on school property," and decreases the penalty for possessing, storing or keeping a replica firearm or BB gun on school property from a gross misdemeanor to a misdemeanor.

Opponents expressed concern that a student who inadvertently leaves a gun or hunting knife in their trunk could face these penalties.

This law just allows for tougher sentences, Peterson said, rather than "a slap on the wrist" for students with intent to do bodily harm.

HF3423/SF2339*/CH268

New sexual conduct changes

An employee of, or volunteer at a secure residential treatment facility who has sexual contact with a resident of the facility will have committed third- or fourth-degree criminal sexual conduct, even if the contact is consensual.

The new law takes effect Aug. 1, 2010.

Rep. Terry Morrow (DFL-St. Peter), who sponsors the law with Sen. Kathy Sheran (DFL-Mankato), said the law should have no fiscal cost. He said the employee union supports the law.

Program officials said this is "a low-frequency event," but there are serious ramifications for staff, public safety and the rest of the institution when it does occur.

By statute, a secure treatment facility includes the Minnesota Security Hospital in St. Peter and the Minnesota Sex Offender Program facility at Moose Lake.

HF3191/SF2717*/CH270

Clarifying pay to stay law

A new law clarifies the intent of legislation enacted in 2002.

Effective Aug. 1, 2010, all the time a person is in a county jail, workhouse or correctional or work farm, on any sentence is subject to the pay to stay law.

A sheriff is permitted to charge an inmate the cost of room, board, clothing and other correctional services; however, the state Supreme Court ruled in December 2009 that the pay to stay provision does not extend to days spent in jail pre-conviction because statute used the term "offender," rather than "person."

The law also requires local corrections agencies to waive payment of the costs "if the officer or sheriff determines that person does not have the ability to pay the costs, payment of the costs would create undue hardship for the person or the person's immediate family, the prospects for payment are poor, or there are extenuating circumstances justifying waiver of the costs."

Some counties do not require inmates to pay for staying; rather they want the offender's money to go toward other things like child support or restitution.

Rep. Dave Olin (DFL-Thief River Falls) and Sen. Pat Pariseau (R-Farmington) are the sponsors.

As a way to fill their jails, the law also allows a county or regional jail to enter into agreements to house offenders from other

states. Extradition rules will not apply to those prisoners, and the sheriff or regional jail superintendent "has the express authority to return the offender to the offender's state of origin upon request from the appropriate authority in the offender's state of origin."

This comes from HF3410/SF2973, sponsored by Rep. Tim Kelly (R-Red Wing) and Sen. Steve Murphy (DFL-Red Wing). This section is effective May 14, 2010.

HF3038/SF2709*/CH318

Enhanced driver's license created

Sponsored by Rep. Roger Reinert (DFL-Duluth) and Sen. Tom Saxhaug (DFL-Grand Rapids), a new law creates enhanced state driver's licenses and state identification cards that have security features approved by the U.S. Department of Homeland Security, including additional identifier technology to prove the holder is an American citizen. The cards will be acceptable for entry into the United States, and no personal information will be included in the tag embedded in the card, which is optional to attain.

Reinert said that federal legislation — the Western Hemisphere Travel Initiative — requires a passport or other federally approved form of identification to prove one's citizenship. The card will allow people to travel anywhere within the travel initiative.

According to the U.S. State Department, "The Western Hemisphere Travel Initiative is a result of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), requiring all travelers to present a passport or other document that denotes identity and citizenship when entering the United States. ... The goal of WHTI is to strengthen U.S. border security while facilitating entry for U.S. citizens and legitimate foreign visitors by providing standardized documentation that enables the Department of Homeland Security to quickly and reliably identify a traveler."

Reinert said the cards carry the same privileges as current driver's licenses and state identification cards. It will cost \$15, far less than a passport, which costs \$100 and is expected to increase this summer.

Other states or Canadian provinces that have a similar card include: Michigan, New York, Washington, Vermont, British Columbia, Manitoba, Ontario and Quebec.

Those who depend on the economic activity of people going to and from Canada say travel is way down, said Rep. Morrie Lanning (R-Moorhead), adding that the card will allow people to cross the border at less cost.

Most of the bill takes effect June 1, 2012, for every enhanced driver's license and enhanced identification card issued beginning Jan. 1, 2013.

Effective May 14, 2010, the public safety commissioner is to enter into agreement with the U.S. Department of Homeland Security to develop an enhanced state driver's license and identification card.

HF1005/SF345*/CH316

Window tinting law expanded

Though states differ in the degree of tinting allowed, Minnesota mostly prohibits driving a vehicle within state borders with tinting that has a light transmittance of less than 50 percent or a reflectance of more than 20 percent. There are exceptions for the side and rear windows of some vehicles.

Effective Aug. 1, 2010, the law closes a loophole that prohibited driving a vehicle with windows that were too dark, but still allowed for the selling or application of the darker tints. Vehicles with windows that are too dark may still be sold, but not driven, in the state. Rep. Carlos Mariani (DFL-St. Paul) and Sen. Sandy Pappas (DFL-St. Paul) sponsor the law.

HF2914/SF2370*/CH304

Domestic abuse changes now law

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul), the law includes expanding the area for protection for a reasonable distance around a residence or dwelling of a person seeking an ex parte order for protection. It comes from HF2608/SF2437, sponsored by Hilstrom and Moua.

The law takes effect Aug. 1, 2010.

Other bills contained in the law include:

- HF1396/SF838, sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Sandy Pappas (DFL-St. Paul), which allows relief relating to pets and companion animals to be included in protective orders;
- HF3089/SF2715, sponsored by Paymar and Moua, which increases the maximum bail for non-felony domestic abuse offenses at 10 times the highest cash fine, expands the tampering with a witness crime and clarifies the requirement that the criminal justice data communications network includes OFPs and no-contact orders;
- HF3090/SF2714, sponsored by Hilstrom and Sen. Linda Scheid (DFL-Brooklyn Park), which clarifies the crime of stalking by explicitly labeling the applicable statute "stalking," refining the stalking definition and expanding the list of conduct that constitutes stalking;
- HF3361/SF2997, sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Mary Olson (DFL-Bemidji), which exempts certain domestic abuse or sexual attack programs from data practice requirements;

- HF3383/SF3108, also sponsored by Holberg and Olson, which establishes data entered into the criminal justice data communications network as private for information from OFPs and no-contact orders; and
- HF2864/SF2636, sponsored by Rep. Paul Gardner (DFL-Shoreview) and Sen. Chuck Wiger (DFL-Maplewood), which will permit a judicial district to conduct a pilot project to allow courts in the district to order, as a condition of release in domestic abuse cases, electronic monitoring of an offender to protect a victim's safety. This provision expires Jan. 15, 2014.

HF2608/SF2437*/CH299

Violent crime council creation

Most law enforcement officers are professional in their duties, but the troubles of the Metro Gang Strike Force, gave a black eye to criminal enforcement teams.

A new law, effective Aug. 1, 2010, unless otherwise noted, aims to ensure what happened with that unit does not happen again. Rep. Michael Paymar (DFL-St. Paul) and Sen. Mee Moua (DFL-St. Paul) sponsor the law.

Two reports from last summer indicated that 10 or 12 gang strike force officers might have illegally taken cash or property from people with no gang connections. The reports also indicate that cash was missing from strike force storage areas and officers allegedly took some property for personal use. Other property was sold to officers or family members for pennies on the dollar.

The Metro Gang Strike Force is dissolved, effective July 1, 2011, but all current and future obligations and liabilities of the force stay with the parties to the joint powers agreement that created the force. The statute directing the creation of the force is repealed effective Dec. 31, 2010. (Secs. 5, 7, 8)

The law creates a Violent Crime Coordinating Council to "develop an overall strategy to ameliorate the harm caused to the public by gang and drug crime within the state of Minnesota." The 19-member council will be comprised of four police chiefs, including those in Minneapolis and St. Paul; four county sheriffs, including those from Hennepin and Ramsey counties; two county attorneys; the U.S. attorney for the district of Minnesota; the attorney general; the superintendent of the Bureau of Criminal Apprehension; the director of the Office of Special Investigations; four citizen members; and a tribal peace officer.

Council duties will include:

- development of "an operating procedures and policies manual to investigate gang and drug crimes in a multijurisdictional manner";

- assist in developing a process to collect, share information to improve gang and drug crime investigation and prosecution;
- recommending a candidate for statewide coordinator;
- assisting the Department of Public Safety in developing criteria for grant eligibility and operating a conflict-free grant application review process;
- developing policies "that prohibit the improper use of characteristics such as race, color, national origin, gender, or religion to target individuals for law enforcement action, prosecution, or forfeiture action";
- adopting "narrowly tailored, objective criteria and identifying characteristics" to determine if an individual is part of a gang involved in criminal activity; and
- recommend to DPS the termination of grants to a multijurisdictional entity that does not function in the best interest of the public.

A big change will be authority given the public safety commissioner.

When the commissioner became aware of the gang strike force problem, all he could do was shut off funding, but the force's advisory board continued to exist. Under the law, the commissioner will have to certify the multijurisdictional entities and their designated fiscal agent by reviewing, among other things, there is enough staff and resources to "support law enforcement, prosecutorial, and final operations, including bookkeeping, evidence handling, and inventory recording." Each multijurisdictional entity — that must have a governing board of at least six members — and its fiscal agent will be subject to an external audit. If it is determined there are any problems with a gang and drug strike force the commissioner could close it down, transfer its duties to DPS or take other necessary action.

By Feb. 1 each year, three reports from the public safety commissioner are due the Legislature: a summary of all multijurisdictional entity audits, the results of audits on data submitted to the criminal gang investigative data system and the coordinating council's activities and goals. (Sec. 1)

At least once every three years, the BCA is to conduct random audits of documents that include someone in, or removes them from, the criminal gang investigative data system. A report on audit results is due the Public Safety Department Oct. 1 each year. (Sec. 2)

The list of purposes for which law enforcement may access data in the Comprehensive Incident-Based Reporting System is expanded to include: serving process in a criminal case, informing law enforcement officers of possible safety issues before service of process, enforcing no contact

orders, locating missing persons and when conducting background investigations on prospective licensed peace officers. (Sec. 3)

The BCA superintendent is to create a working group to discuss laws and issues related to criminal intelligence databases. In looking at public safety and privacy issues, the group is to "make recommendations on proposed legislative changes for the classification, storage, dissemination, and use of criminal investigative data, including data from other states, and for guidelines governing usage and collection of criminal investigative data held by law enforcement agencies." An executive summary, including proposed changes to implement the recommendations, is due the Legislature by Feb. 1, 2011.

No more than 20 members can comprise the working group that is to "balance public safety and privacy interests, state policy ... oversight, minimization of discretion, and regulation of the collection of these data, including the individualized criteria for inclusion in a computerized gang database." (Sec. 6)

HF2965/SF2725*/CH383

State's forfeiture laws updated

A new law comes in the wake of the Metro Gang Strike Force problems when issues raised in a pair of 2009 reports indicated that officers illegally took some property from people with no gang connections, but who were searched and interrogated anyway, poor recordkeeping and officers or their family members were permitted to purchase items from the evidence room at low prices.

Sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Mee Moua (DFL-St. Paul), the law effective Aug. 1, 2010, unless otherwise noted, requires the Board of Peace Officer Standards & Training and Minnesota County Attorney's Association to develop policies for best practices in forfeiture law to promote uniform application across the state. A copy of the policies is due the Legislature by Dec. 1, 2010.

By March 1, 2011, "the chief law enforcement office of every state and local law enforcement agency and every prosecution office in the state shall adopt and implement a written policy on forfeiture that is identical or substantially similar to the model policies developed." This section is effective July 1, 2010. (Sec. 11)

When seizing property, an officer must give a forfeiture receipt; the law makes it mandatory, rather than permissive, for an officer to secure seized property; and law enforcement agencies cannot sell forfeited property to its employees or their family members. Sales of forfeited property must be conducted in a commercially reasonable manner (Secs. 7-8, 16).

If the owner of seized property seeks repossession before a forfeiture action is determined, they can give security or post bond equal to the property value. Law enforcement approval will no longer be required. The change does not apply to contraband or property held for investigatory purposes. The state's general forfeiture law is changed so that a county attorney must send notice of intent to forfeit property within 60 days of a seizure. The court may provide an additional 90 days if good cause is shown. A contested controlled substance administrative forfeiture hearing must be held within 180 days of the claimant's filing of the demand, unless a criminal proceeding is pending. (Secs. 9, 13, 15)

A \$50,000 cap is placed on the value of property that can be administratively forfeited. Before seized property can be forfeited administratively, a county attorney will need to review the file and ensure that everything has been done legally. (Secs. 14, 17)

Conciliation courts can hear claims involving forfeiture cases relating to controlled substances, designated offenses and drive-by shootings if the value of the money and/or personal property involved does not exceed \$15,000. (Sec. 6)

County attorneys can remit or mitigate the forfeiture if "the forfeiture was incurred without willful negligence or without any intention on the part of the petitioner to violate the law," or there are extenuating circumstances. (Sec. 10)

HF2610/SF2634*/CH391

Ignition interlock enacted; other DWI changes

With the goal of keeping people who drink and drive off state roadways, a new law requires use of an ignition interlock device in some instances. It also provides a way for people with a B-Card license to get the restriction removed.

Alcohol-related crashes account for approximately one-third of all state traffic deaths each year.

"This legislation demonstrates Minnesota is serious about preventing impaired driving and the tragedies that result from the deadly decision to get behind the wheel after drinking too much," said Gov. Tim Pawlenty. "Stronger sanctions and employing smarter tools such as interlock devices are necessary to step up the fight against this illegal and dangerous behavior. With this law, if you don't breathe, you don't leave."

Sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Steve Murphy (DFL-Red Wing), the law takes effect July 1, 2011, unless otherwise noted.

"This will save lives and make our roads and highways safer by making people rethink their judgment," Bigham said.

Added Murphy, "In 10 years, we'll look back and know we did the right things."

HF3106*/SF2741/CH366

Ignition interlock

Under the law, repeat DWI offenders and first-time offenders whose alcohol concentration is at least double the legal limit will have to use an ignition interlock device to drive legally in the state. The law is a statewide expansion of a successful pilot program in Hennepin and Beltrami counties. More than 1,000 DWI offenders have taken part in those counties to regain full driving privileges sooner.

A driver with an alcohol concentration of 0.08 percent or greater is considered legally drunk.

An ignition interlock device is installed in motor vehicles to prevent them from being started if a driver's breath exceeds a preset breath-alcohol content limit, which will be 0.02 percent. A driver would also have to breathe into the device at certain times once the vehicle is started. If a driver fails a test, the vehicle would shut down. Device features deter others from starting the vehicle, and a misdemeanor penalty is provided for someone tampering with the device, except for emergency purposes or repair. A misdemeanor penalty also applies for someone who knowingly lets a person requiring ignition interlock to operate a vehicle without the device.

Leasing the device and covering monitoring expenses will cost an offender about \$100 a month, although the price is expected to lower as more companies compete for the business. Users must also bring equipped vehicles to an approved service provider for calibration and servicing.

Device manufacturers, who must apply for annual certification from the Department of Public Safety, will be required to "provide device installation, servicing, and monitoring to indigent program participants at a discounted rate." Included in a contract must be a provision to limit the liability of participant that cancels the contract.

All but three states have some type of ignition interlock law. According to the National Conference of State Legislatures, about 146,000 ignition interlock devices are in use nationwide.

Under the law, first-time offenders whose alcohol concentration is below twice the legal limit will have a choice of getting a limited license, as is in current law, or getting full driving privileges provided they use the ignition interlock device. Program

participants can operate employer-owned vehicles "while in the normal course and scope of employment duties ... with the employer's written consent."

The waiting period before issuance of a restricted license to multiple DWI offenders is eliminated; however, time using the ignition interlock is increased by the number of offenses up to six years for five or more offenses no matter the alcohol concentration level.

DWI offenders whose alcohol concentration is 0.16 percent — double the state's legal limit — or greater who choose not to use ignition interlock will lose driving privileges for up to six years depending on the offense level. Repeat offenders under 0.16 percent also must go on ignition interlock or they cannot drive legally.

A person is not subject to mandatory DWI jail sentences if, as a probation condition, they are permitted to only drive motor vehicles equipped with an ignition interlock device.

If a program participant violates any condition of a restricted license, the person's license revocation period shall increase by 180 days for a first violation, one year for a second violation and 545 days for a third and subsequent violation. The public safety commissioner can terminate a person's program participation if it is "necessary to the interests of public safety and welfare."

Effective Aug. 1, 2010, the public safety commissioner is exempted from rulemaking in establishing performance standards, certification process and program guidelines. If necessary, the commissioner can adopt, amend or repeal rules under the exempt statutory process. (Secs. 2, 14-17)

Double the limit

The law defines enhanced administrative penalties for "twice the legal limit," rather than 0.20 percent. When Minnesota lowered the blood-alcohol content to 0.08 percent, the corresponding doubled alcohol concentration level was not reduced to 0.16 percent. Supporters said the change would automatically lower both levels if the base BAC level ever changes again.

An alcohol concentration level that triggers plate impoundment is lowered from 0.20 percent to "twice the legal limit." (Secs. 1, 9)

License revocation periods

The law lengthens the driver's license revocation period for repeat DWI offenders, and it provides longer revocation periods for offenders whose alcohol concentration is more than twice the legal limit.

Repeat offenders who refuse to submit to a test may face longer periods of license revocation. A first-time offender still faces a

one-year revocation for test refusal; however, the minimum revocation period can increase to at least six years depending on the number of prior DWI offenses.

The driver's license revocation periods following an implied consent test failure also increase. If the test indicates an alcohol concentration of at least twice the legal limit, the revocation must be at least one year; for a person under age 21, the revocation must be at least 180 days (previously six months), and not less than one year if the alcohol concentration is double the legal limit or higher; and for persons with multiple offenses, the revocation period will range from a minimum of one year to a minimum of six years for person with four or more prior impaired driving incidents.

A minimum revocation period of one year is provided for an offender with an alcohol concentration of at least twice the legal limit if the person has had no DWIs within the past 10 years. Current law calls for doubling the revocation period if the offender's alcohol concentration is 0.20 percent or greater, no matter the number of previous DWIs. (Secs. 3-8, 17)

Limited licenses

Limited driver's licenses cannot be issued to offenders who commit a second DWI in 10 years, or who have at least three DWIs in their lifetime.

Under current law, a person whose license is suspended can obtain a limited license in certain circumstances, such as the driver's attendance at a chemical dependency treatment or counseling program relies upon the use of a driver's license or a homemaker needs a license to prevent "the substantial disruption of the education, medical, or nutritional needs of the family."

However, the 15-day waiting period for first-time offenders whose alcohol concentration is less than double the legal limit remains. (Secs. 11-12)

B-card restriction lifted

The law permits a holder of a B-Card to apply to have the no-alcohol restriction removed from their driving record if the person has not violated the abstinence condition for the past 10 years. A B-Card is issued to a multiple-DWI offender who wants to keep driving and pledges not to drink any alcohol. A no-alcohol restriction is visible on the card. (Sec. 10)

Civil commitment confusion clarified

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Don Betzold (DFL-Fridley), a new law clarifies which

county is primarily responsible for the pre-petition screening and is to bring forth the commitment petition. It is not intended to change existing practice; rather, it aims to clarify so that the courts and the county attorneys are all on the same page.

Furthermore, the county of financial responsibility is primarily responsible for completing the pre-petition screening and filing the commitment petition. The county where the patient is presently located could do the petition as a last resort.

A definition is also provided for "county of financial responsibility," to reference a person's county of residence for purposes of establishing the proper venue in a civil commitment hearing.

The law takes effect Aug. 1, 2010.

HF2612*/SF2186/CH357

Kelsey Smith Act

The death of a Kansas teenager three years ago is the impetus behind a new law that will let law enforcement agencies track down missing persons by using their cell phone data.

Sponsored by Rep. Sheldon Johnson (DFL-St. Paul) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law is named after Kelsey Smith, who was abducted and murdered in Kansas in 2007. Her body was found after her parents compelled her cell phone company to track down her phone's location. Federal law allows — but does not require — that the companies provide that information.

The Kelsey Smith Act will require cell phone service providers to disclose their customers' call location information in emergency situations. Using cell site towers, a cell phone company can triangulate the location of a cell phone or other wireless device to within close proximity. The law, effective Aug. 1, 2010, will require cell phone companies to reveal call location data in cases where an individual is missing and at risk of "death or serious physical harm."

The new statute will mandate that the companies provide the data to a law enforcement agency, under certain conditions. The law enforcement agency seeking the data must submit a written request, and service providers must establish protocols that allow them to respond to such requests. The wireless service provider would be immune from liability resulting from the release of the location information, provided the company acts in good faith to comply with the law.

HF2639*/SF2470/CH342

Sentencing error turns to claim

William Howard Heins will receive \$34,049 from the state for payment of lost wages due to a sentencing error that left him incarcerated an

extra 389 days. The situation was corrected only after a decision by the state Court of Appeals. As part of the settlement, he will be required to pay off fines and restitution amounts owed, and agree not to seek credit against any future sentence for the time mistakenly served.

The provision is part of the nearly \$91,500 claims law sponsored by Rep. Lyle Koenen (DFL-Clara City) and Sen. Ron Latz (DFL-St. Louis Park). The law, effective July 1, 2010, contains recommendations from the Joint House/Senate Subcommittee on Claims and also includes:

- \$53,700 for seven claims by prisoners who suffered permanent partial disabilities while performing assigned duties in prison, and two claims by people who suffered permanent partial disabilities while performing sentence to service work; and
- \$3,700 to reimburse the Corrections Department for sentence to service and community work service claims under \$500 and claims already paid.

According to its website, "The Joint House/Senate Subcommittee on Claims was established in 1976 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."

The appropriation is available until June 30, 2011.

HF3660*/SF3246/CH332

TAXES

Tax law targets property tax reform

Tax bills have had a slim-to-none chance of escaping Gov. Tim Pawlenty's veto pen over the years. Void of revenue-raising proposals, this session's omnibus tax law mostly falls into the slim category — all provisions were OK'd, except for three appropriations for local projects.

The law, sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Tom Bakk (DFL-Cook), lays out steps that could lead to property tax reform, including requiring the Department of Revenue to suggest a process for the systematic review of state tax expenditures.

The governor vetoed three projects, funded at \$100,000 each: development of a carbon neutral industrial park in Chisago County; preliminary engineering and design for a biomass facility and industrial park improvements for renewable energy development in Princeton and facility and parking improvements at the Revenue Department's Ely facility.

In his veto letter, Pawlenty said, "the appropriations were never vetted through the committee process where the merits of each could be publicly and properly evaluated."

The law has various effective dates.

HF3729*/SF3327/CH389

Property taxes

The law creates an 11-member Council on Local Results and Innovation to establish a standard set of performance measures for counties and cities, and act as a statewide resource on development, promotion and implementation of local government performance measurement systems.

By Feb. 15, 2011, the council is required to develop approximately 10 standard performance measures for counties and 10 for cities aimed at measuring the service efficiency and effectiveness provided by the local entities. The council is to sunset Jan. 1, 2020. (Art. 1, Secs. 1-2)

A 13-member property tax working group is established to investigate ways to simplify the property tax system, to reexamine the property tax calendar and to determine the cost-benefit ratio of the various property tax components. Recommendations are due to the Legislature by Feb. 1, 2012, at which time the working group is finished. (Art. 1, Sec. 3)

Recent laws relating to land assessments of family farms, especially the 2008 Green Acres law, have been controversial with opponents seeking, at the very least, clarification of some of the provisions.

The new law requires the commissioner of revenue to consult with the University of Minnesota's Department of Applied Economics to adjust countywide average land values for the Green Acres program (Art. 1, Secs. 5-6)

In response to a portion of the Tax Court's decision in *Sommerdorf v. Sherburne County*, the law broadens eligibility for property used for commercial boarding of horses to qualify for agricultural classification. (Art. 1, Sec. 14)

Local authority extended

One way for local units of government to bring in new revenue is through legislative permission to add local food and beverage; admissions, and/or lodging taxes, and also issue bonds for projects funded by sales tax revenues, without additional voter approval.

Local taxing authority approved in the law includes:

- Rochester can issue up to \$43.5 million in general obligation bonds for the Mayo Civic Center Complex project;
- Proctor can increase its bonding authority from \$3.6 million to \$10 million to pay for

a street and community center project; and

- Detroit Lakes, Marshall and Biwabik can impose local sales taxes on selected purchases. (Art. 5, Secs. 1-7)

Other provisions under the law

- Ottertail County will receive \$200,000 for road and infrastructure repair due to flooding, and \$50,000 will go to the City of St. Charles in additional state aid for its loss of tax base due to a fire that at the city's largest employer. (Art. 10, Sec. 6; Art. 1, Sec. 31)
- Watershed districts are allowed to have up to \$2 million in outstanding loans. The previous limit was \$600,000. (Art. 7, Sec. 1)
- The requirement that economic development districts established meet the "blight test" under the tax increment financing law for redevelopment districts is eliminated. (Art. 7, Sec. 5);
- The Metropolitan Council is authorized to issue \$34.6 million in bond revenues to fund its transit capital improvement plan. (Art. 7, Sec. 8); and
- By Feb. 15, 2011, the Revenue Department is issue a report that suggests to the Legislature a process for periodic review and a sunset for extension of tax expenditures. The law appropriates \$60,000 in fiscal year 2011 to fund the review. (Art. 10, Secs. 1-3, 5)

Tax relief for Haitian help

People donating financially to organizations providing earthquake relief in Haiti can choose to claim the charitable contribution on their 2009 itemized federal tax return, rather than the 2010 return. The same accelerated deduction is now available on state income tax returns.

Sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Tom Bakk (DFL-Cook), the state provision is effective March 10, 2010.

The federal special tax relief provision was enacted Jan. 22, to make deductible monetary contributions to qualifying charitable organizations that are assisting with relief efforts in Haiti following the Jan. 12 earthquake.

Only cash contributions made to qualifying charities between Jan. 12, 2010, and Feb. 28, 2010, are eligible for the accelerated federal deduction, according to Internal Revenue Service regulations. This includes contributions made by text message, check, credit card or debit card. Contributions made for Haitian earthquake relief after Feb. 28, 2010, may be deducted on 2010 federal and state income tax returns.

The expected net cost to the state for the deduction is approximately \$10,000.

HF2763/SF2352*/CH187

TECHNOLOGY

A little bit of everything in omnibus economic development law

Sponsored by Rep. Mike Obermueller (DFL-Eagan) and Sen. David Tomassoni (DFL-Chisholm), a new law addresses a range of policies under the jurisdiction of primarily three agencies: the Department of Commerce, the Department of Employment and Economic Development, and the Department of Labor and Industry.

Below is a summary of selected provisions. Unless otherwise noted, the law takes effect Aug. 1, 2010.

Gov. Tim Pawlenty line-item vetoed a pair of provisions dealing with projects in the Iron Range: a \$2 million grant for renewable energy projects and an appropriation for operating room equipment and renovations at the Virginia Regional Medical Center. In his veto message, Pawlenty stated that such provisions need to be vetted and approved by Iron Range Resources.

HF2781/ SF2510*/CH347

Unemployment changes

The law includes a special extension of unemployment insurance benefits for up to 13 weeks, effective from June 30, 2010, to March 26, 2011. It replaces a special emergency unemployment compensation program from 2009. Those who had not exhausted their benefits under the old program may continue to receive benefits until exhausted or until the new extension ends. (Art. 2, Secs. 22, 24)

Effective May 23, 2010, people who return to work after being on unemployment, only to be laid off a second time, are guaranteed at least 80 percent of the level of benefits they were receiving before. The law will also extend eligibility for unemployment insurance benefits to some temporary staffing agency workers who choose not to keep taking temp jobs. (Art. 2, Secs. 3-4, 14-16, 25)

The law includes some changes for employers too. The formula used to determine an employer's unemployment insurance tax rate is changed so that the rate does not go down when the UI trust fund is in deficit. Employers who have had layoffs can get a discount on their unemployment insurance tax rate if they pay their taxes early. (Art. 2, Secs. 6, 8)

Inflatable play park safety

The law establishes safety regulations for indoor amusement parks with inflatable rides. It directs operators of inflatable play parks to comply with safety standards developed by the American Society for Testing and Materials. The owners will have to register their facilities and be subject to inspection by the Department of Labor and Industry.

Under the provisions, a trained supervisor must be in close proximity and actively supervising each inflatable ride when in use. Rides must be placed in a manner that protects from injuries from falls. The law also requires park operators to carry a specified level of insurance coverage.

The provisions do not apply to companies that rent out inflatable rides for use at parties, carnivals or events. (Art. 3, Sec. 2)

Science and technology authority created

To help boost high-tech business in the state, the law establishes a Minnesota Science and Technology Authority. The job of the state-level group will be to coordinate public and private efforts to fund high-tech research and development initiatives, and develop a "comprehensive science and technology economic development plan" for the state.

The authority will consist of the commissioners of five state agencies, and will be aided by an advisory commission comprised of individuals representing the higher education, business, labor and investment communities. To help kick-start the authority, the law appropriates \$107,000 from money previously appropriated to DEED for other purposes. (Art. 1, Secs. 11, 13, 34-35)

Contractor licensing fees

Effective Jan. 1, 2012, many of the licensing fees that plumbers, electricians and dozens of other types of contractors have to pay the state will change. In an effort to make the state's licensing system simpler and more transparent, the law reorganizes the fees so that they are tied more closely to the four trade skill levels — entry-level, journey-level, master-level and business-level — and also to the cost the state actually incurs to license them. Some fees will go up, while others will go down; however, there will be no net change in total fee revenues to the state. (Art. 3, Secs. 3-10, 12-17, 19-56)

Business loans for veterans

Veterans who have served actively in the military since Sept. 11, 2001, will be eligible to apply for an interest-free loan to start a business, under the law. Veterans may apply to DEED for a loan of up to \$20,000. Funding

for the loans will come from an existing but underutilized loan program for businesses that suffer economic injury because of having an essential employee called to active military service. (Art. 1, Sec. 6)

Residential mortgage industry regulated

Effective July 31, 2010, Minnesota will adopt new mortgage industry regulations meant to protect homebuyers.

Article 4 of the law contains the "Minnesota Secure and Fair Enforcement for Mortgage Licensing Act" — a set of federally promulgated regulations on residential mortgage loan originators. The regulations were signed into law by former President George W. Bush in 2008, and all states were required to comply. Minnesota is the last state to adopt the act.

The law specifies minimal educational and continuing education requirements for mortgage loan originators, and requires testing to measure their knowledge and comprehension of ethical standards and state and federal laws. Background checks and fingerprinting of loan originators are also required. (Art. 4)

Appraisal management companies regulated

The law establishes regulations for appraisal management companies, which offer real estate appraisal services through a business organization rather than through individual appraisers. Licensing requirements and fees are established for appraisers, and the Department of Commerce will be responsible for regulating the companies' activities. (Art. 6, Secs. 9-24).

Miscellaneous

Other provisions included in the law are:

- regulating the sale of insurance policies for portable electronic devices (Art. 6, Secs. 3-4);
- banning the sale or manufacture of children's jewelry containing cadmium (Art. 6, Sec. 27);
- authorizing a study on the feasibility and impacts of transferring the state's reserves to accounts in small community banks (Art. 1, Sec. 32);
- directing DEED to develop a fast-action economic response team to work with businesses at risk of relocating outside the state (Art. 1, Secs. 2, 28); and
- authorizing a comparative study of state laws regulating small businesses in Minnesota and neighboring states (Art. 1, Sec. 33).

Higher education policy changes

Sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. Sandy Pappas (DFL-St. Paul), a new law comprises a variety of mostly small changes to higher education policies. Unless otherwise noted, it takes effect Aug. 1, 2010.

The law will allow the Office of Higher Education to hold back 5 percent of state grant funds to manage uncertainty in the level of demand based on possible enrollment or income changes among applicants. Student demand for state grant money has greatly exceeded available funds in the last year, and the office asked for the language to help avoid running out of money.

After grant awards are made for fiscal year 2011, the remaining funds will be distributed to increase the living and miscellaneous expense allowance for students, under an existing provision.

The law will also establish a pilot project whereby MnSCU schools can choose to deposit some of their cash reserves in small, local community banks. The goal of the project is to facilitate increased small-business lending by moving some of MnSCU's money out of large financial institutions and into local banks. Up to eight colleges and universities may be selected for the project, if they apply.

Another provision directs MnSCU to improve its credit transfer system to make it easier for students to carry credits with them from one institution to another.

Other selected changes in the law include:

- changing MnSCU's stated base funding level for the 2012-2013 biennium to line up with the official forecast;
- authorizing a surgical technologist training and employment pilot project and report to the Legislature;
- directing MnSCU's central office to streamline its services and expenditures where possible;
- a study on possible changes to technical education programs that could put students to work quicker;
- requiring MnSCU schools to make a "reasonable attempt" to identify and purchase Minnesota foods;;
- increasing to 66 from 62 the age when seniors can take classes at MnSCU or the University of Minnesota by paying only an administrative fee;
- requiring the university to study ethical issues involved in nanotechnology research; and
- directing the university's area health education centers to conduct public education on the potential impacts of federal health care reform.

HF871/SF184*/CH364

Data practices changed by law

Terms and conditions of an employment relationship for current and former employees, volunteers and independent contractors of a government entity will become public data, as will work-related continuing education.

These are part of the omnibus data practices law, effective Aug. 1, 2010, unless otherwise noted.

Among the items already considered public data by a government entity are the person's name, job title and bargaining unit, dates of employment, work location and time sheets to account for the employee's work time for payroll purposes. Data related to a disciplinary action in cases where a current or former employee, volunteer or independent contractor of a government entity is completely exonerated of disciplinary action by an arbitrator will not be made public. (Art. 1, Secs. 4, 11).

Other provisions in the law, sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Mary Olson (DFL-Bemidji), include:

- rewriting language relating to informed consent requirements for the release of data for insurance purposes (Art. 1, Sec. 3);
- making nonpublic the security features of building plans and building specifications and drawings for state-owned and state-leased facilities when maintained by the Department of Administration; however, this information "may be shared with anyone as needed to perform duties of the commissioner" (Art. 1, Sec. 5);
- allowing parole and county probation authorities to access private firearms permit data on an applicant or permit holder subject to the authority's supervision (Art. 1, Sec. 7);
- providing for a withdrawal of an application for a temporary classification of data (Art. 2, Sec. 4);
- during a time of temporary data classification, a responsible authority can request approval for a new or different use of the data subject to a temporary classification (Art. 2, Sec. 6);
- moving the expiration date of temporary classifications from June 1 to Aug. 1 of the year following submission to the Legislature (Art. 2, Sec. 7); and
- classifying certain private donor gift data maintained by the Regional Parks Foundation of the Twin Cities and State Services for the Blind as private. This is effective May 19, 2010. (Art. 1, Sec. 6)

The identity of complainants to the Administration Department's Office of Grants Management is made private. However, the law permits the agency to share information with the executive agency that is the subject

of the comments. This means the identity of a citizen who files a complaint will be treated similarly to the way the identity of an employee whistleblower is treated. (Art. 1, Sec. 9)

HF1083/SF863*/CH365

Broadband for everyone

It's official: Minnesota intends to provide every resident the ability to access high-speed broadband Internet service by 2015.

A new law makes high-speed broadband Internet for every home and business an official state goal. In addition, it calls for a boost in broadband speeds: 10 to 20 megabits per second for downloads and five to 10 megabits per second for uploads.

Sponsored by Rep. Sheldon Johnson (DFL-St. Paul) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law also specifies three other goals for Minnesota's broadband access. It states that Minnesota should be in:

- "the top five states of the United States for broadband speed universally accessible to residents and businesses";
- "the top five states for broadband access"; and
- "the top 15 when compared to countries globally for broadband penetration."

The law stems from the work of the Minnesota Ultra High-Speed Broadband Task Force, which spent two years researching a strategy for deploying broadband Internet service throughout the state. The task force's final report is available online at www.ultra-high-speed-mn.org.

Also included in the law is a provision requiring the Department of Commerce to report annually to the Legislature on progress made toward meeting the state's broadband goals.

The law takes effect Aug. 1, 2010.

HF2907*/SF2254/CH277

TRANSPORTATION

Intersection reconstruction gets OK

A project using a comprehensive method for taking road projects from design to completion made it to law after a nine-month delay.

Passed as amended by the House last year on the session's final day, time ran out before the Senate could concur with the changes.

Sponsored by Rep. Jim Abeler (R-Anoka) and Sen. Michael Jungbauer (R-East Bethel), the law allows for reconstruction of the Trunk Highway 10 and Anoka County State-Aid Highway 83 intersection in Anoka County using the design-build construction process. The law, effective Feb. 12, 2010, is similar to

previous statutory authorization for Hennepin County.

Under the law, the county must follow the same procedures established by the Legislature in 2009 for a design-build pilot program, to: employ at least one architect, mechanical engineer, civil engineer and a full-time project manager with at least five years of construction management experience; adopt implementation procedures to establish an advisory panel; and define standards for a request for proposals, for proposal evaluation and for the award and execution of the design-build project.

HF1074/SF740*/CH181

Bridge classification system

The Trunk Highway Bridge Improvement Program of 2008 established criteria for classifying bridges in need of repair and set a repair or replacement deadline of June 30, 2018.

Effective Aug. 1, 2010, bridges that did not qualify as part of the original three-tiered system for repairs will fall into a subsequent prioritization program based on:

- service interruption risks resulting in temporary road closures or restrictions; and
- risk factors such as age, condition, load capacity, traffic volume and susceptibility to flood damage.

The transportation commissioner shall develop the new classification system by Feb. 1, 2011.

Rep. Bernie Lieder (DFL-Crookston) and Sen. Michael Jungbauer (R-East Bethel) sponsor the law.

HF2915*/SF2847/CH205

Fleet redefined to conform to IRP

To conform to the International Registration Plan for commercial motor vehicles, a new law redefines a "fleet" as one or more vehicles.

The law pertains to a reciprocity registration agreement between states and Canadian provinces and will reduce duplication of paperwork, according to Rep. Frank Hornstein (DFL-Mpls), who sponsors the law with Sen. Rick Olseen (DFL-Harris).

It takes effect Aug. 1, 2010.

HF3460*/SF3090/CH253

Escort driver certification ahead

The Department of Public Safety will establish a training and certification program for people who drive the escort car along with a vehicle transporting a wide or long load.

To qualify as an over-dimensional load escort driver, a person will have to be at least age 18, have a valid license for the vehicle being driven and successfully complete the certification course and any other

requirements specified by the public safety commissioner, who is directed under the new law to write rules and establish a certification/training fee.

Other drivers will be required to obey traffic-control instructions given by the escort drivers, who may direct traffic with a flag and stop or hold vehicles in place until it is safe to proceed.

Rep. Mike Nelson (DFL-Brooklyn Park) sponsors the law with Sen. Ken Kelash (DFL-Mpls). Most of the law becomes effective one year after rulemaking is published in the State Register. The DPS rulemaking authority is effective May 12, 2010.

HF3168/SF2756*/CH311

Updates to truck regulations

Trucks, trucks transporting other trucks, truck weights and lengths are addressed in state law; however, some changes are needed to conform the state's regulations to those of the federal government.

A new law, sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Rod Skoe (DFL-Clearbrook), cleans up statute that, in some cases, goes back to 1980. With the increase in truck weight and length, some permitting and fee adjustments are also made. The changes laid out in the law could have a positive impact of \$22,000 to the state's Trunk Highway Fund.

The law, effective Aug. 1, 2010, also addresses how new trucks are hauled to dealerships. It establishes a maximum length of 97 feet for saddle mount combinations where one truck-tractor tows other truck-tractors in a series.

HF3029/SF2846*/CH320

Roadways given to local jurisdictions

Two state roadways will be turned over to their respective local governments: Trunk Highway 297 that runs around the grounds of the Fergus Falls Regional Treatment Center and a segment of Trunk Highway 332 that runs southeasterly around International Falls.

Each year, the Department of Transportation reviews the state's highway system to assure that each road still serves specific statewide purposes. After consultation, the department recommends that some roads be turned back to local communities.

Sponsored by Rep. Bud Nornes (R-Fergus Falls) and Sen. Dan Skogen (DFL-Hewitt), each portion of the law is effective the day after MnDOT provides notice to the revisor's office that the conditions required to transfer the route have been satisfied.

HF2851*/SF2662/CH265

Procurement for transit vehicles

The Metropolitan Council is now able to use the same "best value" procurement processes that the Department of Transportation uses for the purchase of buses, motor coaches, light rail and commuter rail cars and other transit vehicles.

Under best value procurement, the council can include, in addition to price, environmental considerations, quality and contract performance when choosing a vendor.

Prior to the law, the council was subject to the Uniform Municipal Contracting Law, and had to use sealed bids for larger purchases.

Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. Tarryl Clark (DFL-St. Cloud), the law only applies to the seven-county Twin Cities metropolitan area. The law is effective April 27, 2010, and is retroactive to include requests for proposals issued since Sept. 1, 2009.

HF3286*/SF3005/CH273

Fee compliance, funds for road work

Through the lawmaking process, a bill can substantially change by the time it hits the governor's desk. That's the case with a new law sponsored by Rep. Mike Obermueller (DFL-Eagan) and Sen. Steve Murphy (DFL-Red Wing).

Originally passed by the House and Senate as a "complete streets" concept, it would have moved the state toward a policy where any state-aid funded road project must consider the impact the roadway would have on the people who use it and the surrounding area. However, a conference committee deleted that language and agreed to a bill that will establish a new specialty license plate, appropriate money for transportation tax compliance and authorize the sale of state bonds for transportation needs. The complete streets language was instead included in the omnibus transportation policy law (CH351).

The new law allows for the sale of \$100.1 million in trunk highway bonds for state road construction and reconstruction in fiscal year 2011.

- \$70 million is to be equally split between the Twin Cities metropolitan area and Greater Minnesota for trunk highway interchange improvements that will promote economic development, increase employment, relieve traffic congestion and promote traffic safety;
- \$30 million is for construction, reconstruction and improvement of trunk highways, including design-build contracts for right-of-way acquisitions and relocation expenses; and

- \$100,000 for bond sale expenses.

The bonding provision is effective May 28, 2010.

Since 1998, the Vehicle Crimes Unit of the Minnesota State Patrol has investigated unpaid motor vehicle taxes and dealer fraud as it relates to registration fees and taxes, and residents who register their vehicles in another state because the fees are less expensive. Staffing for the unit has decreased over time.

The new law reallocates \$191,000 in State Patrol funding (by shifting fund sources) and makes an additional \$50,000 appropriation in fiscal year 2011 for beefed up tax compliance. The efforts could bring an estimated \$202,000 over the remainder of the biennium to the state. It also sets base appropriations for the program amounting to \$743,000 in each of fiscal years 2012 and 2013, reflecting increased State Patrol staffing for the program. The unit's work is expected to yield an additional \$807,000 per year in 2012 and 2013. A report on generated revenues is due the Legislature by Feb. 1, 2015. This provision is effective July 1, 2010.

The law also establishes a new Remembering Victims of Impaired Drivers license plate that along with the words, will display an image of a broken heart. The \$10 fee for the specialty plate will be credited to the vehicle services operating account in the special revenue fund. This is effective Aug. 1, 2013.

HF2801*/SF2461/CH388

Traffic safety laws

Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Joe Gimse (R-Willmar) sponsor a law making changes to work zone speed limits, use of booster seats in pupil transportation and the driver's manual. When speed limits on rural two-lane state highways increased from 55 mph to 60 mph, highway work zone speeds increased, too, because the law only allowed work zone speeds to be reduced by 15 mph. Effective Aug. 1, 2010, a new law will allow the Department of Transportation to reduce speeds in work zones by 20 mph.

Following a 2009 provision that expanded required use of child safety seats and inadvertently impacted school-related transportation of younger children, the law creates a safety seat use exemption for children transported in most school buses. The change is effective May 18, 2010.

The law also includes a requirement that, beginning Aug. 1, 2010, driver's manuals will be updated to instruct slow-moving vehicles to use the far-right lane on multi-lane roads.

HF3263*/SF3106/CH356

Bridge inspection enhancement

After the Interstate 35W bridge collapse in 2007, there were three separate management

reviews of the Department of Transportation, with emphasis on its bridge inspection and maintenance roles.

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. D. Scott Dibble (DFL-Mpls), a new law reflects some recommendations generated from the reviews.

The law, mostly effective May 16, 2010, will enhance the state's bridge inspection program by emphasizing research funding for innovations in bridge monitoring and inspection technology to help address outdated bridge inspection techniques. It also requires a report to the Legislature on Feb. 1 of each odd-numbered year on bridge inspections and quality assurance, including a summary of inspection reviews. The estimated \$12,000 report cost would come from the Trunk Highway Fund.

An Office of the Legislative Auditor recommendation that the department develop a debt management plan is also part of the law. Hortman said this will help assure that, "when we fund transportation projects, we are aware of the debt, and that we don't dedicate a whole bunch of our future revenues to paying down debt when we know we are going to have continuing maintenance costs."

The law also addresses longer range transportation planning. It modifies the department's planning schedule for its statewide transportation plan and identifies capital investment information to be compiled into a 20-year investment plan. It also requires a legislative report, due Nov. 15 of odd-numbered years, on the status and finances of fixed guideway projects (like light rail transit and passenger rail).

HF605/SF1060*/CH350

New law paves way for new policies

In New York City, it's called "Blocking the Box," and if you do so, you'll end up with a hefty fine. Effective Jan. 1, 2011, in Minnesota, those that block an intersection controlled by a traffic-control signal and impede movement of cross traffic could be subject to a ticket.

This is one of the mixed-bag of provisions contained in the omnibus transportation policy law.

The law, effective Aug. 1, 2010, unless otherwise noted.

To that end, a Minnesota Council on Transportation Access is established to study, evaluate, oversee and make recommendations to improve the coordination, availability, accessibility, efficiency, cost-effectiveness and safety of transportation services to those who utilize public transit. The governor had objected to a similar provision last year because members would have been eligible for per diem; the new language states

that members will only be reimbursed for expenses.

Rep. Frank Hornstein (DFL-Mpls) and Sen. Steve Murphy (DFL-Red Wing) sponsor the law. It contains several modified provisions from last year's vetoed omnibus transportation policy bill, including one that would have prohibited several activities at rest areas, including sleeping overnight in vehicles or pitching a tent. This year's law no longer carries the prohibitions, except a couple relating to improper disposal of trash and rubbish at rest areas.

The law also authorizes vertical motorcycle plates for a \$100 fee, expands eligibility criteria for issuing some special license plates, and clarifies a process for mothballing plates that have few takers. For example, eligibility for the Combat Wounded license plate is expanded to a Purple Heart recipient who is still serving in the military, rather than just veterans.

Other new veteran-related specialty plates will be available for recipients of the Korean Defense Service Medal, the Bronze Star medal and the Silver Star medal.

The law designates two highway sections as memorials to veterans: the "Becker County Veterans Memorial Highway" will be along segments of Trunk Highways 34 and 87, and a portion of Trunk Highway 200 from the North Dakota border to Mahanomen is designated as the "Veterans Memorial Highway." It also clarifies the description in a 2009 law creating the Clearwater County Veterans Memorial Highway along Trunk Highway 200.

Imagine streets that take into account the needs of motorists, cyclists, pedestrians and people with special needs. The law pushes the state toward a "complete streets" policy that would, during the design phase of any state-aid funded road project, take into consideration the impact the roadway would have on the people who use it, and the impact on the areas that it passes through.

Beginning in 2011, the Department of Transportation is to implement a policy with a goal of developing a balanced transportation system that takes into consideration all modes of transportation.

All bridge projects in the trunk highway bridge improvement program funded in fiscal year 2012 or later must include bicycle and pedestrian accommodations if both sides of the bridge are located in a city or the bridge links a pedestrian way, shared-use path, trail, or scenic bikeway. These accommodations will not be required if there is a reasonable alternative bicycle and pedestrian crossing within one-quarter mile of the bridge project. This takes effect July 1, 2010.

HF2807/SF2540*/CH351

Easier MnSCU credit transfers vetoed

Gov. Tim Pawlenty vetoed legislation designed to make it easier for students to transfer credits from one state college or university to another, calling the measure "unnecessary."

Sponsored by Rep. Larry Haws (DFL-St. Cloud) and Sen. Tarryl Clark (DFL-St. Cloud), the bill would have required the Minnesota State Colleges and Universities system to improve credit transfers, with the goal of providing for "minimal loss of credits for transferring students."

The bill outlined several steps for MnSCU to take to revamp its credit transfer system.

"The bill is unnecessary because the credit transfer issues identified by the Legislative Auditor, MnSCU staff, and students are already being addressed through internal actions and policy changes," Pawlenty wrote in his veto message.

Provisions in the bill would have directed MnSCU to develop and maintain a central database of course equivalencies between MnSCU institutions. Information on the transferability of courses would have been posted on all system college and university websites. Each school would have been responsible for ensuring the completeness and accuracy of data on its course offerings.

Additionally, the bill specified that providing prompt required documentation to facilitate a student transfer is an "institutional rather than student obligation."

Implementation would have been required by the beginning of the 2015-16 academic year, and annual reports to the Legislature would have been required.

However, some MnSCU transfer requirements are in the omnibus higher education policy law (Chapter 364), including making transfers an institutional responsibility and providing Internet information about transferability.

HF3164*/SF2822/CH284

No teachers' insurance pool

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. D. Scott Dibble (DFL-Mpls), Gov. Tim Pawlenty vetoed a bill would have required all school districts that are not self-insured to purchase health coverage through a state-run insurance program.

In his veto message, Pawlenty wrote that the bill would not address the underlying factors that are driving up the cost of health care in Minnesota. He also faulted Education Minnesota, the teachers' union that supports the bill, for not being amenable to the

governor's education reform proposals.

"I offered to more favorably consider this bill if the teachers' union and legislators would pass bold reform initiatives," Pawlenty wrote.

Hosch argued the plan would help keep health care costs down for schools, allowing them to put more money into classrooms. He said the bill could save school districts \$1 billion over 10 years.

"If we can save \$1 billion for our local school districts ... we are doing better for our children; we are doing better for our local school districts; and, yes, we are doing better for all school employees," Hosch said.

Opponents said it's unclear what the fiscal impact would be on individual school districts. Rep. Steve Gottwalt (R-St. Cloud) said the plan would benefit some school districts over others.

"The larger school districts will pay more in their health insurance by doing this because they're going to take on unhealthier people in other districts," Gottwalt said.

HF866/SF915*/CH322

Salary reporting exception vetoed

In the interest of transparency about how taxpayers' money is spent, cities and counties with populations greater than 15,000 people, must report the salaries of their three highest paid employees and post the salaries on the city website, in certain print publications or in the annual notice of proposed property taxes.

Rep. Lyle Koenen (DFL-Clara City) and Sen. Gary Kubly (DFL-Granite Falls) sponsored a bill that would have exempted communities with a population of more than 15,000 from reporting hospital employees' salaries. Koenen said the measure was intended to help some communities compete to recruit and hire personnel such as hospital administrators and key physicians.

However, Gov. Tim Pawlenty vetoed the bill because all Minnesota government salary information is public data. "(The law) was enacted to provide greater transparency by requiring affirmative publication of salary data for certain highly compensated employees. This legislation would provide a carve-out exemption for some hospitals, thereby decreasing accountability and transparency," he wrote in a veto message.

HF3327*/SF2594/CH312

Coercing candidates bill 'unneeded'

Several White Bear Lake City Council candidates received an anonymous threatening e-mail message last year. The source claimed they would publish damaging information

about the candidates if they continued to run for the council positions.

Sponsored by Rep. Paul Gardner (DFL-Shoreview) and Sen. Sandy Rummel (DFL-White Bear Lake), a bill that would have prohibited coercing a candidate running for office was vetoed by Gov. Tim Pawlenty.

Pawlenty said in his veto letter that the bill is "unneeded" because state law already addresses the "behavior this bill seeks to prohibit" through criminal penalties.

The bill would have made coercion an offense subject to an administrative hearings process under the Fair Campaign Practices Act. After a completed process, a person could also have faced criminal charges.

Current law prohibits someone from rewarding, or promising to reward an individual, for either becoming or not becoming a candidate. It is also illegal to threaten someone to get them to vote a certain way.

HF2510/SF2226*/CH291

GAMC veto eventually leads to compromise

Following passage by the House and Senate, Gov. Tim Pawlenty took swift action on the same day to veto the bill that would have continued funding for General Assistance Medical Care beyond its scheduled end-date of April 1, 2010.

Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. Linda Berglin (DFL-Mpls), the legislation would have created a 16-month GAMC program and reformed delivery of mental health services. Funding for the \$285 million program would have come from reduced reimbursement to health care providers, cuts to county social services grants and the draw-down of federal dollars.

GAMC pays for basic medical services for eligible low-income Minnesotans, many of whom are single adults struggling with chemical dependency or chronic mental health issues. In his veto message, Pawlenty said the legislation "does not represent meaningful reform and does not address fundamental cost issues."

"As the state struggles to resolve a \$1.2 billion deficit, passage of this legislation is at best premature," Pawlenty wrote. "Legislation that appropriates significant funds simply cannot be passed in a piecemeal fashion. A comprehensive, balanced budget solution must first be reached."

After the veto, a compromise was reached, and the House and Senate passed a modified version of the bill (HF802/SF460*/CH200),

which was signed into law by the governor.
HF2680/SF2168*/CH182

HHS budget bill vetoed

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), the vetoed omnibus health and human services budget bill would have reduced General Fund health and human services spending by \$114 million in the current biennium through a combination of cuts, transfers and new revenue. It contained a proposal to broaden eligibility for the state's Medicaid program, a move heavily favored by DFL leadership. They said low-income adults could be better served on the Medicaid program than on General Assistance Medical Care, which will operate at a lower funding level beginning this summer.

The bill also included rate cuts to some health care providers, reductions in mental health spending and appropriations for some State Operated Services facilities slated for closure.

In his veto letter, Pawlenty voiced his opposition to proposed surcharges that would have been used to help capture federal dollars.

"The surcharges on hospitals, insurance companies and group homes will increase health care costs," he wrote. "I will not sign a bill that moves in that misguided direction."

Pawlenty was also critical of the bill's deficit reduction targets, saying they may not go far enough to help address the current deficit or the projected shortfall in fiscal years 2012-2013.

He also rejected claims that the new GAMC program is destined for failure. Recent negotiations with four Twin Cities hospitals about their participation in GAMC "proves that this program can and will work," Pawlenty wrote.

Much of the health and human services budget bill was later included in SSHF1*/SSSF1, which excludes the surcharges and gives Pawlenty and his successor the option of modifying the Medicaid program.

HF2614*/SF2337/CH360

'Mixture' definition gets vetoed

Under current law, the weight of an entire mixture of drugs can be used when charging decisions are made regarding illegal use of a controlled substance, even if the drug residue is only a small part of the mixture.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Sandy Pappas (DFL-St. Paul), a bill sought to amend the definition of "mixture" in first- through third-degree controlled substance crimes. It would have established that "the weight of fluid used in a water pipe may not be considered in measuring the weight of

a mixture, except in cases where the mixture contains four or more fluid ounces of fluid."

It was vetoed by Gov. Tim Pawlenty, who in his veto letter, said the bill "waters down current criminal justice practices and standards related to the weight of controlled substances found in water pipes."

The problem came to light in 2008 when a defendant was charged with a first-degree controlled substance offense because she possessed bong water that contained a residue of methamphetamine. Even though the bong water had just a small amount of residue, the mixture's total weight was used to charge her with the more serious drug offense. The Minnesota Supreme Court ruled last year the charge was appropriate under the current definition of mixture.

Supporters of the bill said current law allows small-time drug users to be punished as major dealers.

HF2757/SF3145*/CH367

Big fish law — One that got away

After nine years of attempts, the House and Senate passed a provision to allow anglers to fish using two lines during the open water period, but a veto of the omnibus game and fish bill means the big fish law got away, again.

Anglers would have been required to purchase a \$10 stamp and agree to take half the limit of fish. Rep. David Dill (DFL-Crane Lake) said the provision was a "huge conservation move." The new stamp was expected to bring in \$700,000 in new revenue in fiscal year 2011 and \$2.3 million in the next biennium, but Gov. Tim Pawlenty said there was no "evidence to support this belief."

Pawlenty called the bill "legislative overreach" and contrary to the Department of Natural Resources recommendations. He pointed to an example of special fishing regulations proposed on the Rum and Mississippi rivers as "legislative carve-out" and unsound rationale for restricting fishing on Lake Florida. Additional fishing restrictions for Fish Lake Reservoir, inserted at the request of Sen. Satveer Chaudhary (DFL-Fridley), may have been improper, according to Pawlenty.

The governor directed the DNR commissioner to seek federal funding for a proposed public walk-in hunting access program that would have used up to \$1.4 million from the game and fish fund to pay farmers for hunting access to their properties.

"One of the things that we hear from our constituents, our hunters, is that they are continually finding access, particularly in the agricultural zones, more difficult to obtain from landowners," Dill said prior to the veto.

In lieu of the vetoed law, the DNR was

instructed by Pawlenty to use its administrative powers to sell several parcels of public land.

Other provisions in the vetoed law would have allowed free fishing for children under age 18 (now free for under age 16), and would have allowed counties to adopt a bounty on the taking of coyotes.

HF3124/SF2900*/CH390

No vehicle definition change

Gov. Tim Pawlenty vetoed legislation that would have clarified the statutory definition of "motor vehicle."

Sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Don Betzold (DFL-Fridley), the bill would have added a cross-reference to a statute that deals with accidents involving vehicles being driven by someone other than the owner. Such an individual is called an "agent of the owner."

Under the provisions, the definition of "motor vehicle" in regard to an agent of the owner would have been identical to the definition in the state's no-fault automobile insurance law.

In his veto message, Pawlenty wrote that the revised definition would have included the trailer in a semi-tractor trailer as a "motor vehicle." This would have made the owner of the trailer liable for the driver's negligence in case of an accident. The governor argued that trailer owners "have little or no control over the driver and therefore should not be held responsible for their negligent acts."

HF127/SF251*/CH386

Indemnification clause vetoed

The Minnesota Trucking Association n asked for the legislation to prohibit one-way indemnification clauses in contracts because shippers are increasingly requiring carriers to sign freight-hauling contracts that include total indemnification clauses that relieve the shipper of all liability, even in cases of the shipper's own negligence.

In his veto letter, Pawlenty wrote, "Private parties should be able to negotiate contracts free from governmental interference, especially where the parties are sophisticated and the bargaining power between them is not egregiously tilted in favor of one."

Rep. Terry Morrow (DFL-St. Peter) and Sen. Steve Murphy (DFL-Red Wing) sponsor the bill.

HF3117/SF2469*/CH387

No expunging offender records

Rep. Bobby Joe Champion (DFL-Mpls) and Sen. Ron Latz (DFL-St. Louis Park) sponsored a bill that would have expanded the opportunities for certain offenders — such as first-time, low-level property offenders — to

have their criminal record expunged.

If the offender were to complete terms of a diversion program or stay of adjudication agreed to by the prosecutor, and was not charged with a new crime for at least one year after completing the diversion program or stay of adjudication, he or she would have had their case dismissed. The bill would not have applied to felony-level crimes of violence.

However, Gov. Tim Pawlenty vetoed it, saying expungement of a criminal record should only be an "extraordinary remedy."

"Perhaps the most fundamental obligation of state government is the safeguarding of its citizens, especially against the harm posed by criminal predation," he wrote in his veto letter. "Our criminal justice system rightly imposes punishment on those who wrongfully harm others, while also recognizing the value of individual redemption."

The record could have been sealed by the court without filing a petition "unless it determines that the interests of the public and public safety in keeping the record public outweigh the disadvantages to the subject of the record in not sealing it." A prosecutor would have had to make a good-faith effort to inform victims of the crime about the agreement and give them an opportunity to object.

For sentencing purposes of a future crime, prosecutors or probation officers would have had access to the expunged record without a court order.

Supporters said the bill would help offenders who commit an innocuous crime find a road back to becoming positive, responsible residents of the community.

Champion said the bill was the result of two years of work by the Minnesota county attorneys and defense attorneys associations, Hennepin and Ramsey counties, the Council on Crime and Justice and "a number of other key stakeholders." He said law enforcement officials were neutral on the bill.

HF891/SF560*/CH381

Whistleblower protection rejected

Sponsored by Rep. Diane Loeffler (DFL-Mpls) and Sen. Mary Olson (DFL-Bemidji), the vetoed bill would have given state employees protection for providing timely, objective information while maintaining "confidentiality of budget or policy discussions with a member of the legislature or the member's staff person."

The bill would have added protection for a classified employee who "communicates information that the employee, in good faith, believes to be truthful and accurate," to legislators, the legislative auditor or a constitutional officer.

In his veto letter, Gov. Tim Pawlenty said the

bill "may violate separation of powers between the Legislative and Executive branches," and is "in direct conflict with the ability of an agency to direct and manage its employees."

Loeffler said there has been a growing perception that "a member of the state agency is a member of the 'executive team,' as opposed to the 'legislative team,' and there is some act of disloyalty in helping us with our information."

HF1531/SF271*/CH345

The budget fix that wasn't

Legislative leaders and Gov. Tim Pawlenty eventually reached an agreement on how to solve the state's \$3 billion budget shortfall. But before they did, DFL lawmakers proposed their own solution.

Pawlenty vetoed the DFL-backed measure, which would have ratified most of the governor's 2009 spending unallotments but also raised \$443 million in new tax revenue. In his veto letter, Pawlenty cited opposition to raising taxes as his main concern.

The bill would "disproportionately harm small business owners and hamper job creation," he wrote.

Altogether, the bill would have cut more than \$2.5 billion in state spending. A \$1.2 billion deferral of K-12 school payments authorized by Pawlenty last year would have been included; however, under the bill's provisions, the money would have begun to be paid back in the 2012-13 fiscal biennium. Pawlenty's proposal did not include plans to pay the money back before fiscal year 2014. A \$576 million property tax recognition shift for schools was also included. (Art. 3, 4)

Other proposed reductions in the bill included:

- \$364.5 million in reductions to local tax aids and credits (Art. 14);
- \$156.6 million from health and human services programs (Art. 13);
- \$100.2 million from higher education funding (Art. 5);
- \$43.3 million from environment funding (including a \$40 million transfer from the closed landfill investment fund) (Art. 6);
- \$3.7 million from state government operations (Art. 12);
- \$3.3 million from transportation (Art. 10);
- \$1.5 million from economic development (Art. 9);
- \$1 million from agriculture (Art. 8);
- \$494,000 from energy (Art. 7); and
- \$158,000 from public safety (Art. 11).

A full spreadsheet is available online from the House Fiscal Analysis Department. A detailed summary of the bill's provisions is available from the House Research Department.

The new tax revenue provided for in the bill would have been supplied by creating a new income tax tier for the wealthiest Minnesotans. Those whose taxable income is greater than \$200,000 for joint filers, \$113,100 for single filers or \$170,350 for heads of households would have seen their income tax rate go up from 7.85 percent to 9.1 percent.

The new tax rates would have been retroactive from Jan. 1, 2010; however, the rates would have dropped back down to 7.85 percent in 2013 if the state's budget shows a projected \$500 million surplus. (Art. 16)

The bill also included provisions that would have required early payment of sales taxes by some businesses and delayed refunds for overpayment of corporate and sales taxes. (Art. 2, Sec. 4, 5)

Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Richard Cohen (DFL-St. Paul) sponsored the bill.

HF2037*/SF1556/CH340

Aquifer restrictions vetoed

Businesses or industries that consume large amounts of water would have been restricted from tapping into the Mt. Simon-Hinckley aquifer unless there were no feasible alternative. But the bill was vetoed.

"The enhanced water use restrictions ... are a significant obstacle to business expansion within the area served by the aquifer and are unnecessary given the current regulatory scheme, which is sufficient," Gov. Tim Pawlenty wrote in his veto letter.

The bill was sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. Rick Olseen (DFL-Harris).

HF2634/SF2185*/CH341

PACE funding, rate increase vetoed.

Gov. Tim Pawlenty vetoed a bill that would have increased funding for some nursing homes and senior services, saying a balanced budget needed to come first.

Sponsored by Rep. Lyle Koenen (DFL-Clara City) and Sen. Gary Kubly (DFL-Granite Falls), the bill would have allowed publicly owned nursing homes to apply for higher operating payment rates from the state if the local government entity agreed to pay a specified portion of the nonfederal share of Medical Assistance costs.

It would have also removed a provision in current law that requires the Department of Human Services to wait until receiving grant money to implement Program of All-inclusive Care for the Elderly, services designed to keep seniors in their homes. A PACE appropriation from the General Fund would have been accompanied by cuts to community service development grants.

In his veto message, Pawlenty said that while he was "mindful of the underlying value" of the PACE program, he was hesitant to free up money that might be needed for non-transferrable cuts before the end of the legislative session.

A modified PACE provision later passed as part of SSHF1*/SSSF1, the budget balancing bill.
HF3571/SF3019*/CH353

Domestic partner provision vetoed

Gov. Tim Pawlenty vetoed a bill that would have given partners in same-sex relationships authority over each other's remains after death.

Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. Yvonne Prettner Solon (DFL-Duluth), the bill would have also defined "domestic partners" and allowed them to file wrongful death claims in the same way as heterosexual couples.

In his veto message, Pawlenty said the bill addressed "a non-existent problem," as current law allows someone to draft a will to dictate who may control his or her remains and estate.

The governor also opposed the bill's positioning of domestic partnerships as the equivalent of marriage.

"Marriage — defined as between a man and woman — should remain elevated in our society at a special level, as it traditionally has been," he wrote.

HF454/SF341*/CH35

No juvenile records reform

Gov. Tim Pawlenty vetoed a plan to expunge certain juvenile records and potentially waive certain juvenile criminal histories that can be barriers to employment as an adult.

One provision of the bill would have permitted a petition to be brought forth to seal "any type of delinquency or criminal record relating to a juvenile matter" if the person had successfully completed terms of a diversion program or stay of adjudication agreed to by a prosecutor and had not been charged with a new crime for at least a year.

"Expungements should remain an extraordinary remedy," Pawlenty wrote

in his veto letter. "These changes to the expungement law would allow persons to receive expungements for very serious crimes (such as crimes requiring registration under the predatory offender registration statute)."

Also under the bill, the Department of Human Services commissioner would have to consider granting a set-aside or variance to someone at least age 21 who is disqualified from working in the human services area for specific crimes they committed while the person was under age 18. It would not have applied if the youth was certified as an adult for his or her criminal action.

Rep. John Lesch (DFL-St. Paul), who sponsors the bill with Sen. Mee Moua (DFL-St. Paul), said it would help people who did "a dumb thing" as a youth, and want to work in a field where DHS licensure is required. Opponents said juveniles who committed violent crimes shouldn't get the chance to care for others most in need.

"Changing these provisions takes the state backwards, by permitting people with the most serious criminal histories to work directly with children and vulnerable adults in licensed settings and unlicensed personal care attendant situations," Pawlenty wrote.

The bill also would have required a court to order a chemical health screening when a child is found to be delinquent. A referral would have been required in consultation with the child's family if the screening indicated a need for a chemical use assessment.

HF3382/SF2790*/CH335

Group would have examined expenses

Sponsored by Rep. Paul Marquart (DFL-Dilworth) and Senate President James Metzen (DFL-South St. Paul), a bill would have authorized creation of a county home rule charter commission for Benton, Stearns and Sherburne counties, and would have created the Minnovation Council and a Task Force for Policy Innovation and Research. A Commission on Service Innovation, included in the bill, was included in the omnibus state government finance law (HF3449/3134*/CH392).

Marquart said the state is expected to continue facing budget deficits and the two "usual suspects" for solving budget dilemmas — raising taxes or cutting spending — will not fix all of the problems.

The Minnovation Council would have accepted applications for waivers from administrative rules from local government units and nonprofit organizations, accepted applications for grants to local units of government for consolidation plans, made legislative recommendations for the authorization of pilot projects and the elimination of state mandates that inhibit efficiency. The council was to make an effort to "obtain \$3 in savings and show increased value to the taxpayer for each net state dollar spent by the council."

"The Minnovation Council's composition and duties are troubling and raise constitutional and practical concerns," Pawlenty wrote in his veto letter, adding that the ability of appointed non-governmental members to grant waivers would be unaccountable to state residents. "The process improperly outsources power delegated to the executive and legislative branches."

Additionally, only one member of the council would have been from the private sector, which Pawlenty considers "the core of innovation."

Upon approval by at least two of the three counties, a county home rule charter commission for Benton, Stearns and Sherburne counties would have been created and held at least one public hearing on reports considering various methods of consolidating county government functions and departments. The final charter decision would have gone to the counties for voter approval at a general election.

The 15-member Task Force for Policy Innovation and Research would have considered methods to best provide the Legislature with "high quality, rigorous public policy research regarding issues and topics of concern." A process for the topic selection, methods for conducting research and for funding the policy innovation initiative would have been submitted to the Legislature.

HF2227*/SF1880/CH398

Budget law ratifies unallotments, erases shortfall

New law erases a projected \$3 billion shortfall through spending cuts and payment delays.

The first and only law passed during the Legislature's brief 2010 special session brings the state's budget into balance.

Sponsored by Rep. Lyndon Carlson (DFL-Crystal) and Sen. Richard Cohen (DFL-St. Paul), the law erases a projected \$3 billion shortfall through spending cuts and payment delays. It ratifies many of Gov. Tim Pawlenty's 2009 spending unallotments — with a few changes — and makes some additional health and human services cuts.

A key policy provision will allow Pawlenty and the next governor to choose whether to opt Minnesota in to an early expansion of Medicaid. Other provisions will help manage the state's cash flow by authorizing delayed sales and corporate tax refunds, and requiring some businesses to pay their sales taxes early.

Budget reductions enacted in the law, either through program cuts or payment delays, include:

- \$2 billion to K-12 education (Art. 3-4);
- \$516.5 million in county and city aids and various tax credits (Art. 13);
- \$164.7 million to health and human services (Art. 15-24);
- \$127.7 million to state government (Art. 12);
- \$100.2 million to higher education (Art. 5);
- \$43.3 million to environment and natural resources (Art. 6);
- \$13.3 million to transportation (Art. 10);
- \$1.5 million to economic development (Art. 9);
- \$985,000 to agriculture (Art. 8);
- \$494,000 to energy and commerce (Art. 7); and
- \$158,000 to public safety (Art. 11).

Below is a summary of key provisions. A full, detailed spreadsheet is available online from the nonpartisan House Fiscal Analysis Department. (Click here.) In addition, the nonpartisan House Research Department has a section-by-section summary of each provision in the law. (Click here.)

The law has various effective dates.

SSHF1*/SSSF1/CH1

K-12 education funding changes

A \$1.8 billion delay in payments to K-12 school districts that Pawlenty made unilaterally is ratified by the law, but with some modifications. Effective retroactively

from July 1, 2009, nearly \$1.4 billion in school aid payments are delayed over the course of the 2010-11 biennium. Schools are put on a 70/30 aid repayment schedule for fiscal year 2011, meaning that 30 percent of the aid payments are deferred until fiscal year 2012. The delayed payments will begin to be repaid in fiscal year 2012 — a key difference between the law and Pawlenty's original unallotments. (Art. 3, Secs. 4, 6)

Schools in statutory operating debt may continue to be paid on the usual 90/10 payment schedule in the current fiscal biennium. (Art. 3, Sec. 8)

Also included in the law is a provision that ratifies the governor's 2009 executive action to force school districts to recognize their property tax receipts early. The so-called "property tax recognition shift" will save the state \$576 million in fiscal year 2011. It is effective retroactively from July 1, 2009. (Art. 3, Sec. 2)

Effective July 1, 2010, the law modifies a statute that previously required the state to withhold payments to school districts to reduce the need for short-term borrowing. Under the provisions, Minnesota Management & Budget may withhold school aid payments in those circumstances. The law also raises the levels of cash reserves school districts must have on hand before the state can begin withholding payments from them. (Art. 2, Sec. 1)

Early tax payments required, refunds delayed

Beginning Sept. 1, 2010, businesses owing \$120,000 or more per year in sales tax revenues are required temporarily to prepay some of their taxes, under the law.

To help manage the state's monthly cash flow, businesses will pay a portion of their tax liability early. A business may choose either an amount equal to at least two-thirds of their month's tax liability to the state by the 20th day of the month in which the tax liability occurs; or 90 percent of the month's liability by the 14th of the month following the month in which the liability occurs. In both cases, payment of the remaining liability is due the 20th of the month after the liability is incurred. The accelerated sales tax payment schedule will be suspended once the state's cash flow and budget reserve accounts are sufficiently replenished. Penalties are provided for those who do not meet their prepayment obligations. (Art. 2, Secs. 4-5)

The law also directs the Revenue Department to delay refunds for overpayment of sales

and corporate taxes. This includes capital equipment refunds. The result will be to push \$152 million in refunds that would otherwise have been paid in fiscal year 2011 into the next fiscal biennium. The provision takes effect July 1, 2010.

The state also requires counties to pay the state property taxes collected by the county on the same accelerated schedule used to make property tax payments to school districts. (Art. 13, Sec. 6)

Local government aid, tax credits

The law cuts a variety of tax aids and credits — again, ratifying the governor's unallotments. More than \$299 million is cut from local government aid. Some small counties, cities and townships are exempted from the cuts. (Art. 13, Sec. 2)

In addition to the LGA cuts, the law includes:

- \$52.3 million in cuts to property tax refunds for renters;
- elimination of the political contribution refund program in the current fiscal biennium for a savings of \$10.4 million; and
- capping sustainable forest incentive payments to landowners, for a savings of \$4.3 million. (Art. 14, Sec. 4)

Health care — reimbursement to providers, plans

The law makes several changes to the state payments that providers and health plans receive for the cost of treating people in state health care programs.

Effective July 1, 2010, payment rates for certain physician and professional services will be reduced by 7 percent, with the exception of primary care, preventative medicine and family planning services, among others. The law delays the rebasing of hospital operating payment rates until 2013, except for long-term care hospitals. In addition, payments to hospitals for inpatient services will be cut by 1.96 percent beginning July 1, 2011 (Art. 16, Secs. 2-3, 25).

The law also includes some payment withholds designed to incentivize plans and providers to reduce costs. One provision withholds some of the reimbursement to managed care plans for emergency room services, with the payment returned later if the plan reduces its emergency room utilization rate (Art. 16, Sec. 21).

Health care — reform

The law creates opportunities for Minnesota to participate in health care reform initiatives under the federal Patient Protection and Affordable Care Act.

It gives Pawlenty and his successor the option to expand eligibility criteria for participation in Medical Assistance, the state's Medicaid program. Under the change, certain childless adults between the ages of 21 and 64 with incomes up to 75 percent of federal poverty guidelines may enroll in Medical Assistance. The change may be implemented only if directed by the governor by Jan. 15, 2011 (Art. 16, Secs. 5-7, 48).

The law also directs the governor to convene a task force that will advise and assist state leaders regarding the implementation of federal health care reform legislation. A preliminary report to the Legislature is due by Dec. 15, 2010 (Art. 22, Sec. 4).

In addition, the human services commissioner must develop and authorize new models of health care service delivery and apply for grants to participate in federal health care reform demonstration projects (Art. 16, Sec. 19; Art. 22, Secs. 2-3).

Health care — miscellaneous

The law appropriates funding to several State Operated Services facilities that the Department of Human Services had proposed to close. In some cases, the funding is to be used to develop community-based services that will replace a state-operated facility. The law establishes a task force to make recommendations to the DHS commissioner and the Legislature about how people with complex needs, such as mental illness and developmental disabilities, may receive appropriate, cost-efficient services. The task force must also recommend how services currently provided to patients at the Anoka-Metro Regional Treatment Center may be provided through community-based partnerships (Art. 19, Secs. 4, 18).

The law also directs the DHS commissioner to notify the Legislature regarding the redesign, closure or relocation of state-operated programs. The closure of a facility requires legislative approval if DHS and employee bargaining units cannot agree on how to transfer affected employees to other state jobs. The State Operated Services sections have various effective dates. (Art. 19, Secs. 5-6)

The law removes a state-imposed asset limit for participation in the federal Supplemental Nutrition Assistance Program, formerly food stamps. To be eligible, a household must demonstrate that its gross income is equal to or less than 165 percent of federal poverty guidelines for its family size. This section takes effect Nov. 1, 2010 (Art. 18, Sec. 1).

The law establishes licensing standards for birth centers and specifies that no birth center may operate without a license as of Jan. 1, 2011. It sets licensing fees, describes application requirements and outlines procedures for obtaining temporary licensure. The law also specifies Medical Assistance coverage of services provided by licensed birth centers (Art. 16, Sec. 15; Art. 20, Sec. 14).

The law also makes changes to the modified General Assistance Medical Care, a state program that covers basic medical services for low-income adults. The law extends until Feb. 28, 2011, the period of time that hospitals serving GAMC patients who choose not to participate in a "coordinated care delivery system," a new care model that is established by another new law, CH200. (Art. 16, Sec. 40).

