

Minnesota House of Representatives

Agriculture

Exemptions broadened for transport of agricultural commodities

A new law will broaden exemptions to rules that regulate agricultural transportation.

Sponsored by Rep. Tim Miller (R-Prinsburg) and Sen. Andrew Lang (R-Olivia), the law expands the definition of harvest season to year-round for an hours of service exemption in intrastate transportation of agricultural commodities and farm supplies within a 150-mile radius.

Hours of service requirements are federal regulations governing the amount of driving time, rest periods and logging of on-duty and rest times for commercial motor carriers.

The law also incorporates a federal exemption into state statute to establish a year-round harvest season. That has the effect of applying a federal exemption from hours of service rules governing interstate transportation of agricultural commodities and farm supplies.

Those changes take effect Aug. 1, 2018.

Finally, the law clarifies that it is not considered an unsecured load for a vehicle hauling thawing unprocessed sugar beets to leak water. That provision took effect May 20, 2018.

HF3548*/SF3405/CH171

Agriculture

New law exempts some storage facilities from fugitive emissions standards

Some temporary storage facilities, such as grain elevators that meet certain requirements, are now exempt from fugitive dust emission rules.

Sponsored by Rep. Jeff Backer (R-Browns Valley) and Sen. Torrey Westrom (R-Elbow Lake), a new law allows for exemptions for all portable equipment and fugitive dust emissions directly associated with a temporary storage facility if that facility meets certain requirements including:

- grain storage;
- an asphalt, concrete or similar base substance;
- rigid self-supporting sidewalls;
- adequate aeration; and
- an acceptable covering.

The new law is effective May 11, 2018.

HF3441/SF3182*/CH132

Bonding

Capital investment law calls for more than \$1.5 billion in total spending

A law calling for nearly \$1.58 billion in public construction was one of the major items to be accomplished in the 2018 legislative session.

Sponsored by Rep. Tim Miller (R-Prinsburg) and Sen. Rich Draheim (R-Madison Lake), the infrastructure-heavy capital investment law calls for \$825 million in general obligation bonding impact. It is effective May 31, 2018, unless otherwise noted.

Rep. Dean Urdahl (R-Grove City) and Sen. David Senjem (R-Rochester), chairs of the respective capital investment committees, were the law sponsors. However, the vehicle bill used on the final day of session is sponsored by Miller and Draheim.

Per Article 11 of the state constitution, public debt may be issued, in part, “to acquire and to better public land and buildings and other public improvements of a capital nature and to provide money to be appropriated or loaned to any agency or political subdivision of the state for such purposes.”

By issuing bonds, the state receives a certain amount of money now and pays the bond holders back, over time, with interest.

Odd-numbered years are traditionally focused on establishing a state budget with a smaller bonding bill; even-numbered years are often centered on a large capital investment plan. However, a chaotic finish to the 2016 session resulted in no bill. A 2017 bonding law had a \$984.94 million in general obligation bonding impact.

Among the 2018 law’s appropriations is \$543.8 million for transportation; \$208.4 million for higher education; \$133 million for water and sewer projects; \$101.3 million for employment and economic development grants for local projects; \$90 million for affordable housing; \$32 million for three new veterans’ homes; and \$25 million for school security.

The law also uses \$98 million in appropriation bond proceeds payable from the Environment and Natural Resources Trust Fund, a fund approved by voters that’s governed by the Legislative Citizen-Commission on Minnesota Resources. However, such appropriation bonds typically carry an interest rate 0.5 percent to 1 percent higher than a general obligation bond.

Gov. Mark Dayton said he wanted to cancel out that provision, saying it could set a harmful precedent and invite future legislatures to continue using the fund. But doing so, he said, would have axed important wastewater infrastructure projects.

In addition, the law contains appropriations from the environment and natural resources trust fund, referred to as the LCCMR bill, with a total appropriation of \$89,000 in Fiscal Year 2018 and almost \$42.73 million in Fiscal Year 2019. This is effective July 1, 2018.

Dayton did line-item veto one provision: a \$1 million grant for an analysis of water quality regulations, saying it would add “an unnecessary new layer of bureaucracy” to the Minnesota Pollution Control Agency.

HF4425*/SF4021/CH214

Transportation

Of the \$543.8 million in transportation spending, \$416.19 million is derived from trunk highway bonds, a specialized form of general obligation bonding, issued by the state only for construction on the trunk highway system. Per the state constitution, “If the trunk highway fund is not adequate to pay principal and interest of these bonds when due, the legislature may levy on all taxable property of the state in an amount sufficient to meet the deficiency or it may appropriate to the fund money in the state treasury not otherwise appropriated.”

General obligation bonding totals \$103.06 million, and three other areas account for the rest.

In terms of spending, the law contains \$78.6 million for local road improvement grants, including a combined \$28 million for specific projects in Anoka and Carver counties, Dayton and Inver Grove Heights.

Other transportation funding includes: \$10 million for a railroad grade separation in Glenwood; \$9.72 million to reconstruct the Rockford Road/Interstate 494 interchange in Plymouth; \$6 million for a rail grade crossing separation in Moorhead; \$5.2 million in port development assistance; \$4 million for an interchange project in Brooklyn Park; \$3.3 million for industrial park road improvements in Becker; \$3 million for Highway 8 reconstruction in Chisago and Washington counties; \$2.5 million for a bus storage facility expansion in Rochester; and \$1 million for design and engineering of the Stone Arch Bridge rehabilitation in Minneapolis. (Art. 1, Sec. 16; Art. 3, Secs. 7-8)

Higher education

The University of Minnesota and Minnesota State system will each receive \$45 million for asset preservation.

Four other funding amounts also head to the university: \$24 million to renovate Pillsbury Hall on the Minneapolis campus; \$3.2 million to renovate teaching and learning spaces in Dowell and Owen halls at the Crookston campus; and \$3.2 million for renovations in the Humanities Building and Blakely Hall on the Morris campus. These appropriations represent approximately two-thirds of total project

cost, with the university paying the rest. The law also appropriates \$4 million to renovate the Glensheen mansion in Duluth, contingent on an equal non-state contribution.

Ten Minnesota State projects received funding, and similar to the university, must pay for one-third of the projects' cost. Unlike the university, however the law appropriates the total project amount and then requires the system "to pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section."

The projects are:

- \$22.85 million to demolish Plaza and Memorial halls at Rochester Community and Technical College and "to design, renovate, renew, and equip classrooms and labs; to construct an addition adjacent to Endicott Hall; to construct a central chiller plant; and to demolish the maintenance building and child care building";
- \$22.5 million to replace Hagg Sauer Hall with an academic learning center and renovate five other buildings, including A.C. Clark Library, at Bemidji State University;
- \$12.6 million to renovate the College Services Building at Normandale Community College in Bloomington;
- \$10.12 million at Riverland Community College in Albert Lea for construction to support auto and diesel labs and demolish an obsolete child care building;
- \$6.48 million at Minnesota State Mankato to "repurpose the spaces in Wissink Hall, Morris Hall, and Wiecking Center vacated when occupants moved to the new Clinical Science Building; and to install a solar array on the roof of the new Clinical Science Building";
- \$6.36 million at Century College in White Bear Lake to "renovate, and equip the Engineering and Applied Technology Center, welding lab, fabrication lab, auto disassembly, and related student support and university partnership space on the east campus";
- \$1.16 million at Fond Du Lac Tribal and Community College in Cloquet to renovate space for the elementary education program, renovate a kitchen area and perform site work to support outdoor learning and building demolition;
- \$698,000 at Inver Hills Community College for a technology and business center renovation;
- \$628,000 to design a renovation of Weld Hall at Minnesota State University Moorhead; and
- \$569,000 to design a renovation of the business and nursing building at Anoka-Ramsey Community College in Coon Rapids. (Art. 1, Secs. 2-3)

Other education

Facility grants for improvements related to school security improvements and violence prevention will be funded with \$25 million from the state's budget reserve in Fiscal Year 2019. The Education Department will be permitted to award grants of up to \$500,000 for each qualifying school building on a first-come, first-served basis.

Also from the General Fund is \$600,000 in Fiscal Year 2019 to renovate and expand the one-room Northwest Angle School, which is part of the Warroad School District.

The Red Lake School District is to receive \$14 million from the maximum effort school loan fund for multiple projects, including classroom renovations, cafeteria expansion and mechanical system upgrades. The fund is targeted to help districts with an extremely low tax base. Voter approval is needed.

Atwater-Cosmos-Grove City Public Schools are to receive \$5 million in general obligation bond proceeds to renovate and repurpose the Cosmos elementary school for use by the regional educational program for autistic students, emotionally or behaviorally disturbed students and other students with specific educational needs.

Also in general obligation bonding is \$2 million for asset preservation at the state academies for the deaf and blind, \$1 million for library construction grants and \$250,000 for asset preservation at the Perpich Center for Arts Education. (Art. 1, Secs. 4-6)

Environment and Natural Resources

The largest chunk of the \$98 million in appropriation bonds financed from the Environment and Natural Resources Trust Fund is nearly \$38.35 million for grants to eligible municipalities under the point source implementation grants program that provides assistance with the cost of water infrastructure projects.

Other funding includes: \$14.65 million for wastewater infrastructure projects; \$10 million for the Reinvest in Minnesota Reserve Program to retire private land from agricultural production, plant permanent native vegetation, and restore previously drained wetlands; \$10 million for metro regional parks and trails capital improvements; \$7.3 million for reclamation and enhancement of the 66-acre

Lake Redwood Reservoir; \$3.42 million for Department of Natural Resources' asset preservation; and \$1.5 million to dredge Lake Orono.

The DNR is also to receive almost \$78.67 million from general obligation bond proceeds with \$26.58 million slated for asset preservation, \$20 million for flood hazard mitigation grants and \$6 million for acquisition and betterment of buildings.

Remaining dollars are spread across eight projects of state-owned resources — including \$4 million to develop Lake Vermillion-Soudan Underground Mine State Park — and nine grants to political subdivisions. The two largest are \$2.5 million to construct the third phase of the Wagon Wheel Trail project in La Crescent and \$2 million for improvements to a Lake Superior access facility in Grand Marais.

The Local Government Roads Wetland Replacement Program is to receive \$6.7 million; Becker County is to get \$750,000 to construct and equip buildings to store and process large, bulky materials, such as mattresses, that must be deconstructed before shipping to recycling facilities; and \$700,000 is targeted to construct floodwater management projects in Area II of the Minnesota River Basin.

For cities within the Metropolitan Council area, the law makes \$5 million in grants available for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the council's metropolitan sanitary sewer disposal system. Grants can be for up to 50 percent of project costs. In addition, \$1.5 million is slated for development of Lake Waconia Regional Park and \$400,000 to Loretto for a wastewater collection system connection to a system shared by Greenfield, Independence and Medina.

To construct a multi-use paved trail around White Bear Lake, the law allocates a combined \$4 million to Ramsey County and the city of Mahtomedi.

Grants to a dozen political subdivisions for water and wastewater treatment facilities total \$25.35 million, \$25 million is for grants to a drinking water improvements and \$14 million is to match federal grants for clean water projects.

The commissioner of the Pollution Control Agency must consider current debt service on existing municipal wastewater treatment infrastructure when developing compliance schedules for new effluent limits in municipal national pollutant discharge elimination system permits. (Art. 1, Secs. 7-9, 17, 22; Art. 2, Sec. 8; Art. 6, Secs. 1-4)

Employment and Economic Development

Of the more than \$109.34 million called for in employment and economic development spending, \$10 million is for grants spread across three areas: Greater Minnesota business development public infrastructure, transportation economic development, and innovative business development public infrastructure.

The remainder, including \$14.45 million from the General Fund, is spread across 28 local projects. They include \$18 million to construct a statewide Second Harvest Heartland charitable food warehouse in Brooklyn Park, \$8 million to expand the National Eagle Center in Wabasha, \$5 million to renovate and expand the Minneapolis American Indian Center, \$3.5 million to repurpose the former regional treatment center campus in Fergus Falls, and \$100,000 to address electrical issues at the Litchfield Opera House.

Cities under Metropolitan Council jurisdiction sometimes balk at the council's authority to guide their growth. A change for one community could give others recourse against an agency that brings a regional perspective to long-term planning across the seven-county Twin Cities metropolitan area.

The council is ordered to "conform its metropolitan development guide, system plans, and the system statement for the city of Nowthen to implement any changes requested by the city of Nowthen relating to the council's designation of part or all of the city for purposes of the metropolitan development guide, systems plans and statements, and the city's comprehensive plan." The city is located in Anoka County. (Art. 1, Sec. 21; Art. 2, Sec. 46)

Other general obligation provisions (unless otherwise noted) in the law include:

- \$35 million in user financing for the Rural Finance Authority, which partners with local lenders to provide affordable credit to eligible farmers, for the beginning farmer, loan restructuring, seller-sponsored, agricultural improvement loan, and livestock expansion loan programs;
- \$32 million for the state share of veterans home construction in Bemidji, Montevideo and Preston;
- \$28.1 million for grants to behavioral health crisis program facilities;
- \$21.7 million for public safety centers in Cottage Grove, Inver Grove Heights and Marshall;
- \$16 million for plumbing, ventilation, and exhaust system upgrades at the 129-year-old St. Cloud prison;
- \$15.07 million to construct a regional medical examiner's facility to serve Dakota, Hennepin and Scott counties and serve as a forensic pathology teaching facility;

- \$15 million to demolish the current Fort Snelling Visitor’s Center and construct other facilities to support visitor services;
- \$12.88 million for four Department of Military Affairs readiness center renovations;
- \$10 million in physical security upgrades at the Capitol Complex;
- \$10 million for public housing rehabilitation;
- \$10 million for The Family Partnership in Minneapolis for “providing services for Minnesota victims of sex trafficking; trauma-informed counseling services; early learning programming and therapeutic childcare; and statewide training for professionals and community leaders”;
- \$6 million for asset preservation at the Minnesota Zoo;
- \$5 million for asset preservation in state facilities;
- \$2 million to construct an outdoor 50-meter pool in New Hope; and
- \$1.9 million to construct a new large brown bear exhibit and adjacent large cat exhibit in the space of the former Polar Shores exhibit at the Lake Superior Zoo. (Art. 1, Secs. 10-12, 14-15, 17-20, 23-24, 48; Art. 2, Secs. 11, 44; Art. 3, Sec., 9)

The law sets aside \$29 million of Minnesota Housing Finance Authority’s tax-exempt bond allocation and \$29 million of the small issue pool allocation to rehabilitate and renovate the Fort Snelling Upper Post for affordable residential rental housing. If the Upper Post project proceeds, it will also be eligible for low-income housing tax credits and state historic structure rehabilitation tax credits. The law requires MHFA to make residential rental housing projects financed with an allocation of tax-exempt bonds the highest priority for low-income housing tax credits and excludes per-unit cost limitations and other limitations on use of low-income housing tax credits for residential rental housing projects. (Art. 3, Secs. 1-2)

Multiple largely technical changes or cancellations to previous year’s capital investment laws, are in the law, including extending the date a project must be completed and using leftover money from a project for a different purpose. For example, remaining funds from a 2009 allocation for a new dormitory at the Minnesota State Academy for the Deaf can be used for asset preservation. (Art. 2, Secs. 23-42; Art. 3, Sec. 12; Art. 4, Secs. 3-6)

The law adds two new uses of housing infrastructure bonds - manufactured housing park improvement and infrastructure and senior housing. It also permits the Housing Finance Agency to issue an additional \$80 million in housing infrastructure bonds. Of that, \$30 million “must be permanent supportive housing for people with behavioral health needs.” (Art. 2, Secs. 14-21)

The law adds two minority caucus members to the State Capitol Preservation Commission and continues it to oversee ongoing maintenance of the restored Capitol. A 13-member Capitol Art Exhibit Advisory Committee is created by the law “to advise and make recommendations to the State Capitol Preservation Commission regarding art exhibits to be displayed in State Capitol spaces.” This took effect May 31, 2018. (Art. 2, Secs. 1, 2, 43)

A Legislative Budget Office was created by a 2017 law. This year’s law contains a number of small changes, including removal of the office from jurisdiction of the Legislative Coordinating Commission and establishing duties for its director, who will be deemed a public official. These are effective July 1, 2018.

Effective July 1, 2018, the law calls for establishment of a Legislative Budget Office Oversight Commission. The law also directs the establishment of uniform standards and procedures, access to data and fiscal note delivery and posting. These sections take effect Sept. 1, 2019. (Art. 5)

Business and Commerce

You can drink the alcohol you make

Customers who make beer or wine in brew- or winemaking-on-premises stores will be able to taste their self-made concoctions, an activity previously not permitted in state law. Sponsored by Rep. Jim Nash (R-Waconia) and Sen. Gary Dahms (R-Redwood Falls), the omnibus liquor law also:

- authorizes Hubbard County to issue an off-sale permit to the Red River Event Center & Liquor Co. in Akeley Township;
- allows North Mankato to issue a liquor license for the city-owned Caswell Regional Sporting Complex; and
- allows Minneapolis to issues liquor licenses to Daniel del Prado’s forthcoming Colita restaurant, opening at 5400 Penn Ave. S.; to a restaurant at 4959 Penn Ave. S.; and to Nighthawks at 3753 Nicollet Ave. S.

The on-premises language is effective May 30, 2018; the remainder upon local approval.

HF3972*/SF3621/CH202

Business and Commerce

Clearer provisions in vehicle service contracts

Motor vehicle service contracts will outline more clearly what should be included in them.

Sponsored by Rep. Tim O’Driscoll (R-Sartell) and Sen. Mark Koran (R-North Branch), a new law adds provisions to what should be included in motor vehicle service contracts, including tire or wheel replacement, scratches and dents, windshield cracks or chips caused by road hazards, and key fob replacements. The law also defines what “road hazards” are for insurance purposes.

Minnesota joins about 30 other states in conforming its law to what should be included in roadside repairs.

The new law takes effect Aug. 1, 2018.

HF3418*/SF3524/CH112

Business and Commerce

Cash for recycled cellphones

Minnesotans can get cash for recycling their old cellphones in certain kiosks.

Sponsored by Rep. Kelly Fenton (R-Woodbury) and Sen. Andrew Matthews (R-Milaca), a new law regulates electronic-recycling kiosks, like EcoATM, by requiring live representatives to monitor the kiosks, coming to retail stores, with all transactions electronically reported to law enforcement.

The law is effective May 9, 2018.

HF3225*/SF3248/CH113

Business and Commerce

Modernizing the books for business lawyers

A new law will update and modify statutes governing the conversion of corporations, nonprofits, LLCs and limited partnerships.

Among its long list of technical changes, the law:

- revises the definitions of “written action” and “record” to include electronic methods;
- allows publicly traded corporations to change their board of directors’ compensation after the board approves a merger;
- clarifies that a proxy’s appointment can be terminated if a related shareholder shows up and votes;
- allows a publicly held corporation to merge without shareholder approval if the offer meets specific requirements; and
- allows business corporations and LLCs to convert to limited partnerships, and limited partnerships to convert to business corporations or LLCs.

The law, sponsored by Rep. Dennis Smith (R-Maple Grove) and Sen. Jerry Relph (R-St. Cloud), has various effective dates.

HF2764*/SF2467/CH103

Business and Commerce

Updating phrasing for mortgage loan originators

A new law updates phrasing to statutes governing licensing requirements for mortgage loan originators, intended to improve testing for those individuals.

Amending language in Minnesota Statutes, chapter 58A, the law replaces any reference to the “Nationwide Mortgage Licensing System and Register” to the “Nationwide Multistate Licensing System and Registry.” The law also requires that one hour of training for applicants be about Minnesota state law and rules.

Sponsored by Rep. Dario Anselmo (R-Edina) and Sen. Eric Pratt (R-Prior Lake), the law takes effect Aug. 1, 2018.

HF3158*/SF2581/CH104

Business and Commerce

‘Certified’ reinsurers join the state’s risk-sharing groups

Minnesota will recognize a new class of reinsurance organizations, deemed "certified reinsurers," who join "licensed" and "accredited" reinsurers, these entities take on some of the risk of licensed Minnesota insurance companies.

This new classification will allow non-Minnesota-licensed reinsurers to work in the state as long as they meet certain bookkeeping and financial strength requirements. The new law requires the Department of Commerce to receive public input on certified reinsurance applications and publish a list of certified reinsurers with their ratings from agencies like S&P and Moody’s.

Sponsored by Rep. Joe Hoppe (R-Chaska) and Sen. Gary Dahms (R-Redwood Falls), the new law gives the department new authority over out-of-state companies that want to work as certified reinsurers in the state.

Most of the new law takes effect Jan. 1, 2019.

HF3622*/SF3241/CH125

Business and Commerce

New law will increase threshold for direct bid contracts with small businesses

A new law could help small businesses and veteran-owned small businesses get more county construction contracts.

Sponsored by Rep. Cindy Pugh (R-Chanhassen) and Sen. Paul Anderson (R-Plymouth), the law will raise the threshold for counties to use direct bidding from 175,000 to \$250,000, so long as the business is a certified small business enterprise or veteran-owned small business.

The law takes effect Aug. 1, 2018.

HF3608/SF3793*/CH146

Business and Commerce

Credit unions granted new ways to handle internal policies

A new law updates how state-chartered credit unions can handle internal policies, from amending bylaws to expelling members.

Sponsored by Rep. Randy Jessup (R-Shoreview) and Sen. David Senjem (R-Rochester), the law allows these credit unions to adopt, amend or repeal bylaws if at least 3 percent of its members propose a resolution, and members can now vote electronically. The law also allows the credit union’s directors to amend bylaws and certificate of organization by a two-thirds vote.

Under the law, a credit union’s board can expel members who violate the membership agreement, attempt fraud or perform other illegal or inappropriate behavior like physical or verbal abuse toward its staff.

The law is effective Aug. 1, 2018.

HF3224*/SF2843/CH110

Business and Commerce

Making contractors, insurance adjusters estimates more transparent

A new law will require residential contractors and insurance adjusters to provide consumers with written notification in the initial home repair estimate that they cannot cover any part of the insurance deductible.

Residential contractors – that is, roofers, building contractors and remodelers – who work on insurance-claimed properties already cannot build in the deductible in their estimates.

The new law, sponsored by Rep. Jeff Howe (R-Rockville) and Sen. Karin Housley (R-St. Marys Point), requires the estimates to point to that prohibition in statute.

The law takes effect Aug. 1, 2018.

HF2899*/SF3188/CH209

Business and Commerce

Real estate appraiser advisory board established

A new law establishes a real estate appraisal advisory board as a connection between that community and the Department of Commerce.

Consisting of seven members, who must be at least five-year residents of Minnesota representing the “geographic distribution of the population,” the board will meet at least quarterly and must comply with the open meeting law.

Sponsored by Rep. Tim O’Driscoll (R-Sartell) and Sen. Bill Weber (R-Luverne), the law requires the commerce commissioner to provide a quarterly report to the board with a summarized list of appraisal courses and seminars not approved, along with the reasoning for denial, and any public disciplinary actions the state hands down to real estate appraisers.

Of the seven members, one has to be a certified general real property appraiser, two have to be certified residential real property appraisers, and three more – one of each – must be a real estate broker, an appraisal management company representative and a member of the general public with knowledge of real estate. The commissioner is also a member.

The law takes effect Aug. 1, 2018. The first appointments have to be made by Sept. 1, 2018.

HF2829/SF2991*/CH173

Business and Commerce

Streamlined liquidation for fraternal benefit societies

A new law will streamline the liquidation process for Minnesota-based fraternal benefit societies struggling to pay debts or meet obligations, and give them the ability to transfer their membership to another organization.

Sponsored by Rep. Joe Hoppe (R-Chaska) and Sen. Gary Dahms (R-Redwood Falls), the law establishes definitions and purposes for societies facing insolvency and guides how organizations can transfer into other societies or how to liquidate.

Under the law, a society can plan to transfer its members, certificates, assets and liabilities through merger, consolidation, assumption or other means to another firm, corporation or organization. The Commerce Department will have 45 days to review the transfer plan, and approve it within 90 days.

Societies must have suffered an event or be in a financial situation that makes them unstable or unable to continue servicing the certificates of their members under the law, for the department to begin liquidation proceedings.

The law takes effect Aug. 1, 2018.

HF3799*/SF3491/CH175

Business and Commerce

New consumer protections for energy-improvement program

A new law puts into place a number of consumer protections for a residential energy-improvement program in Minnesota known as Property Assessed Clean Energy, or PACE.

PACE is a financing mechanism that allows a local government to extend financing for energy conservation or renewable energy projects on private property through energy conservation or use of renewable energy and allows the loans to be repaid over time through an assessment on property taxes.

Sponsored by Rep. Tim O’Driscoll (R-Sartell) and Sen. Eric Pratt (R-Prior Lake), the law, effective May 20, 2018, creates more disclosures for consumers and property owners about how PACE works.

The law:

- lets the Department of Commerce assess examination fees against PACE administrators;
- establishes commercial PACE loan programs for cost-effective energy improvements;
- specifies that a residential PACE lien is subordinate to all other earlier liens;
- requires administrators to obtain a one-year license from the Department of Commerce – an initial \$1,000 and then \$500 per year to renew;
- requires contractors licensed through the Department of Labor and Industry to do the installations;
- prohibits administrators and contractors from entering into PACE contracts with low-income homeowners unless the homeowners are first referred to other state programs; and
- allows subsequent homeowners the same rights as original homeowners in claims.

HF3688/SF3245*/CH155

Business and Commerce

‘Revised Uniform Athlete Agents Act’ enacted

Joining a handful of other states, Minnesota has a new law updating regulations for agents representing college athletes.

Dubbed the “Revised Uniform Athlete Agents Act,” the law repeals older statutes governing these agents and replaces them with updated language. Some new features include expanding the definition of the agents, creating reciprocity with other states, adding requirements to contracts and providing a written warning to the student-athlete.

Sponsored by Rep. Chris Swedzinski (R-Ghent) and Sen. Melisa Franzen (DFL-Edina), the law requires agents to register with the Department of Commerce every two years, and the department has the authority to suspend or revoke an agent’s registration and refuse to renew their certificate. Agents can seek temporary certificates of registration while waiting on their application for registration or renewal.

The warning to student-athletes, under the law, states that, upon signing, students might lose their eligibility to compete in college, that the agent and the student must notify the athletic director, and that the student has 14 days to cancel the contract.

Under the law, effective Aug. 1, 2018, agents are required to provide notice to the athletic director about their contact with the student, either within 72 hours after signing a contract or before the “next scheduled athletic event.”

HF2363*/SF2399/CH192

Business and Commerce

More warranty leverage for auto dealers

Car manufacturers will have new obligations to Minnesota-based dealerships.

The law, effective May 31, 2018, requires manufacturers to put into writing what dealers’ obligations are for preparation, delivery and warranty services on products, along with requiring manufacturers to give dealers reasonable compensation for labor and parts involved in warranty work.

Additionally, the law, sponsored by Rep. Bob Vogel (R-Elko New Market) and Sen. Bill Ingebrigtsen (R-Alexandria), allows a dealer to establish a percentage mark-up to apply to warranty parts paid for by the manufacturer. It also requires manufacturers to compensate the dealer for warranty labor and requires dealers to establish retail rates for parts and labor once a year at most.

The law also deals with recall repairs. Manufacturers must fairly and reasonably compensate dealerships for labor and parts related to recalls, and must compensate at a pro-rated rate when manufacturers issue a do-not-drive order or a stop-sale on certain vehicles.

The law allows a fine of up to \$2,000 for “any person” who breaks the new requirements. Failure to pay the fine could result in a \$25,000 penalty.

HF740*/SF638/CH203

Business and Commerce

Revised Uniform Law on Notarial Acts

A new law will repeal and replace the standard for notaries public, and update Minnesota statutes to reflect a nationally recognized uniform law called the Revised Uniform Law on Notarial Acts.

Most notably, the law will allow for and regulate remote online notaries, including electronic signatures, seals and records.

Under Section 4 of the law, individuals cannot notarize their spouse’s records, or where either has a direct beneficial interest; Section 5 requires acknowledgement, verifications, signatures, copies and available protests; Section 6 deals with in-person notarization and Section 15 outlines what remote online notaries public will look like:

- people can be in the same physical place as someone else who can see, hear and communicate tangible identification credentials;
- notaries located in Minnesota can communicate with others outside the state on an electronic device or process;
- notaries can use electronic seals to confirm the remotely-approved document; and
- notaries must be registered with the secretary of state to perform remote online notarizations.

The Revised Uniform Law on Notarial Acts, sponsored by Rep. Dennis Smith (R-Maple Grove) and Sen. Jerry Relph (R-St. Cloud), outlines records and certificates. It also states how a notary can be removed – only by the governor, district court or commerce department – and for what reasons. The secretary of state’s office keeps a database of Minnesota’s notaries public.

The law is effective Jan. 1, 2019.

HF1609/SF893*/CH176

Business and Commerce

Regulatory relief for Minnesota movers

Minnesota movers who transport household belongings will be free of a mandate that they file a list of rates and terms with the Department of Transportation.

Called tariffs, moving companies are required to file the documents with MnDOT for review. Sponsored by Rep. Cal Bahr (R-East Bethel) and Sen. Mark Koran (R-North Branch), the law, effective Aug. 1, 2018, will narrow a provision and eliminate that requirement on household goods movers.

Instead, the law sets requirements on how consumers can access the tariffs, including a mandate that movers post the list at their places of business – including both their primary place of business and terminal locations – and that they make them available for public inspection.

HF3282/SF2869*/CH184

Civil Law

Construction project statute of limitations fixed

Hoping to avoid what proponents called “unnecessary litigation,” a new law amends the statute of limitations for recovering damages in construction projects.

Under the new law, sponsored by Rep. Dennis Smith (R-Maple Grove) and Sen. Scott Newman (R-Hutchinson), cause of action begins accruing when someone finds property damage, but not before the construction project is abandoned or completed. If someone gets hurt or killed, the cause of action starts accruing from the time the injury or death is discovered.

The law, effective May 9, 2018, is in response to a 2015 court case, “328 Barry,” where parties sued each other over leaky windows before the construction project was completed.

HF2743*/SF2468/CH116

Civil Law

Agriculture data privacy rules are updated

Some agricultural research data collected by the University of Minnesota will be classified as “not-public” under a new law.

Sponsored by Rep. Rod Hamilton (R-Mountain Lake) and Sen. Bill Weber (R-Luverne), the law – which takes effect Aug. 1, 2018 – is meant to strengthen data privacy rules for farmers who contribute information to the university’s research projects.

Under the law, data the university creates, collects or maintains on an agricultural analysis platform will be classified as private or nonpublic data, although that information could be disclosed with written permission from the individual or in response to a threat to health, safety, or the environment.

HF2982*/SF2550/CH140

Civil Law

Self-service storage facility auction changes

A new law clarifies that owners of self-storage facilities to use online auctions as means of cleaning house when a renter defaults on their property.

The law, sponsored by Rep. Peggy Scott (R-Andover) and Sen. Mark Johnson (R-East Grand Forks), clarifies that the sale can occur either via online auction or an in-person sale at the facility.

The law, effective May 30, 2018, also allows rental agreements to be “modified” between the facility owner and the renter.

HF3380*/SF2937/CH191

Civil Law

Sibling bill of rights is now law

A so-called “bill of rights” will ensure siblings in foster care get to visit each other.

Sponsored by Rep. Ron Kresha (R-Little Falls) and Sen. Jerry Relph (R-St. Cloud), the new law establishes a set of rights for foster care children, including the right to be placed with their siblings when possible and to visit their siblings. It takes effect Aug. 1, 2018.

Child welfare agency staff will be required to give a copy of the bill of rights to children upon entry into foster care. The law does not specify ramifications if the rights are violated.

Foster family license holders and caregivers, and foster residence staff are required to undergo at least one hour of training on fetal alcohol spectrum disorders per year. The new law says this must be counted towards the 12 hours of annual training required.

The Minnesota assessment of parenting for children and youth (MAPCY) tool is used to determine eligibility for Northstar Care for Children benefits. The new law requires the Human Services commissioner, in consultation with representatives from communities of color, to review and revise the MAPCY tool to incorporate the diverse needs of different cultures and communities.

HF3265*/SF2902/CH188

Consumers

Protecting children from identity theft

A new law is intended to keep children safe from identity theft.

Sponsored by Rep. John Petersburg (R-Waseca) and Sen. John Jasinski (R-Faribault), the law extends security freeze protections to individuals under age 16 by allowing credit reporting agencies freeze existing credit reports or to develop credit reports on young account-holders and subsequently freeze those reports.

The law, mostly effective Jan. 1, 2019, gives credit reporting agencies 30 days to act after the consumer requests a freeze or lift.

HF1243*/SF1811/CH158

Consumers

‘Safe Seniors Act’ intended to help fight financial fraud

Pitched as senior citizen consumer protections, the so-called “Safe Seniors Act” will give broker dealers and investment advisors the authority to report suspected financial exploitation to the Department of Commerce or the Minnesota Adult Abuse Reporting Center.

Investment advisors and broker dealers can see when someone is trying to financially exploit seniors or other vulnerable populations – according to the law, individuals 65 and older, or legally defined as vulnerable – and the Safe Seniors Act will give them the ability to report the potential threats to the state, followed by giving law enforcement an opportunity to intervene. Abuse-reporters will have protection from civil and administrative liability.

The law will allow a broker dealer or investment advisor to freeze seniors’ accounts or delay disbursements if they believe financial exploitation has or will occur

Sponsored by Rep. Joe Schomacker (R-Luverne) and Sen. Karin Housley (R-St. Marys Point), the law takes effect Aug. 1, 2018.

HF3833*/SF919/CH161

Economic Development

New law makes changes to Taconite Economic Development Fund

A new law clarifies the use of the Taconite Economic Development Fund and restricts the use of the Douglas J. Johnson Economic Protection Trust Fund.

Sponsored by Rep. Sandy Layman (R-Cohasset) and Sen. Justin Eichorn (R-Grand Rapids), the law takes effect July 1, 2018, unless otherwise noted.

The law will allow funds to be released from the Taconite Economic Development Fund before the next Iron Range Resources and Rehabilitation board meeting and redirects unused matching funds to the Taconite Environmental Protection Fund.

It redirects unused amounts in the development fund exclusively to the environmental fund, rather than splitting leftover money with the economic protection fund.

It also does the following things:

- restricts spending, appropriations or transfers from the Douglas J. Johnson Economic Protection Trust Fund to those listed in statute;

- changes the Taconite Economic Development Fund to refer to “Minnesota taconite pellet producers” instead of “taconite producer” or “companies” (effective retroactively from Dec. 21, 2016);
- extends distributions to the Iron Range School Consolidation and Cooperatively Operated School Account to 2018 and 2019 (effective for distributions beginning in 2018 and thereafter); and
- specifies that for the 2018 distribution only, if there is money left in the Taconite Property Tax Relief Account after the required property tax relief payments, 10 cents per ton will be sent to the Iron Range Resources and Rehabilitation Account (effective for the 2018 distribution – the transfer must be made within 10 days of the August 2018 payment).

HF3763*/SF2915/CH198

Elections

Changes made to campaign finance law

A new law modifies disclosure and reporting requirements in campaign finance law, and makes clarifying and technical changes to statute.

Among the changes, the new law:

- raises the thresholds for when an entity is considered an associated business for purposes of economic interest disclosures by public officials;
- modifies the Minnesota Campaign Finance Board’s procedures for investigating alleged violations;
- codifies several administrative rules;
- provides new standards for determining the date a contribution is received, including for electronic contributions;
- modifies the standard for determining the allowable reimbursement for mileage;
- makes changes to independent expenditure disclaimers;
- expands definitions for certain types of noncampaign disbursements, as well as coordinated and noncoordinated expenditures;
- requires campaign reports to include explanations of how certain types of expenditures were used;
- requires disclosure when contributions are raised through the sale of goods or services; and
- repeals administrative rules, many of which were recodified in the law.

The law is sponsored by Rep. Tim O’Driscoll (R-Sartell) and Sen. Mary Kiffmeyer (R-Big Lake), and takes effect June 1, 2018, unless otherwise stated.

HF3837/SF3306*/CH119

Employment

Retired judges can join workers’ comp court

A new law will allow retired workers’ compensation and administrative law judges to hear appeals cases.

After workers’ comp cases are ruled on by the Office of Administrative Hearings, the Workers’ Compensation Court of Appeals can hear them. The law gives these appeals courts the opportunity to field a quorum and proceed with hearings while paying the assigned judge.

In addition, the law, which has various effective dates, also establishes a fee schedule for workers’ comp outpatients and carves out how billing, payment and dispute resolutions occur.

The law, sponsored by Rep. Tony Albright (R-Prior Lake) and Sen. Paul Utke (R-Park Rapids), qualifies Post-Traumatic Stress Disorder as an occupational disease under workers’ comp rights when it affects police, firefighters and medical personnel. This section is effective for employees with dates of injury on or after Jan. 1, 2019

HF3873*/SF3420/CH185

Employment

New law makes changes to job training program requirements

A new law will modify the state's job training program requirements.

Sponsored by Rep. Anne Neu (R-North Branch) and Sen. Rich Draheim (R-Madison Lake), the new law will:

- remove the requirement that education and training courses last an average of six months;
- clarify program participants must be 18 or older on the enrollment date;
- modify financial qualifications for the program; and
- replace existing program reporting requirements with those in the uniform outcome report card.

The law is effective Aug. 1, 2018.

HF2937/SF2629*/CH129

Employment

New law will help stabilize state pension plans

A new law will stabilize state pension plans by adding additional funding from employees, employers and the state. It also eliminates \$3.4 billion in unfunded pension liabilities for state employees, teachers, firefighters and judges.

Sponsored by Rep. Tim O'Driscoll (R-Sartell) and Sen. Julie Rosen (R-Vernon Center), the omnibus pension and retirement law amends existing statutes and adds new statutes to the chapter governing the state's pension and retirement plans.

In a statement, O'Driscoll said the law is expected to save Minnesota taxpayers \$57 million in Fiscal Year 2019 and \$263 million in the next biennium.

Gov. Mark Dayton estimates 173,000 current retirees and 511,000 total beneficiaries throughout Minnesota will benefit from the reforms.

"Hard working Minnesotans who have dedicated their lives and careers to serving our state deserve the security of retirement benefits they have rightly earned," Dayton said in a statement.

The law, which has various effective dates, makes benefit reforms to the state's four public pension systems: Minnesota State Retirement System, Public Employees Retirement Association, Teachers Retirement Association and St. Paul Teachers Retirement Fund Association (Arts. 1-4).

These reforms include ending augmentation, eliminating subsidies in the calculation of early retirement benefits, postponing the start of post-retirement adjustments until normal retirement age and reducing the rate of interest paid on refunds.

The law updates assumptions for investment rate of return to 7.5 percent for each plan and re-sets the amortization period for all plans to a new 30-year period, extending the period until 2048. It also removes the assumptions for payroll growth and salary increases (Art. 5).

Contribution rates from members and employers, as well as the amount of money the state pays into most plans, will go up, with amounts differing with each plan. Funding will be appropriated to reimburse some employers for increases in their contributions (Arts. 7-8, 21).

The law also amends the pension adjustment revenue statute that provides K-12 education funding for teacher pensions, which goes into effect for revenue in Fiscal Year 2019 or later. (Art. 20)

The Volunteer Firefighter Relief Associations see numerous changes, including for specific cities or firefighter groups.

The law also dissolves the Maplewood Firefighters Relief Association and terminates its pension plan, which will take effect if approved local authorities within 45 days of June 1, 2018.

It also establishes a work group to consider possible changes to existing law on converting benefit relief associations to defined contribution relief associations and dissolution of relief associations and disposition of surplus assets. This section is effective June 1, 2018. (Art. 14, Sec. 32)

Among other changes in the law are technical corrections, administration provisions changes across all plans, and modifications to the Minnesota State Retirement System, Public Employee Retirement Association, union laborer plans and small group plans. (Arts. 9-13, 15-19)

HF3053/SF2620*/CH211

Energy

Modifications made to biodiesel laws

Fuel refiners and blenders will have a few more days to make their annual transition from one type of biodiesel fuel to another.

State law requires diesel fuel sold in Minnesota to contain a certain percentage of biodiesel, which is a plant-based fuel that can be made from soybeans. The law requires that percentage to grow over time as biodiesel production capacity in the state increases. On May 1, 2018, the percentage of biodiesel that must be included in Number 2 diesel fuel jumped from 10 percent (B10) to 20 percent (B20).

However, because of concerns over how diesel fuel with the B10/B20 blend performs in cold weather, the law says that during winter months, October through March, a lower blend of biodiesel, B5, is to be used. This creates challenges for facilities that blend and refine the fuel and must each year transition between the different blends.

Sponsored by Rep. Paul Anderson (R-Starbuck) and Sen. Bill Weber (R-Luverne), the new law allows those facilities to have a two-week period, April 1-14, to ramp up production of the B20 blend. By April 1 a B10 blend must be reached, then rise to a B20 blend after April 14.

The law, effective Aug. 1, 2018, also makes permanent an exemption from the biodiesel blend for Number 1 diesel fuel, used by many truck drivers, which was set to expire.

HF3523/SF3596*/CH133

Energy

Law increases solar energy systems eligible for incentives

A new law will allow larger solar energy systems to be eligible for incentives through Xcel Energy's Solar Rewards program.

Sponsored by Rep. Marion O'Neill (R-Maple Lake) and Sen. David Osmek (R-Mound), the law will increase the maximum capacity of solar energy systems eligible for the program from 20 kilowatts to 40 kilowatts per customer location.

This portion of the new law is effective June 1, 2018.

The law also allows systems up to 40 kilowatts to be counted toward Xcel's solar energy standard, up from 20 kilowatts. The standard requires that 0.15 percent of Xcel's retail electric sales be generated from solar energy systems at or below 40 kilowatts by the end of 2020.

This section is effective May 30, 2018.

HF3232*/SF2696/CH193

Environment and Natural Resources

New water treatment plants are exempt from changing rules

A new law gives newly constructed municipal water treatment plants a 16-year pass on keeping up with changes to effluent limit requirements.

Sponsored by Rep. Dale Lueck (R-Aitkin) and Sen. Bill Weber (R-Luverne), the law is effective retroactively from Aug. 1, 2017.

It allows a municipality that constructs a publicly owned treatment plant an exemption from making additional capital investments to comply with new effluent limits adopted after construction begins for at least 16 years.

Lueck said the law will provide regulatory certainty for municipalities that build plants to comply with new or modified effluent limitations, but some opponents are concerned it will jeopardize drinking water quality.

HF2802*/SF2807/CH148

Environment and Natural Resources

Cuyuna Country State Recreation Area council will get a membership update

The advisory council that provides input for the Cuyuna Country State Recreation Area will undergo changes to its membership structure.

The Cuyuna Country State Recreation Area Citizens Advisory Council was established to provide direction on the operations of the recreation area.

Modifications will be made to the council to update the names and organizations represented on the council. One legislator from both the Senate and House will be added to the council, instead of an “elected state official,” as previously constituted.

Sponsored by Rep. Dale Lueck (R-Aitkin) and Sen. Carrie Ruud (R-Breezy Point), the law takes effect Aug. 1, 2018.

HF2847*/SF2536/CH149

Environment and Natural Resources

Fence and barrier exemptions provided for closed mines

Closed and abandoned mines will no longer be held to certain fence, barrier and sign requirements if the property is used for recreational or economic development purposes.

Sponsored by Rep. Jason Metsa (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm), the new law granting mine exemptions takes effect Aug. 1, 2018.

The law maintains requirements to erect fencing, barriers and signs around excavation pits and mine shafts where mining operations have ceased. But it provides an exemption for property owned by the Iron Range Resources and Rehabilitation Board, property used for grant-in-aid trails, property owned by a municipality for park and recreational purposes and property for certain economic development projects.

HF3089*/SF2741/CH154

Environment and Natural Resources

Outdoor Heritage Council funds will enhance wildlife habitat

The state will use \$113.9 million in Fiscal Year 2019 to protect, enhance and restore about 102,000 acres of wildlife habitat across the state, including 81 miles of shoreline.

Sponsored by Rep. Dan Fabian (R-Roseau) and Sen. Bill Ingebrigtsen (R-Alexandria), the new law appropriates money from the Outdoor Heritage Fund, as recommended by the Lessard-Sams Outdoor Heritage Council.

According to the fund website, “Thirty-three percent of the sales tax revenue from the Clean Water, Land and Legacy amendment is distributed to the Outdoor Heritage Fund. Those funds ‘may be spent only to restore, protect, and enhance wetlands, prairies, forest and habitat for fish, game, and wildlife.’”

The law, which has various effective dates, will appropriate \$113.9 million for the next fiscal year to fund 47 programs throughout the state. These programs will be carried out by 24 organizations comprised of 14 nongovernmental organizations, eight local units of government and two state agencies.

The law will appropriate the following:

- \$40.9 million for habitat projects;
- \$35.2 million for prairie projects;
- \$28.1 million for wetland projects;
- \$9.1 million for forest projects; and
- \$410,000 for administration and other expenses.

Of the 101,925 acres of wildlife habitat that will be affected by the law; 77,835 acres are proposed for enhancement, 18,357 acres are set aside for protection; and the remaining 5,733 acres are proposed for restoration.

This correlates to \$65 million used for protection, \$22.6 million put towards enhancement efforts and \$14.2 million reserved for restoration.

HF3423*/SF3167/CH208

Environment and Natural Resources

White Bear Lake court order delayed by Legislature

The Department of Natural Resources will be temporarily prohibited from expending funds to enforce certain groundwater permit conditions, despite a judicial court order.

The new law is in response to an issue that occurred in 2017 when a judge ruled against the DNR for allowing excessive groundwater pumping around White Bear Lake, dropping the lake level 4 feet. The judge issued a court order requiring the DNR to review and amend groundwater appropriation permits within a 5-mile radius of White Bear Lake.

Sponsored by Rep. Linda Runbeck (R-Circle Pines) and Sen. Roger Chamberlain (R-Lino Lakes), the new law prohibits the DNR from using funds to take action against permit holders who violate permit requirements established as a result of a 2017 court order. The law takes effect June 1, 2018.

Permit holders will also be allowed to temporarily take certain actions despite the court-ordered conditions. Permit holders located in a groundwater management area may use alternative measures of water use and alternatives to residential irrigation bans. They will no longer be required to have a contingency plan to use surface water.

Runbeck said the temporary delay will give residents time to better understand the court order and appeal.

HF4003*/SF3573/CH181

Environment and Natural Resources

\$850 million 3M settlement terms are codified

One of the biggest stories of the 2018 session broke on its first day, when a settlement was reached between 3M Company and the State of Minnesota, following an eight-year lawsuit in which the state alleged 3M's use and development of perfluorochemicals had been contaminating drinking water since the 1950s.

In the following weeks, legislators worked to put the terms of the Feb. 20, 2018, settlement agreement into law. Sponsored by Rep. Kelly Fenton (R-Woodbury) and Sen. Karin Housley (R-St. Marys Point), the new law primarily takes effect Aug. 1, 2018. Establishment of a water sustainability account is effective May 30, 2018.

Under the agreement, an \$850 million grant payment from 3M will be used to fund clean drinking water and natural resource projects in an area that "includes but is not limited to the cities of Woodbury, Oakdale, Lake Elmo, Cottage Grove, St. Paul Park, Afton, and Newport and the townships of West Lakeland and Grey Cloud Island."

Grant trustees are the Pollution Control Agency and Department of Natural Resources.

A majority of the funds, \$720 million, will immediately be available to provide long-term solutions to restore natural resources and provide the area's 157,000 residents and businesses with clean drinking water. Measures to do so include treating contaminated wells, connecting homes with private wells to municipal sources and providing alternative sources of drinking water.

The PCA will be required to issue a report to the Legislature by Jan. 15 each year on the testing for private wells in the designated area and the total amount spent for testing private wells in each community. Also by Jan. 15 each year, the PCA must report to each community in the east metropolitan area a results summary for the testing of private wells in the community.

Additionally, the PCA must create a website that at least includes: the process for private and public well sampling, an interactive map showing locations of Health Department well advisories and areas projected to be sampled; and how to contact the department or PCA for more sampling information.

HF3660*/SF3202/CH204

Environment and Natural Resources

Municipalities establishing waste collection will face new guidelines

A yearlong effort by multiple parties to forge a new process for municipalities to adopt solid waste collection systems will take effect Jan. 1, 2019.

Currently, if a local government seeks to implement a solid waste collection method it must establish a committee to identify and evaluate potential new methods. That evaluation will be expanded to include an analysis of residents’ ability to choose a solid waste collector based on cost, services provided and other factors, and the impact of collection vehicle operation on city streets and alleys.

Sponsored by Rep. Dennis Smith (R-Maple Grove) and Sen. Dan Hall (R-Burnsville), the new law will also affect collector negotiations by extending the period during which local governments are required to negotiate with licensed haulers from the current 60 days to “at least” 60 days. Negotiating parties will also be allowed to informally meet and confer regarding waste collection issues prior to negotiations.

HF3095*/SF2697/CH177

Environment and Natural Resources

Omnibus lands bill becomes law

Certain state land lease modifications and online auctions for surplus public land sales are now authorized.

Sponsored by Rep. Clark Johnson (DFL-North Mankato) and Sen. Bill Ingebrigtsen (R-Alexandria), the law doing such took effect May 21, 2018.

It alters state land lease requirements by authorizing the Department of Natural Resources to require lessees to submit a security deposit to ensure that improvements and personal property are not left on state land when a lease expires. Past law allowed the DNR to require a performance bond for this purpose.

The DNR is also be allowed to conduct sales of surplus state-owned land through online auctions, and sell specific parcels of property in Chisago, Mahnomen, Rice and St. Louis counties.

HF3424/SF3168*/CH186

Family

Legal presumption in child support law reversed

In child support law, a court can modify an arrangement’s terms if it’s determined to be “unreasonable” or “unfair.” And anytime a law is passed affecting those “unreasonable” or “unfair” terms in child support orders, the court legally presumes it to be “not substantial.”

A new law sponsored by Rep. Peggy Scott (R-Andover) and Sen. Mary Kiffmeyer (R-Big Lake) flips that legal presumption.

Effective Aug. 1, 2018, any modifications in child support law will be presumed to be a substantial change in circumstances in child support orders.

HF3389*/SF2885/CH118

Family

Day cares don't have to post correction orders

Child care providers will no longer have to publicly post the correction orders handed down from the Department of Human Services.

Existing law requires licensed family child care providers and child care centers to post a correction order, or order of conditional license, in a visible place in the facility for two years, with some exceptions.

However, because correction orders are already posted online, posting physical copies is duplicative, said Rep. Duane Quam (R-Byron), who sponsors the law with Sen. Carla Nelson (R-Rochester).

The law takes effect Aug. 1, 2018.

HF3015*/SF3058/CH153

Family

Unmarried parents receive same rights as divorced couples in child custody process

Instead of going through a lengthy court battle, unmarried parents filing for joint child custody will be afforded the same rights as divorcing parents.

A new law will allow unmarried parents to file joint petitions for custody, parenting time and child support in family court when all the parties agree on the terms. Before the law, which is effective Aug. 1, 2018, only formerly married parents could use the expedited process.

Unmarried parents will now be able to file the joint petition without a summons, so long as the petition includes a recognition of parentage that says there isn't any other alleged or presumed father. The law, sponsored by Rep. Peggy Scott (R-Andover) and Sen. Mary Kiffmeyer (R-Big Lake), will allow unmarried parents to appear in a hearing before a judge, but not have to go through the entire family court process.

HF3295*/SF3192/CH127

Health and Human Services

Health savings accounts now protected from creditors

Creditors will no longer be able to target health savings accounts in attempting to collect debts.

Sponsored by Rep. Mary Franson (R-Alexandria) and Sen. Roger Chamberlain (R-Lino Lakes), a new law allows protection for up to \$25,000 in health or medical savings accounts, joining a list of exempted property like the family Bible, some farming equipment and public assistance.

Health savings accounts are defined by the federal Internal Revenue Code.

The new exemption, effective Aug. 1, 2018, doesn't apply to debts from marital asset divisions or support orders.

HF2391*/SF2556/CH111

Health and Human Services

New law boosts reimbursement to Episcopal Homes

New dollars are heading to a senior housing and care service facility in St. Paul.

Effective Jan. 1, 2019, a new law will increase the skilled nursing facility property rate paid by Medical Assistance to Episcopal Homes by \$7.55 through existing moratorium exemption appropriations.

A prior construction project in the St. Paul Midway area put Episcopal Homes at the state's property rate maximum. The new law, sponsored by Rep. Deb Kiel (R-Crookston) and Sen. Richard Cohen (DFL-St. Paul), bypasses this.

HF2920/SF2762*/CH141

Health and Human Services

Athletic trainers now need a license to train athletes

Long sought-after athletic trainer reform will become law in Minnesota.

Rep. Mary Franson (R-Alexandria), who sponsors the new law with Sen. Jim Abeler (R-Anoka), said the bill would shift athletic trainers from a registration system to a licensure system, and is the result of six years of work.

The new law, mostly effective July 1, 2018, will allow currently registered trainers to have their registration converted to a license at the time of their next renewal.

Franson said this would better protect the public, in part, because potential trainers are now required to complete a background check in order to receive a license.

The law also changes how supervised hours required to be a licensed psychologist will be counted. In addition to requiring two hours per week, aspiring licensees must complete a total of 100 hours of supervision.

HF822/SF614*/CH143

Health and Human Services

Potential new mental health facilities face streamlined regulations

Sponsored by Rep. Roz Peterson (R-Lakeville) and Sen. Paul Utke (R-Park Rapids), a new law deletes a requirement that an intensive residential treatment services provider have a contract with a host county in order to operate.

It also adds that a provider must specify the geographic area its facility will serve and establish that the area needs its services.

The Department of Human Services defines such providers as "time-limited mental health services provided in a residential setting." In order to qualify for services, a patient has to also be eligible for Medical Assistance.

The new law, effective May 17, 2018, also includes crisis centers, which are similar to intensive residential treatment services, but generally offer services for shorter periods.

The law adds a requirement that the provider request a "statement of need" from all county boards and/or tribal authorities in its service area. The statement must say whether a particular local government feels a new provider is needed for its constituents.

Peterson said the law will help free up mental health hospital beds by creating more intensive residential treatment services facilities and streamline the application process to create a facility.

HF2945*/SF2545/CH151

Health and Human Services

State to count still births along with live births

A new law, effective Aug. 1, 2018, will count birth defects in stillborn babies when tabulating birth defects in the state.

Sponsored by Rep. Deb Kiel (R-Crookston) and Sen. Jim Abeler (R-Anoka), the law includes reporting provisions on stillborn babies with those on live babies. It also requires the Department of Health to inform parents of a child with birth defects of "the privacy implications" of the department maintaining records about their child.

HF3689*/SF2662/CH152

Health and Human Services

Step therapy override process established

A new law creates a process by which an enrollee and prescribing health care provider can override a health plan company's step therapy protocol.

Step therapy is a system health plan companies require doctors and enrollees to use when prescribing new medication. A protocol, according the law's sponsors, Rep. Kelly Fenton (R-Woodbury) and Sen. Paul Utke (R-Park Rapids), will give doctors and patients another tool in deciding which medication to choose.

It is effective Jan. 1, 2019, and applies to health plans offered, issued or sold after that date.

HF3196*/SF2897/CH162

Health and Human Services

Advanced practice nurses get wider mission parameters

Advanced practice registered nurses will have some powers added, and some taken away, under a new law.

Effective Aug. 1, 2018, nurses will be able to use their certification of attendance to count on a death certificate, in addition to regular physicians. There are also new inclusions for the nurses in laws related to patient mail, requests in a home care setting for discontinuation of life-preserving care, admissions, transfer of assets from institutionalized people and others.

Sponsored by Rep. Nick Zerwas (R-Elk River) and Sen. Mary Kiffmeyer (R-Big Lake), the new law also takes away the advanced practice nurses' and physician assistants' ability to authorize a new pair of eyeglasses using an old prescription.

HF2746*/SF3318/CH170

Health and Human Services

Child care providers to get a break from mandated training

Sponsored by Rep. Mary Franson (R-Alexandria) and Sen. Andrew Lang (R-Olivia), a new law exempts certain child care providers from the positive support strategies rule, effective Aug. 1, 2018.

"Positive support strategies" in the context of human services means treatment that is ethical, person-centered and integrates the patient with the community. The administrative rule from the Department of Human Services says it's intended to make sure "people are free from humiliating and demeaning procedures."

The positive support strategies rule prohibits home and community-based care and other providers licensed by the Department of Human Services serving persons with developmental disabilities or related conditions from "using punishment of any kind" as well as "speaking to a person in a manner that ridicules, demeans, threatens, or is abusive," among other things.

The training section of the rule mandates that providers receive eight hours of training on topics including "cultural competence," de-escalation techniques, appropriate use of restraints, and when staff is required to call 911.

The new law says licensed child care programs serving children with developmental disabilities or related conditions will not have to follow the rule. Instead, they must follow the child's individual child care program plan or individualized education program under existing Minnesota law.

The law also says those providers remain prohibited from using techniques listed in statute that bans "using chemical restraints, mechanical restraints, manual restraints, time out, seclusion, or any other aversive or deprivation procedure, as a substitute for adequate staffing, for a behavioral or therapeutic program to reduce or eliminate behavior, as punishment, or for staff convenience."

HF3253/SF2685*/CH163

Health and Human Services

Foster families get break from fingerprinting requirements

Children in a licensed family foster home, legal non-licensed child care provider home, or family child care home won't automatically have to submit fingerprints and a photograph for a background check.

Sponsored by Rep. Tony Albright (R-Prior Lake) and Sen. Mary Kiffmeyer (R-Big Lake), the law takes effect June 18, 2018.

The new law will require a fingerprint-based background study of a member of a legal non-licensed child care provider home, family child care home, or foster home household who is under 18 years of age only if that person will be supervising children, or the state has reasonable cause to think a national criminal history record check is needed.

HF4249/SF2683*/CH166

Health and Human Services

New quarantine protections prevent undue firing

Employment protections for those who care for someone under quarantine will be extended.

Sponsored by Rep. Duane Quam (R-Byron) and Sen. Michelle Benson (R-Ham Lake), the law is meant to prevent a caregiver from being fired from a job for providing care to the quarantined person.

Effective Aug. 1, 2018, the law also further defines a "communicable disease" in related law.

HF3448/SF3102*/CH167

Health and Human Services

Doctors and health plans required to give good faith estimates

A new law will require health care providers to post a list on their website and in their offices of common procedures and the estimated costs associated with those most-accessed procedures. The law also provides that health plan companies cannot prohibit providers from discussing price information.

Sponsored by Rep. Sarah Anderson (R-Plymouth) and Sen. Rich Draheim (R-Madison Lake), the law, effective July 1, 2019, requires these disclosures to be a "good faith estimate," that is not a guaranteed final cost for services or a final determination of coverage eligibility.

The law requires primary care providers to maintain a list of services over \$25 that correspond with 25 most frequently billed codes, and to disclose charge or payment information for each service on the list. The list must be updated every year and posted in a reception area.

HF3893/SF3480*/CH168

Health and Human Services

Mental health provider requirements altered

Mental health practitioner hopefuls will have new requirements before they can practice.

Effective Aug. 1, 2018, a new law changes requirements in the multiple avenues whereby a person can qualify as a mental health practitioner. Most notably, it adds work with traumatic brain injury victims, substance abuse disorders and developmental disabilities to work hours that satisfy qualification requirements.

The law also clarifies that a practitioner who treats children must have experience or training treating children, and a practitioner who treats adults must have a background in the treatment of adults.

Under the new law, people can become certified mental health practitioners through coursework, which requires 30 semester hours or 45 quarter hours in behavioral sciences or related fields, 2,000 hours of supervised work experience, and work in a day treatment program or an internship.

They can also become certified mental health practitioners through work experience: the new law cuts the total amount of supervised hours to qualify through this path from 6,000 to 4,000. They can also qualify via a graduate student internship. Additionally, they can qualify via holding a bachelor's degree with an internship, or master's degree.

Rep. Tony Albright (R-Prior Lake) and Sen. Julie Rosen (R-Vernon Center) are the sponsors.

HF3432/SF3066*/CH128

Health and Human Services

Physician Assistant Advisory Council term limits removed

An advisory council that assists state regulators with keeping track of physician assistants will have no term limits.

Sponsored by Rep. Joe McDonald (R-Delano) and Sen. Michelle Benson (R-Ham Lake), the new law, effective Aug. 1, 2018, eliminates term limits for members of the Physician Assistant Advisory Council.

The council is one of several that advises the state Board of Medical Practice, but was the only one that had term limits.

HF3536/SF2865*/CH130

Health and Human Services

Law tries to fight excessive health care costs

A new law, effective Aug. 1, 2018, will extend the time period for the Department of Health to use all-payer claims data to study health care costs to July 1, 2023. Otherwise, the authorization to use the database would sunset July 1, 2019.

In addition, the new law, sponsored by Rep. Nick Zerwas (R-Elk River) and Sen. Scott Jensen (R-Chaska), will exempt self-insurers from having to submit data.

HF3398/SF2675*/CH180

Health and Human Services

Civil commitment discharge criteria changed under new law

The release process from state mental health and sex offender program facilities for persons committed as mentally ill and dangerous, sexually dangerous, or persons with a sexual psychopathic personality will change.

As previously written, the law said a patient cannot be fully discharged until they are "no longer in need of inpatient treatment and supervision." The law deletes the word "inpatient," allowing for the continued use of a provisional discharge process.

The new law, effective May 30, 2018, is sponsored by Rep. Brian Johnson (R-Cambridge) and Sen. Warren Limmer (R-Maple Grove).

HF3782/SF3673*/CH194

Health and Human Services

Regions Hospital receives permission to expand

A new law will give Regions Hospital in St. Paul the state's blessing to build an expansion that is expected to add 60 beds to its facility.

The exception to a decades-old law banning the construction of new hospitals in the state is sponsored by Rep. Joe Schomacker (R-Luverne) and Sen. Michelle Benson (R-Ham Lake). This is the 28th exception in the 34-year history of the moratorium.

The hospital's original plan to add 100 beds was scaled back after opponents believed it would negatively impact other hospitals in the area and could force them to cut low-revenue services like inpatient mental health care.

Under the law, effective Aug. 1, 2018, the hospital is to add 55 licensed beds – 15 for inpatient mental health and 40 for other services. Five unlicensed observation mental health beds are also to be added.

HF3202*/SF2892/CH199

Health and Human Services

Child care reforms to be studied

The Department of Human Services will be ordered to consider reforming child care provider regulations.

Rep. Roz Peterson (R-Lakeville) and Sen. Bill Weber (R-Luverne) sponsor a new law that requires the department to include a review of progress studying possible reforms in its annual report due the Legislature by the end of January 2019. That section is effective Aug. 1, 2018.

In addition to the review, parts the law will also require some tweaks to existing regulations. It will mandate the department consider variances to child care staff requirements and it will modify circumstances under which a child care license holder must provide written notice to parents for insurance changes by specifying that if a license holder has an automatically-renewing policy, including the annual renewal date in the initial parental notice is sufficient and valid until the insurance coverage changes or the policy lapses. These sections also take effect Aug. 1, 2018.

The new law also requires the department to provide training to licensing agencies that perform child care licensing functions on identifying and preventing child care assistance program provider reimbursement fraud, by Dec. 31, 2019.

Effective Jan. 1, 2019, the department must notify a child care licensing applicant whose application has been denied “the reasons for the denial in plain language,” and notify license holders about correction orders, conditional licenses, and other licensing actions in plain language.

HF3403/SF3310*/CH200

Higher Education

Technical changes made to higher education loan forgiveness programs; contracts ratified

Sponsored by Rep. Bud Nornes (R-Fergus Falls) and Senate President Michelle Fischbach (R-Paynesville), a new law makes technical changes to the aviation, teacher shortage, agricultural educators and large animal veterinarian loan forgiveness programs. These sections are effective Aug. 1, 2018.

Additionally, the law ratifies labor agreements for the Minnesota State College Faculty and the Minnesota State University Association of Administrative and Service Faculty. This section takes effect June 30, 2018

HF3051/SF3062*/CH207

Housing

Clearer renters' rights definitions in Common Interest Ownership Act

A new law clarifies the rights of residents in common interest communities and amends the definitions of a “conversion property” and what “residential use” means for multi-family rentals.

The law affects the Minnesota Common Interest Ownership Act, which regulates common interest communities from condo associations to cooperatives and conversion properties.

Mostly technical in nature, the law, sponsored by Rep. Dennis Smith (R-Maple Grove) and Sen. Warren Limmer (R-Maple Grove), is effective May 9, 2018.

HF3552*/SF3183/CH117

Local Government

Metro counties granted equal sewer authority

Seven counties in the Twin Cities metropolitan area will be granted the same authorities relating to sewer systems that are already provided to municipalities in Greater Minnesota.

A new law will allow counties to construct, maintain and repair waterworks, sanitary sewer and storm sewer systems, with the option of using sanitary sewer and storm sewer charges to cover the costs.

Sponsored by Rep. Bob Loonan (R-Shakopee) and Sen. Eric Pratt (R-Prior Lake), the law takes effect Aug. 1, 2018. The counties affected by the law are Hennepin, Ramsey, Dakota, Anoka, Washington, Scott and Carver.

HF3210*/SF3055/CH114

Local Government

Towns can provide grants to community food shelves

A new law will allow towns to grant money to community food shelves, putting them on the same level as cities and counties.

The new law, sponsored by Rep. Sondra Erickson (R-Princeton) and Sen. Andrew Mathews (R-Milaca), allows a town's governing body to use money from its General Fund or any other unrestricted money to provide grants to nonprofits that run community food shelves that provide food for free to people who need it.

Cities have been able to provide the grants since 1995; counties since 1998.

The law takes effect Aug. 1, 2018.

HF2636*/SF2364/CH105

Local Government

Law exempts Metropolitan Airports Commission from compensation limits

The Metropolitan Airports Commission will be able to set salaries for its employees, under a new law.

Sponsored by Rep. Tim O'Driscoll (R-Sartell) and Sen. John Jasinski (R-Faribault), the law exempts the commission from compensation limits for local government employees.

The law takes effect Aug. 1, 2018.

HF3395/SF3525*/CH120

Local Government

New bill broadens recycling funding sources

A bipartisan effort to increase the effectiveness of recycling programs has resulted in a new law that will broaden sources available to match funds for local recycling programs.

Effective Aug. 1, 2018, the law makes changes to a Pollution Control Agency grant program that provides financial assistance to metropolitan area counties for development or operation of yard waste composting and recycling programs.

Currently, PCA grants must be matched by equal county expenditures. The new law will broaden the entities that may match a state award to include a local unit of government, tribal government, nonprofit organization or private business.

Additionally, grant funds will be prohibited from being used for development of a product that would be patented or copyrighted.

Rep. Bob Loonan (R-Shakopee) and Sen. Rich Draheim (R-Madison Lake) are the sponsors.

HF3153/SF2921*/CH134

Local Government

Cities and counties can recognize Purple Heart recipients

A new law will allow local governments to designate themselves as a “Purple Heart City” or a “Purple Heart County.”

The law gives local governments the authority to use resolutions to honor U.S. military personnel who have received the Purple Heart by designating a prominent parking space at government centers, and they can accept donations to pay for a sign stating they are a “Purple Heart” city or county.

The law, effective Aug. 1, 2018 and sponsored by Rep. Matt Bliss (R-Pennington) and Sen. Dan Hall (R-Burnsville), will allow counties and cities to display a plaque on public property, as well as honor Purple Heart recipients by proclaiming Aug. 7 as Purple Heart Day.

HF3477/SF3262*/CH139

Local Government

New law increases sealed bidding threshold for city contracts

A new law will increase the threshold for municipal contracts that are required to go through the sealed bidding process.

Sponsored by Rep. Jim Nash (R-Waconia) and Sen. Dan Hall (R-Burnsville), the law requires cities go through the sealed bidding process for contracts estimated to cost \$175,000 or more.

The law, effective Aug. 1, 2018, also extends the range of contract estimates that may be made by direct negotiation from \$25,000-\$100,000 to \$25,000-\$175,000.

HF3841*/SF3399/CH107

Local Government

New law discontinues Ramsey County soil and water district

The Ramsey Soil and Water Conservation District will cease to exist after July 1, 2018.

Sponsored by Rep. Kelly Fenton (R-Woodbury) and Sen. Carolyn Laine (DFL-Columbia Heights), a new law will discontinue the district and transfer its duties and authorities to the Ramsey County Board.

The law was proposed by the county board, which drafted a resolution stating that it has the ability and wherewithal to assume this responsibility.

Under certain conditions, the county board may petition the Board of Water and Soil Resources to reestablish the district. BWSR may also reestablish the district by itself, without a referendum.

This law takes effect the day after local compliance.

HF3819*/SF3411/CH169

Local Government

Law clarifies water tank service contract requirements

A new law clarifies the process cities go through to fix water tanks.

Sponsored by Rep. Bob Vogel (R-Elko New Market) and Sen. Mark Koran (R-North Branch), the law requires cities to use the open-bidding process for multiyear water tank service contracts that are expected to exceed \$175,000.

It is effective for contracts entered into on or after Sept. 1, 2018.

HF1975*/SF2393/CH124

Local Government

Law allows St. Paul to use design-build process on public works project

A new law authorizes use of design-build contracting to make improvements on a water treatment plant.

Sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. Chuck Wiger (DFL-Maplewood), the law is effective May 21, 2018.

It authorizes the City of St. Paul or the St. Paul Board of Water Commissioners to solicit and award a design-build or construction manager at risk contract for the project titled “McCarron’s Treatment Process Improvements.”

The law requires the city or board to consider at least three proposals when awarding the contract.

HF3838/SF3297*/CH189

Military and Veterans Affairs

National Guard must be notified of life insurance program

A new law requires the adjutant general of the Minnesota National Guard to ensure that currently available state-sponsored life insurance is accessible to all Guard members and to do a better job of informing members of the Guard of the life insurance program.

Sponsored by Rep. Jeff Howe (R-Rockville) and Sen. Andrew Lang (R-Olivia), the law specifically requires the adjutant general to:

- allow, facilitate and coordinate all efforts to make the state-sponsored life insurance program available to all members;
- provide an opportunity for all members to sign up;
- allow, facilitate and coordinate requested allotments with the appropriate federal office;
- allow insurance representatives to provide Guard units with life insurance program briefings during annual training and drill weekends; and
- allow members to change or designate beneficiaries.

The law is effective May 15, 2018.

HF2869/SF2692*/CH136

Military and Veterans Affairs

Veteran status to be included in voluntary state board, commission applications

Individuals applying and appointed to vacancies in state agencies, boards, councils, commissions and task forces will be able to indicate whether they are a veteran.

Although it’s voluntary information, lawmakers determined that applicants’ veteran status can be relevant to the appointment process. This new law, sponsored by Rep. Dale Lueck (R-Aitkin) and Sen. Mark Johnson (R-East Grand Forks), directs the secretary of state’s office to include a checkbox on these applications.

The veterans status checkbox joins the likes of sex, political party, disability, race and national origin on nomination forms.

This law is effective Aug. 1, 2018.

HF3507/SF3004*/CH137

Military and Veterans Affairs

Recognizing Atomic Veterans Day on July 16

Minnesota will begin formally recognizing July 16 as Atomic Veterans Day under a new law.

The law designates the date, on which, in 1945, the first nuclear weapons testing in New Mexico began, as a day to remember and honor “atomic veterans,” who were exposed and subjected to radiation between 1945 and 1962. This includes World War II veterans who dropped nuclear bombs on Japan.

Other specific nuclear exposure outlined in the law, sponsored by Rep. John Poston (R-Lake Shore) and Sen. Andrew Mathews (R-Milaca), include “post-test” events with underground nuclear testing and veterans whose duties included power plant technicians on nuclear-powered aircraft carriers and submarines. It also includes x-ray technicians and Enewetak Atoll cleanup crews.

The law is effective May 15, 2018. The first Atomic Veterans Day in Minnesota will be July 16, 2018.

HF2276/SF1703*/CH138

Military and Veterans Affairs

Honoring Minnesota’s own Gen. John Vessey

The state will officially recognize Minnesota-born four-star Gen. John Vessey.

A new law, sponsored by Rep. Dale Lueck (R-Aitkin) and Sen. Carrie Ruud (R-Breezy Point), designates June 29 as “General John Vessey Day.”

Born in Minneapolis on June 29, 1922, Vessey lied to Uncle Sam about his age and joined the National Guard at age 16 in 1939. He fought in World War II, as well as serving in the Vietnam conflict and held military posts in Germany, Korea and as a special emissary to Vietnam.

Vessey climbed the ranks, ultimately reaching the pinnacle of military service – becoming the 10th chairman of the Joint Chiefs of Staff under President Ronald Reagan. He died in 2016 in North Oaks.

HF2011/SF1694*/CH145

Military and Veterans Affairs

Agreements to assign military benefits and pay prohibited

Sponsored by Rep. Matt Bliss (R-Pennington) and Sen. Bruce Anderson (R-Buffalo), a new law codifies what is already illegal under federal law: a person cannot enter into, or attempt to enter into, an agreement with a military beneficiary that assigns the beneficiary’s military pay or benefits to someone else.

The new law, effective Aug. 1, 2018, allows the affected military beneficiary – a current or former military member, their spouse or any other beneficiary – to bring a cause of action to recover damages. The attorney general is tasked with enforcing this prohibition.

HF368/SF327*/CH174

Military and Veterans Affairs

Clarifying GI Bill for continuing education

A new law will clarify an existing statute that gives qualifying individuals money to further their education after completing military service.

Eligible service members are now entitled to use Minnesota GI Bill benefits of up to \$3000 per state fiscal year and \$10,000 in a lifetime for:

- licensing or certification tests;
- admissions tests to higher learning or graduate school institutions;
- national tests providing an opportunity for course credit at higher education institutions;
- a preparatory course for a test to get into a higher education program; and
- any fee associated with the “pursuit” of a professional or educational objective outlined in the previously mentioned programs.

The law, sponsored by Rep. Keith Franke (R-St. Paul Park) and Sen Bruce Anderson (R-Buffalo), is effective Aug. 1, 2018.

HF3750/SF3461*/CH156

Military and Veterans Affairs

National Guard assignments to Armory rental events

Consenting National Guard members could be assigned to temporary service at the state’s armories when those facilities are rented.

Sponsored by Rep. Anne Neu (R-North Branch) and Sen. Mike Goggin (R-Red Wing), a new law will allow the adjutant general to assign current or former officers, warrant officers and enlisted Guard members to work these events. The law gives the adjutant general the authority to establish pay rates and policies for members serving in this capacity.

The law takes effect Aug. 1, 2018.

HF3212/SF3000*/CH157

Public Safety

Law makes it criminal to fib about a service animal

Skills performed by a service dog can be a matter of life and death for someone. A new law will penalize those who fake an animal’s purpose.

Sponsored by Rep. Steve Green (R-Fosston) and Sen. Justin Eichorn (R-Grand Rapids), the law will make it a crime to knowingly misrepresent an animal in one’s possession as an assistance animal in a public place to obtain rights or privileges available to someone who qualifies for a service animal under state or federal law. A first-time violation will be a petty misdemeanor; subsequent offenses will be misdemeanors.

Supporters say there have been instances where someone passes an animal off as a properly trained service animal only to have it do something a trained animal would not, including being aggressive with other dogs.

The law, effective Aug. 1, 2018, uses a federal definition to define a service animal: “any dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. Other species of animals, whether wild or domestic, trained or untrained, are not service animals. ... The work or tasks performed by a service animal must be directly related to the individual's disability. ... The provision of emotional support, well-being, comfort, or companionship do not constitute work or tasks for the purposes of this definition.”

A business will be allowed to post a “conspicuous sign” near an entrance stating service animals are welcome, but it is crime to misrepresent such an animal.

The Council on Disability, under the law, “may prepare and make available to businesses a brochure detailing permissible questions a business owner may ask to determine whether an animal is a service animal, proper answers to those questions, and guidelines defining unacceptable behavior.”

A property owner will be granted immunity for injury or damage caused by a service animal if “the owner believes in good faith that the animal is an assistance animal or the individual using the assistance animal represents that the animal is an assistance animal; and the injury or damage is not caused by the negligence of the owner of the real property.”

HF3157*/SF2646/CH106

Public Safety

Modifications made to carbon monoxide detectors on boats

Two years ago “Sophia’s Law” was passed to require certain enclosed boats to be equipped with a carbon monoxide detector. While the law has likely saved lives since then, it also created technical challenges for manufacturers.

The law was amended this session so that it applies only to motorboats used for “recreational purposes” and the language was clarified to eliminate technical issues and specify where the detectors must be located. It took effect May 1, 2018.

Sponsored by Rep. Jerry Hertaus (R-Greenfield) and Sen. Melisa Franzen (DFL-Edina), the updated language will require onboard carbon monoxide detectors to be within 10 feet of any sleeping accommodations.

Hertaus said the modification is to make the legislation less onerous on the houseboat industry that, under the original law, was required to install numerous detectors on their watercraft.

The 2016 law is named after 7-year-old Sophia Baechler, who died from carbon monoxide poisoning while boating on Lake Minnetonka.

HF3755*/SF3380/CH115

Public Safety

Streamlined process to track down fuel-ditching lessees

If someone pumps gas and leaves without paying, state law allows the gas station retailers’ association to contact the Department of Public Safety and get private, personal information to track down the individual. But it is more difficult tracking down individuals who lease their vehicles.

Sponsored by Rep. Chris Swedzinski (R-Ghent) and Sen. Bill Ingebrigtsen (R-Alexandria), a new law permits the association to get access to lessee’s information so they can remit payments for the gas station. Prior to the new law, the association had to use different methods – including contacting banks and lenders – to get the private contact information.

The law is effective Aug. 1, 2018.

HF1876*/SF1696/CH135

Public Safety

Porn and sex trafficking data connection sought, more fines, sought

A new law will require the Department of Public Safety to collect information on how pornography supports sex trafficking through things like demand, grooming victims and creating additional revenue streams for traffickers.

Sponsored by Rep. Kathy Lohmer (R-Stillwater) and Sen. Michelle Benson (R-Ham Lake), the law will acknowledge the link between sex trafficking and pornography by expanding the crimes for which the department must gather statistical data for its human trafficking report to include possession of pornographic work involving minors and prohibition of dissemination and display of harmful materials to minors. The report is published every two years.

The law, effective Aug. 1, 2018, will also add eight crimes to the list of prostitution-related offenses for which the court imposes an assessment between \$500 and \$1,000 in addition to any fine. They include coercion, labor trafficking, solicitation of a child and possession of pornographic work involving minors.

Under current law, 40 percent of that money goes to the local political subdivision that employs the arresting officer to be used to combat sexual exploitation of youth; 40 percent to the state’s safe harbor account that provides services to sexually exploited youth; and 20 percent to the prosecuting agency to be used to combat the sexual exploitation of youth.

HF2967/SF2554*/CH144

Public Safety

Crimes established for point-of-sale skimming sanctions

A skimmer can capture identifying information regarding someone off of their credit or debit card. It is often associated with gasoline pumps, but ATM machines have also been targets.

Rep. Bob Loonan (R-Shakopee) and Sen. Eric Pratt (R-Prior Lake) sponsor a new law that will impose tougher penalties that supporters hope are a deterrent to would-be thieves and give law enforcement tools they need and want to deal with these individuals.

Effective Aug. 1, 2018, the law expands the state’s unauthorized computer access crime to include interference with point-of-sale terminals to collect information from debit, credit or similar cards.

It will be a felony to access or attempt to access “an electronic terminal through opening any panel or access door without authorization and placing or attaching, or attempting to place or attach, an electronic device to capture, store, or communicate access device information.”

Trying to or accessing an ATM, gas pump or similar device by opening, or attempting to open, a panel or access door without authorization in a matter that creates a risk to public health and safety will be a gross misdemeanor offense.

The statutory definition of authorization will be expanded to include limited time access for specific Department of Commerce employees, meter inspectors and people with “express permission of the device owner or operator” or their designee only at times and for purposes approved by the device owner or operator.

HF817*/SF2582/CH123

Public Safety

No kratom for minors; DUI clarification in annual drug law

Keeping kratom away from minors is one goal of the annual drug scheduling law.

Sponsored by Rep. Keith Franke (R-St. Paul Park) and Sen. Paul Anderson (R-Plymouth), the law also adds new drugs to the controlled substance schedules and contains a DUI-related provision. Provisions are put forth by the Board of Pharmacy.

It takes effect Aug. 1, 2018.

Kratom is an organic supplement that has been listed as an opioid, but not scheduled, by the federal Food and Drug Administration. Five states now categorize kratom as a Schedule I controlled substance, classifying it as a drug with no currently accepted medical use and a high potential for abuse.

Mixing kratom with alcohol or valium-like drugs creates an increased risk of a severe adverse reaction, including death; however, some people responsibly use kratom to manage pain, keeping them off stronger drugs.

Selling kratom to someone under age 18 will result in a gross misdemeanor penalty; a minor possessing kratom will be charged with a misdemeanor.

Supporters note this first step relating to minors will allow for more research to be done on kratom before it is appropriately placed on the drug schedule.

The law also makes three controlled substance schedule changes: bromadol will be added to the list of Schedule I controlled substances, and pentazocine and butorphanol (including its optical isomers) will be added to Schedule IV, which are drugs with a low potential for abuse and low risk of dependence.

In response to an October 2017 ruling by the Minnesota Supreme Court, the law replaces “hazardous substance” and establishes that it is a crime to operate a motor vehicle under the influence of an “intoxicating substance.” An intoxicating substance will be defined as “a drug or chemical ... that when introduced into the human body impairs the central nervous system or impairs the human audio, visual, or mental processes.” It does not include alcohol or controlled substances, which have their own statutory definitions.

The court found in State v. Carson the definition of “hazardous substance” in the driving while impaired statute referred to a list maintained by the Department of Labor and Industry for rules relating to occupational safety and health. Because the substance inhaled by the defendant in that case — a chemical used to clean electronic equipment — was not on the list, the defendant could not

be convicted of driving under the influence.

HF3479/SF2578*/CH195

Public Safety

Quicker turnaround for sexual assault examination kit testing

Procedures for handling a sexual assault examination kit will be in state law.

Effective Aug. 1, 2018, the new law is based on a multi-disciplinary working group funded through the Public Safety Department's Office of Justice Programs.

Sponsored by Rep. Marion O'Neill (R-Maple Lake) and Sen. Jerry Relph (R-St. Cloud), the law sets consistent terminology, timeframes for kit handling and provides that victims have access to information about their kit by:

- requiring law enforcement to retrieve an unrestricted sexual assault examination kit — one that has an accompanying release form from the patient allowing for submission to a forensic lab — from a health care professional within 10 days or receiving notice via writing, telephone or email;
- requiring a law enforcement agency to submit a rape kit for forensic testing within 60 days of its receipt unless it “deems the result of the kit would not add evidentiary value to the case,” and make a record, in consultation with a county attorney, stating why the kit was not submitted; and
- allowing a victim to obtain information about the status of an unrestricted kit.

Failure to comply with the deadlines will not affect the admissibility of the results or create a basis for case dismissal.

The law enforcement agency is to release to the victim or their designee, upon written request, the date the kit was submitted for forensic analysis, the date the agency received notice of the testing results and if a DNA profile was obtained from the testing.

Law enforcement agencies will need to adopt policies to govern the process of responding to victim requests to request reclassification of a kit if they initially do not want a kit submitted, but later change their mind.

According to budget documents presented during the 2017 session, the turnaround time for processing cases in the forensic science laboratories was 66 days in Fiscal Year 2016, 16 more than one year prior. However, the process for sexual assault kits can be as quick as three days for high-priority cases, such as those involving children or if a threat to public safety exists.

HF3017/SF2863*/CH160

Public Safety

Mandated training for hotel employees to recognize sex trafficking

Sponsored by Rep. Abigail Whelan (R-Ramsey) and Sen. Jim Abeler (R-Anoka), a new law mandates that every hotel and motel in Minnesota, with the exception of resorts, train its employees to identify sex trafficking at their establishment within 90 days of hiring them or 120 days after enactment of a new law.

Effective Aug. 1, 2018, the law calls for the Department of Health to consult with the Minnesota Lodging Association and others to determine training that would be required. However, the training must include what sex trafficking is, as well as how to recognize trafficking victims and activities. Costs associated with the annual training will be paid for by the lodging facility.

An exemption is provided for minor employees, restaurant workers and those who do not have direct contact with guests. It also grants civil immunity for employees from being sued for reporting what they believe is sex trafficking.

HF3287/SF3367*/CH179

Public Safety

DWI loophole for snowmobile, ATV use closed

A new law closes a loophole in state statute regarding DWI offenses and off-road vehicles.

Sponsored by Rep. Anne Neu (R-North Branch) and Sen. Mark Koran (R-North Branch), the law, effective Aug. 1, 2018, expands the prohibition on operating off-road vehicles following a DWI conviction and eliminates an exemption that allowed drivers to keep their licenses following an off-road vehicle DWI offense.

Under a prior law, a person who operated a snowmobile or all-terrain vehicle while over the legal alcohol limit was prohibited from operating those off-road vehicles for one year. The updated law expands the prohibition so that it applies to a person who commits a DWI offense in any vehicle.

Also included in the updated law is the prohibition of a person who commits a DWI offense in any vehicle from operating a motorboat for a 90-day period between May 1 and October 31.

The new law is known as “Little Allen’s Law” in honor of an 8-year-old boy who was struck and killed by a man operating a snowmobile while intoxicated after his driver’s license had been revoked for a previous DWI offense.

Additionally, the law directs the Department of Natural Resources to work with ice fish house manufacturers to increase outreach efforts explaining the dangers of carbon monoxide exposure in ice houses. It requires a report to the Legislature by Jan. 15, 2019.

HF3905/SF3638*/CH183

State Government

Legislature gets its funding back

After Gov. Mark Dayton used a line-item veto to block legislative funding in 2017 and an intra-government lawsuit ensued, an appropriation for the Senate, House and both chambers’ staffs that allows operations to continue through the remainder of the biennium was quickly enacted in 2018.

Sponsored by Rep. Sarah Anderson (R-Plymouth) and Sen. Mary Kiffmeyer (R-Big Lake), the law allocates \$64.76 million for the House, \$64.4 million for the Senate and requires both chambers to return borrowed funding to the Legislative Coordinating Commission. The amount is the same as the funding approved by the Legislature last session before Dayton’s veto.

The law is effective retroactively to July 1, 2017, superseding and replacing funding directed by the court.

HF399*/SF603/CH100

State Government

Technical changes throughout Minnesota’s statutes

The Revisor of Statutes is tasked with drafting and publishing legislative and administrative documents, including statutes, laws and rules. Part of their job is to find technical changes to all laws on Minnesota’s books.

A new law sponsored by Rep. Peggy Scott (R-Andover) and Sen. Ron Latz (DFL-St. Louis Park) makes a number of technical changes and corrections to a variety of laws. These changes often include spelling or grammar fixes, cross-reference improvements and other technical alterations that don’t change the law’s meaning.

The law has various effective dates.

HF3790/SF3326*/CH182

State Government

New law ratifies state employee contracts

A new law ratifies state employee labor agreements and compensation plans.

The law, sponsored by Rep. Marion O’Neill (R-Maple Lake) and Sen. Jeremy Miller (R-Winona), ratifies labor agreements between the state and the following:

- American Federation of State, County and Municipal Employees, including Council 5, Unit 8 and Unit 225;
- Minnesota Association of Professional Employees;
- Middle Management Association;
- State residential teachers;
- Minnesota Government Engineering Council;
- Inter Faculty Organization; and
- Minnesota Nurses Association.

The law also ratifies the following compensation plans:

- Commissioner’s Plan;
- Managerial Plan;
- Office of Higher Education Compensation Plan;
- Compensation Plan for MNsure; and
- Minnesota state personnel plan for administrators.

Each agreement was submitted to the Legislative Coordinating Commission Subcommittee on Employee Relations between September 2017 and March 2018.

The law is effective March 28, 2018.

HF4067/SF3154*/CH102

State Government

Technical changes made in revisor’s bill

A portion of a new law updates statutes to correct miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors.

The law was sponsored by Rep. Roz Peterson (R-Lakeville) and Sen. Warren Limmer (R-Maple Grove).

The changes, effective at the time the provision being corrected is effective, are not considered controversial in nature.

HF4489/SF4075*/CH213

State Government

Law makes few changes to Commission of Deaf, DeafBlind and Hard of Hearing

Changes have been made to the membership, powers and duties of the Commission of the Deaf, DeafBlind, and Hard-of-Hearing.

The commission “advocates for communications access and equal opportunity with the 20 percent of Minnesotans who are deaf, deafblind and hard of hearing,” according to its website.

Among the changes the new law will:

- lengthen the terms of commission members from three years to four;
- allow members to serve three terms rather than two, or until a qualified successor is appointed; however, members cannot serve longer than 12 years;
- change the name of the commission to the “Commission of the Deaf, DeafBlind, and Hard-of-Hearing”; and

- allow the commission to form an executive committee, which can approve contracts up to \$50,000. Any contract larger than that has to go to the full commission.

Additionally, the commission's duties will expand to allow it to "research, formulate, and present plans, programs, and policies that will serve the needs of" those with hearing loss, as well as "encourage and assist in the development of coordinated, interdepartmental goals and objectives, and the coordination of programs, services, and facilities among all state departments, political subdivisions, and private providers of service as they relate to" the deaf, deafblind and hard of hearing.

Rep. Cindy Pugh (R-Chanhassen) and Sen. Torrey Westrom (R-Elbow Lake) are the sponsors.

HF3290/SF2777*/CH121

State Government

Safe at Home participants' birthdates will be included in private program data

Birthdates will be included in Safe at Home participants' private, government-owned data under a new law.

The Safe at Home program is predominantly for survivors of domestic violence, sexual assault or stalking. Using PO boxes as primary contact information, a Safe at Home enrollee can "go about his or her daily life without leaving traces of where they can typically be located" – an attempt to keep their aggressor from locating them.

The new law, sponsored by Rep. Kathy Lohmer (R-Stillwater) and Sen. Jerry Relph (R-St. Cloud), makes a few technical changes and modifications to how individuals change their information with the secretary of state's office, which runs the Safe at Home program.

The law is effective Aug. 1, 2018.

HF3551*/SF3198/CH109

State Government

More than \$230,000 for former prisoners in annual claims law

Each year, a joint House-Senate Subcommittee on Claims decides which claims against the state it should fund. This year's law calls for \$261,293 in payments in Fiscal Year 2019, the bulk of which will go to three men who were wrongly imprisoned.

The Imprisonment and Exoneration Remedies Act was enacted in 2014 to create a compensation process for cases where a person was exonerated of a felony for which they were wrongfully incarcerated.

Under the law, "the claimant is entitled to reimbursement for all restitution, assessments, fees, court costs, and other sums paid by the claimant as required by the judgment and sentence. In addition, the claimant is entitled to monetary damages of not less than \$50,000 for each year of imprisonment, and not less than \$25,000 for each year served on supervised release or as a registered predatory offender, to be prorated for partial years served."

Three such cases will be covered under this year's law:

- \$131,636 to Ronnie Patterson, who spent 679 days in prison and 131 days on supervised release;
- \$82,500 to Hollis Larson, who spent 432 days in prison and 93 days on supervised release; and
- \$20,446 for Sammy Jackson, who served 104 days in prison.

The law, effective July 1, 2018, will also provide \$10,209 for a former Stillwater prison inmate who sustained permanent injuries — including partial amputation — to three fingers while performing assigned duties and \$4,195 to cover five claims against the Department of Corrections by individuals who suffered injuries while incarcerated or performing community service or sentence-to-service work.

A \$12,305 claim against the Revenue Department is included for taxes improperly paid to the state for transactions occurring in South Dakota. The complainant's petroleum distribution company paid taxes to Minnesota instead of the neighboring state for one of its delivery sites.

Rep. Duane Quam (R-Byron) and Sen. Bruce Anderson (R-Buffalo) are the sponsors.

HF4157*/SF3786/CH131

State Government

Law extends brain injury, American Indian councils

The Traumatic Brain Injury Advisory Committee — along with several other advisory councils — will continue to exist with a new law effective Aug. 1, 2018.

Sponsored by Rep. Tony Albright (R-Prior Lake) and Sen. Paul Utke (R-Park Rapids), a new law extends the Traumatic Brain Injury Advisory Committee, the American Indian Advisory Council and the American Indian Child Welfare Advisory Council to 2023, and the Formulary Committee to 2022.

If the Legislature did not act, each would have expired this year.

HF3404/SF3143*/CH164

Transportation

More funds to fix state's troubled vehicle licensing system

State agencies can continue work on fixing Minnesota's new license and registration system thanks to a new law that provides \$9.65 million in Fiscal Year 2018.

The funds, appropriated to the Department of Public Safety, will allow the department and MN.IT to continue work on the troubled computer system, called MNLARS, which has caused myriad problems for deputy registrars, auto dealers and vehicle owners across the state since it launched in July 2017.

The law is effective March 23, 2018, and is sponsored by Rep. Paul Torkelson (R-Hanska) and Sen. Scott Newman (R-Hutchinson).

Along with the funding, the law sets project planning and implementation requirements, and creates a new legislative steering committee to review funding authorizations and oversee progress in making MNLARS fully operational. In addition, it provides funding to the Office of the Legislative Auditor to appoint a new information technology auditor to actively monitor and report on the system's continued development and implementation.

HF3724/SF3133*/CH101

Transportation

MN motorcycle permit holders gain access to interstates

Minnesota motorcycle permit holders will be able to expand their two-wheeled driving education by driving on the interstate.

Sponsored by Rep. Jim Nash (R-Waconia) and Sen. Mary Kiffmeyer (R-Big Lake), the new law will allow motorists holding a two-wheeled vehicle instruction permit to operate a motorcycle on the interstate.

The law takes effect Aug. 1, 2018.

HF3997/SF3466*/CH122

Transportation

Highway to honor fallen Wayzata officer

A stretch of U.S. Highway 12 in suburban Wayzata will be renamed as Officer Bill Mathews Memorial Highway, under a law that will take effect Aug. 1, 2018.

Mathews was a Wayzata police officer who was fatally struck in September 2017 by an inattentive motorist while clearing debris from the stretch of roadway that will bear his name.

Sponsored by Rep. Jerry Hertaus (R-Greenfield) and Sen. Paul Anderson (R-Plymouth), the law authorizes the placement of memorial signs and specifies that funds for them must come from non-state sources.

HF2739/SF2484*/CH108

Transportation

Moratorium on ditch mowing permits extended another year

The Department of Transportation will be unable to establish a permitting procedure for mowing within trunk highway rights-of-way for another year, under a new law that took effect May 20, 2018.

Sponsored by Rep. Chris Swedzinski (R-Ghent) and Sen. Gary Dahms (R-Redwood Falls), the law extends a permit moratorium until April 30, 2019. An equivalent moratorium signed into law last year was intended to give state transportation officials, agricultural interests and environmental advocates time to study the issue of mowing in MnDOT rights-of-way along state highways.

HF4008/SF3569*/CH165

Transportation

Minnesota's 'move over law' is broadened

Minnesota's "move over law" will broaden when a new law takes effect Aug. 1, 2018.

Sponsored by Rep. Greg Davids (R-Preston) and Sen. Michael Goggin (R-Red Wing), the law will require motorists to slow down on streets or highways with only one lane in the motorist's direction when passing emergency vehicles — and other vehicles like tow trucks, road maintenance and utility vehicles — that are stopped on the side of the roadway with emergency or warning lights activated.

Similarly, if it's not possible for a driver to move over on a multi-lane street or highway, drivers are required to reduce the speed of their motor vehicle to a speed "that is reasonable and prudent under the conditions" until the vehicle has completely passed the parked or stopped vehicle.

HF3249*/SF2977/CH159

Transportation

Governor vetoes reimbursement for deputy registrars harmed by MNLARS issues

Minnesota's deputy registrars across the state impacted by the state's glitch-filled new motor vehicle license and registration system won't be reimbursed.

Gov. Mark Dayton vetoed a bill sponsored by Rep. Dave Baker (R-Willmar) and Sen. Scott Newman (R-Hutchinson) that would have appropriated \$9 million from Driver and Vehicle Services special operating accounts to provide reimbursement aid to deputy registrars, whose businesses have suffered due to the rollout of the system, known as MNLARS, in July 2017.

A motion to override the veto failed on a 79-52 vote on the House Floor. A two-thirds supermajority is needed to override a veto, requiring 90 votes in the House.

The bill would have established a formula for disbursing aid based on transactions, excluded transactions and offices operated by Driver and Vehicle Services, and directed Minnesota Management and Budget to seek to distribute the funding within 30 days of the legislation's effective date.

The formula would have distributed 50 percent of funds based on each registrar's share of total transactions from Aug. 1, 2017 to Jan. 31, 2018. The remaining 50 percent of funds were to have been disbursed based on each deputy registrar's proportional share of transactions during fiscal years 2015-17.

In his veto letter, the governor said he "fully supported" reimbursing registrars negatively impacted by MNLARS, but that he could not support a bill "that does not comprehensively address fixing the MNLARS system in addition to the reimbursement."

MNLARS has been beset by major design flaws and glitches since it went live last year and has left state officials scrambling to fix it. Its myriad issues have caused registrars to lose around \$25 million, industry representatives told lawmakers during the 2018 session.

Earlier in the legislative session, Dayton signed separate legislation providing nearly \$10 million in emergency funding for continued work on MNLARS. State officials had also sought an additional \$33 million for future costs of fixing the system, which was partially funded in an omnibus supplemental budget that Dayton also vetoed.

HF2835*/SF3836/CH178

Vetoed

Minnesota tax conformity, safe schools omnibus bill vetoed by governor

Filing Minnesota tax returns may be more complicated in 2019 following Gov. Mark Dayton's veto of the Republican tax reform plan. Increased school aid will also not be forthcoming.

Sponsored by Rep. Jenifer Loon (R-Eden Prairie) and Sen. Carla Nelson (R-Rochester), the bill was intended to provide school districts with emergency school aid, along with conforming changes to Minnesota tax law in response to legislation enacted late last year that overhauled the federal tax system.

The proposal would have included emergency school aid, but far less new money than the \$138 million Dayton requested.

Instead, it would have provided \$50 million in new funding in Fiscal Year 2018 for the safe schools initiatives or other school district needs. It would also have provided flexibility by allowing districts to use funds earmarked for staff development to be used for other purposes. Additionally, it would have allowed districts with surplus community education funding to transfer that money one-time in either Fiscal Year 2019 or 2020.

In his veto letter Dayton wrote, in part, that the provisions did not go far enough. "I urged the Legislature to fund \$137.9 million in one-time Emergency School Aid to ensure that our schools could continue to provide the high quality educations students need and deserve.

"Republicans misleadingly claim to provide \$225 million in this bill for schools, but 80 percent of the funding is from existing sources that have already been allocated and budgeted for staff training and community education. The other \$50 million is from the State's budget reserve. Instead of providing critical new funding, this bill simply shifts funding by allowing school districts to transfer money out of community education and professional development programs."

Another component of the bill would have provided a slew of changes to Minnesota's tax law in an effort to align it with tax law changes at the federal level.

These include a first-tier tax rate to drop from 5.35 percent to 5.3 percent in tax years 2018 and 2019 and 5.25 percent beginning in tax year 2020. The second-tier tax rate would have dropped from the current 7.05 percent to 6.95 percent in tax years 2018 and 2019 and 6.85 percent beginning in tax year 2020.

The corporate franchise tax rate would have fallen from 9.8 percent to 9.65 percent for tax years 2018 and 2019 and to 9.1 percent for later tax years. In addition, the corporate alternative minimum tax would have been repealed.

Dayton said the bill jeopardizes the long-term financial stability of the state and prioritizes corporations and wealthy individuals over Minnesota families.

"The bill provides little in tax reductions to low-and middle-income families and instead prioritizes rate cuts that benefit wealthy Minnesotans the most," he wrote. "One in five Minnesota households do not have enough taxable income to benefit from the bill's rate reductions."

HF947*/SF945/CH205

Veto

Governor vetoes omnibus supplemental budget bill

Gov. Mark Dayton vetoed the omnibus supplemental finance bill that would have spent about \$76 million in 2018 – primarily on education, health and human services, public safety and broadband – and another \$58 million on transportation, mostly on roads and bridges.

Sponsored by Rep. Jim Knoblach (R-St. Cloud) and Sen. Julie Rosen (R-Vernon Center), the nearly 1,000-page bill comprised of a number of major omnibus bills produced after months of work by several House committees.

Dayton sent House leaders a list of 117 objections he had to the bill and threatened the veto before it was passed the final weekend of session. Many of the objectionable provisions were subsequently removed but, in his veto letter, the governor said more than 50 remained and he decried what he termed the “legislative gamesmanship” surrounding the bill.

“I made my objections to this bill very clear throughout the Session,” Dayton wrote. “My Administration sent you over 100 detailed letters throughout the session, carefully explaining my concerns with each of the proposals. This terrible bill and the resulting veto are your creations.”

Some of the bill’s provisions included:

Agriculture

- \$217,000 for statewide mental health counseling services for farm families and businesses that would help fund an additional counselor position – making two statewide; and
- \$30,000 for the Farm Advocates program.

E-12 Education

- \$19.9 million for safe schools;
- \$5 million for school-linked mental health grants;
- \$1 million for physical security audit grants;
- creation of a special education working group; and
- provisions prohibiting school lunch shaming.

Health and Human Services

- \$16 million to fight opioid abuse;
- a prohibition on dispensing opioids more than 30 days after a prescription is written;
- a requirement that the Board of Pharmacy submit a report on annual trends in opioid prescribing;
- creation of opioid response account for grants to fight the problem;
- allowing funding of a case management system for the Office of Health Facility Complaints and requiring the office to update the Legislature periodically on how and what it’s doing;
- clarifying that electronic monitoring – cameras in the rooms of loved ones – are allowed;
- adding eight additional ombudsmen for consumers across the state to help resolve complaints; and
- stiffening penalties for abuse; and creating a task force to examine crimes against vulnerable adults and punishments.

Higher Education

- \$3 million to the Minnesota State system for campus support;
- \$500,000 for renewal of workforce development scholarships;
- \$500,000 for specific grant and loan forgiveness programs;
- a requirement that the Board of Regents of the University of Minnesota establish an advisory council on rare diseases to provide advice on research, diagnosis, treatment and education related to rare diseases; and

- modifications to the university’s regent selection process by clarifying the role of the Regent Candidate Advisory Council and expanding the Legislature’s oversight of it.

Jobs, Energy, and Housing

- \$15 million for the Border-to-Border Broadband Development Grant Program;
- capping the amount Xcel Energy pays into the Renewable Development Account;
- allowing public utility companies to include pension costs in their rate base;
- appropriating money to the Prairie Island Indian Community to develop a net zero energy system; and
- reducing the Job Creation Fund by \$1.5 million in Fiscal Year 2019.

Public Safety

- \$6.6 million to the Department of Corrections to cover its health care contract;
- \$2.94 million for the Guardian ad Litem program to help comply with state and federal mandates to represent the best interests of children in juvenile and family court proceedings;
- funding for three new drug scientists at the Bureau of Criminal Apprehension;
- requiring use of an ignition interlock system for one year for a second impaired driving incident in 10 years, or a third lifetime offense, before a DWI offender could be re-licensed to drive;
- enhancing the penalty from a misdemeanor to a gross misdemeanor for driving without a license if the person driving after a loss of driving privileges were to cause a crash that results in substantial bodily harm or death, or commits the violation for a third time or more in a 10-year period; and
- making an adult who was in a position of authority over a 16- or 17-year-old within the past 120 days subject to criminal penalties for having a sexual relationship with the juvenile.

State Government

- \$1.5 million for the secretary of state to modernize and secure voting systems;
- requiring state agencies to dedicate 3.5 percent of their budgets to cybersecurity;
- exempting hair braiders from registering the Board of Cosmetology; and
- requiring the Minnesota Amateur Sports Commission to bid for a Nordic World Ski Championship.

Transportation

- \$12.8 million for continued development of the state’s vehicle license and registration system, MNLARS;
- \$10.7 million in township road aid;
- \$10.4 million on specific road projects in the cities of Little Falls, Mankato and Virginia;
- \$10 million on the Corridors of Commerce program;
- \$8.5 million in supplemental funding for the Small Cities Assistance Fund to aid local road projects; and
- \$5 million in additional funds to reimburse deputy registrars impacted by the state’s botched rollout of MNLARS.

HF4099/SF3656*/CH201

Veto

Changing provisions governing Minnesota’s deputy registrars, motor vehicle dealers nixed by veto

Gov. Mark Dayton nixed a bill that would have made various changes to provisions governing deputy registrars and motor vehicle dealers in Minnesota.

Sponsored by Rep. John Petersburg (R-Waseca) and Sen. John Jasinski (R-Faribault), the law would have made a number of changes to state statute governing vehicle dealers and the agents that handle much of the licensing, title and registration of Minnesotans' vehicles across the state.

In his veto letter, Dayton took issue with what he said were unfunded mandated changes to the state's motor vehicle licensing and registration system, known as MNLARS.

Earlier in 2018, lawmakers provided nearly \$10 million in emergency funding for fixes to MNLARS, which has been plagued by glitches since its debut in 2017. A further \$33 million request from the governor's administration was partially funded through a separate omnibus supplemental budget, which was also vetoed.

"The Legislature has refused to provide adequate funding to improve the MNLARS system over the remainder of this biennium," Dayton wrote. "Therefore, further mandating policy changes without any additional funds undermines the established stakeholder process and jeopardizes the completion of high priority items."

Included in the bill were proposed changes that would have:

- prohibited motor vehicle manufacturers and distributors from charging or withholding payment to a vehicle dealer due to unreasonable delays in registration or transfer;
- allowed a vehicle dealer who holds multiple types of dealer licenses — for example, a new motor vehicle dealer license and a used motor vehicle dealer license — to hold and sell vehicles across multiple dealership locations without needing to transfer title or ownership;
- directed the Department of Public Safety to allow for vehicle dealers to use third-party software that can electronically submit title transfers and vehicle registrations to the state;
- allowed for issuance of a temporary 180-day permit if MNLARS prevents a transaction from being completed in a timely manner;
- created a Motor Vehicle Title and Registration Executive Steering Committee within the department to provide input on policy and planning, with an initial report to have been due by Feb. 15, 2019 (this committee would have expired June 30, 2021);
- required the department to designate and provide contact information for one or more liaisons, as needed, to "promptly and effectively respond to questions" from dealerships, and assist in troubleshooting dealer issues related to vehicle titling and registration; and
- eliminated a late fee on title transfers from licensed motor vehicle dealers (this section would have taken effect July 1, 2019, or upon completion of the necessary changes to the make the state's driver and vehicle services information system fully functional).

HF3463*/SF3250/CH206

Vetoed

Dayton vetoes fetal ultrasound bill

Gov. Mark Dayton vetoed a bill that would have required doctors to ask abortion-seeking patients if they want to view an ultrasound of the fetus.

Rep. Abigail Whelan (R-Ramsey), who sponsored the bill with Sen. Michelle Benson (R-Ham Lake), said it would empower women to make a more informed decision about whether to have an abortion, but would not require an ultrasound be performed before an abortion. She said it was not intended to change the minds of women who seek an abortion — merely to help undecided women make up their minds.

In his veto letter, Dayton said the legislation interfered with the relationship between doctors and patients by legislating conversations they must have.

"In addition, providers are already fulfilling their legal, ethical, and professional duties to fully inform their patients of the benefits, risks, and alternatives of any medical procedure," Dayton wrote. "They are the reasons why I join the Minnesota Medical Association and the American College of Obstetricians and Gynecologists, Minnesota Section, in opposing this legislation."

HF3194/SF2849*/CH142

Veto

Bill requiring legislative approval to raise water permit fees gets shot down

Less than a year after the Pollution Control Agency floated plans to raise water quality fee revenues for the first time since 1992, a bill to prohibit the agency from doing so without legislative approval was vetoed.

Sponsored by Rep. Matt Bliss (R-Pennington) and Sen. Bill Ingebrigtsen (R-Alexandria), the bill would have required the PCA to get legislative approval before raising certain water related certification and permitting fees.

Bliss said the bill would have ensured the PCA undergoes the same level of oversight as other state agencies.

In his veto letter, Dayton said the Legislature already has “ample oversight” of other state agencies.

“It is redundant and unnecessary to add a legislative approval to agency fee adjustments,” Dayton wrote. “This unnecessary ‘administrative hoop’ would interrupt an ongoing stakeholder process without addressing the current structural imbalance in the agency's budget. I am vetoing this bill because it is an unwarranted and inappropriate legislative overreach.”

Water quality permit fees do not cover the full costs of PCA’s seven storm water, wastewater and feedlot water quality programs. The remaining costs are covered by a number of state funds, including the Environmental Fund, Clean Water Revolving Fund and the General Fund.

HF2940*/SF2637/CH147

Veto

Governor vetoes a second wild rice water bill

Even with toned-down language, Republicans and some DFL legislators were unable to craft a bill nullifying the states wild rice water quality standard that would satisfy Gov. Mark Dayton.

Sponsored by Rep. Dan Fabian (R-Roseau) and Sen. Bill Ingebrigtsen (R-Alexandria), a bill originally related to gizzard shad cast netting, was amended to try and replace the state’s 45-year-old rice water quality sulfate standard with new water quality rule.

“My administration has repeatedly expressed my commitment to protect wild rice waters without imposing unaffordable treatment costs on Minnesota cities and businesses,” Dayton wrote in his veto message.

To that end, Dayton issued an executive order to establish the Governor’s Wild Rice Task Force, to review the scientific literature concerning wild rice and sulfates, recommend a list of wild rice waters and produce a report including recommendations for best practices.

A last-minute conference committee agreement removed the previously vetoed wild rice bill’s most controversial provisions. It contained no language that would strictly nullify the current rule, but it carried provisions that would limit the Pollution Control Agency’s ability to implement the current standard.

Those limitations would have been lifted if the PCA amended rules refining the wild rice water quality standard to consider all independent research and publicly funded research — a provision that would have likely required the agency to replace the current standard.

The bill would have retained and expanded the wild rice work group included in previous versions. The group would have had to submit a report proposing restoration activities to improve natural wild rice health. It would have also evaluated the impact of sulfate and sulfur compounds on wild rice.

The work group was expanded by the conference committee to include governor-appointed members from tribal governments, the University of Minnesota, an environmental non-governmental organization and two independent experts. The Legislature would have had to appoint representatives from the mining industry, a municipal discharger, an electrical utility, a non-Minnesota university and two more independent experts.

“During the ten days my staff and MPCA staff met with stakeholders, several of my Administration’s draft proposals included the creation of an inclusive work group that would focus on recommendations for documenting, protecting, and enhancing natural stands of wild rice, and for reviewing existing scientific literature. However, it appeared that the interests, who advocated for the initial bill, were principally concerned with rehashing disagreements with the MPCA on the scientific research supporting the sulfate standard, and with attempting to replace the MPCA’s responsibilities under state and federal laws with the authority of the work group,” Dayton wrote.

HF3422*/SF3170/CH210

Vetoed

Governor vetoes bill modifying some interagency transfers, agreements

Gov. Mark Dayton vetoed a bill that would have amended certain provisions of the omnibus supplemental budget bill he also vetoed.

Sponsored by Rep. Matt Dean (R-Dellwood) and Sen. Michelle Benson (R-Ham Lake), the bill would have established the opioid epidemic response advisory council, increased Medical Assistance payments for ingredient costs by 2 percent for drugs subject to the wholesale drug distributor tax, provided funding to the commissioners of health and human services for certain administrative costs, and made related changes.

The bill also would have deleted a provision in SF3656 that penalized lottery retailers who do not retain enough money from ticket sales to pay prizes.

In his veto letter, Dayton criticized the Republican-controlled Legislature.

“This bill is only effective if SF3656, the omnibus supplemental budget bill, is enacted. I have vetoed SF3656 for a number of reasons, and they are outlined in my veto letter for that legislation,” Dayton wrote. “SF799 is a cynical attempt for the Legislature to say they have addressed additional objections raised by state agencies and me to Health and Human Services provisions added late to the supplemental budget bill.”

HF943/SF799*/CH212

Vetoed

Governor vetoes first omnibus tax bill

Gov. Mark Dayton followed through on his promise to veto the omnibus tax bill if the Legislature failed to add emergency school funding.

At the beginning of May, Dayton issued the Legislature an ultimatum: provide \$138 million in emergency education funding or the omnibus tax bill would get shot down. Without emergency funding, the governor said 59 Minnesota schools would face immediate budget deficits in the coming year, which could result in teacher layoffs and cuts to school programs.

Sponsored by Rep. Greg Davids (R-Preston) and Sen. Roger Chamberlain (R-Lino Lakes), the rejected bill would have aligned Minnesota’s tax code with the federal Tax Cut and Jobs Act of 2017. Officials say failure to align the state and federal tax codes in the 2018 session would result in a \$26 million increase in state income taxes for more than 300,000 families and a labyrinthine filing process in 2019.

Notably, the bill would have offered Minnesotans the first tax rate reduction in nearly 20 years, affecting 2.2 million residents.

Income tax rates for the first-tier, the state’s lowest income earners, would have dropped from 5.35 percent to 5.3 percent in tax years 2018 and 2019 and 5.25 percent beginning in tax year 2020. The second-tier tax rate would’ve dropped from the current 7.05 percent to 6.95 percent in tax years 2018 and 2019 and 6.85 percent beginning in tax year 2020.

This would’ve coincided with a corporate tax reduction from 9.8 percent to 9.65 percent in tax years 2018 and 2019 and down to 9.1 percent in tax year 2020.

But, in his veto letter, Dayton said the bill is weighted too heavily in favor of the wealthy.

“Unfortunately, this tax bill, like the Federal Tax Law passed last year, prioritizes tax cuts for corporations over real people,” Dayton wrote. “Rather than investing in our children’s educations, the GOP has decided that the foreign profits of large, multinational corporations are more important. This tax bill would shield those companies from \$200 million in state taxes on the profits they have sheltered overseas, cut the corporate tax rate at the cost of \$60 million a year, and eliminate the corporate Alternative Minimum Tax, which would cost \$15 million a year.

“These tax benefits and protections for corporations grow in the next biennium (FY20-21) to \$482 million. All of these tax reductions are in addition to the 40 percent rate cut that corporations received on their federal taxes and last year’s permanent freeze on the state’s business property taxes.”

HF4385*/SF3982/CH172

Vetoed

Harsher protestor penalty proposal vetoed by governor

Tougher punishment for an already illegal act did not gain the governor’s signature.

Gov. Mark Dayton vetoed a bill that would have increased the penalty from a misdemeanor to a gross misdemeanor for someone who intentionally interferes with or obstructs traffic exiting, entering or on a freeway or public roadway within the boundaries of a major airport — one with a control tower and airline service.

Additionally, penalties for certain unlawful interference with transit violations, including distracting the driver from safe vehicle operation, would have increased from a misdemeanor to a gross misdemeanor. Restricting passenger access to the transit vehicle would be added to the illegal acts.

The maximum penalty for a gross misdemeanor is a year in jail and \$3,000 fine; it’s 90 days in jail and \$1,000 fine for a misdemeanor.

Rep. Nick Zerwas (R-Elk River) and Sen. Bill Ingebrigtsen (R-Alexandria), who sponsor the law, noted the change would not take away a constitutional right to protest, and it is already illegal to protest on a freeway.

Opponents contended, in part, the bill’s goal is to chill free speech by silencing people who want to raise injustice concerns, including those associated with race.

First introduced in January 2017, the language was removed by a conference committee process for that year’s omnibus public safety law.

“Since the introduction of this bill, my position has been clear. I believe that blocking access to freeways and airports is a matter of public safety for everyone involved,” Dayton wrote in his veto letter.

“However, I do not support the broad transit provisions in this bill. The language does not provide clarity regarding the actual crimes, for which it creates stiffer penalties. It incorporates existing statutory language: ‘...an act that interferes with or obstructs, or tends to interfere with or obstruct (emphasis added), the operation of a transit vehicle is guilty of a (gross misdemeanor) crime.’

“I believe that the Statute’s existing language: ‘tends to....’ is unacceptably vague and subjective.”

Dayton further took exception to the gross misdemeanor penalty in relation to other crimes.

“Current law gives law enforcement the authority and tools needed to protect public safety,” he wrote. “Under existing law, violations are prosecuted as misdemeanors ... Other crimes so charged include: disorderly conduct, thefts of less than \$500, first-time DWIs with readings below .20, 5th degree assault, and domestic assault. Several of those crimes involve threats to public safety (DWIs) and crimes of violence against innocent individuals (assault and domestic assault). Furthermore, other illegal acts committed by individuals during protests, such as an assault against a police officer, are properly classified by themselves as gross misdemeanors or more severe.”

Protesters disrupted light-rail service at the Minneapolis-St. Paul International Airport in December 2015. Eight months later, Interstate 94 in St. Paul was blocked by people protesting the shooting of Philando Castile, a black man killed by a police officer during a traffic stop in Falcon Heights. A July 2017 protest on the same interstate followed the not-guilty verdict of the officer, Jeronimo Yanez.

HF390*/SF676/CH150

Vetoed

Governor vetoes bill to replace wild rice water quality standard

Despite being one of the most discussed issues of the 2018 session, a bill to repeal Minnesota’s 45-year-old wild rice water quality sulfate standard did not make its way into law this year.

Sponsored by Rep. Dale Lueck (R-Aitkin) and Sen. Bill Ingebrigtsen (R-Alexandria), a bill that would have nullified the state’s current standard and required the Pollution Control Agency to adopt a new rice water quality rule was vetoed.

In his veto letter, Gov. Mark Dayton characterized the bill as an “extreme approach” that would potentially violate the federal Clean Water Act.

The issue stems back to 2011 when the state’s wild rice water quality standard, which limits sulfate discharges into naturally occurring wild rice waters to 10 milligrams per liter, was found to be scientifically unsupported. Under the direction of the Legislature, the PCA developed an equation-based replacement. That standard was rejected by an administrative law judge in January 2018.

HF3280*/SF2983/CH126

Vetoed

Dayton vetoes civil, criminal liability for protest organizations

Gov. Mark Dayton vetoed a bill that would have extended both civil and criminal liability to any group or organization that recruits, trains or aids an individual arrested for damaging critical infrastructure.

Sponsored by Rep. Dennis Smith (R-Maple Grove) and Sen. Paul Utke (R-Park Rapids), the bill would have made a person or entity that “knowingly” assists a damaging trespasser, liable for property damage to “personal or real property,” like utilities, rail lines, pipelines or airports.

It had passed the Senate 37-28 and the House 77-46.

During the hearing process, the bill’s proponents said organizations who support destructive protesters put the general public in danger. In his veto letter, the governor disagreed.

“Although this bill is called an act of public safety, its contents would have the opposite effect,” Dayton wrote. “I will not support a bill that potentially holds Minnesotans responsible for other people’s actions with which they had no direct involvement.”

Dayton listed three statutes that “already address criminal activity and liability,” which “are sufficient to protect the public safety, while still respecting the First Amendment rights of members of that public.”

The bill would have made the crime a felony, punishable by up to three years in prison and a \$5,000 fine.

HF3693/SF3463*/CH197

Vetoed

Governor vetoes bill that would greenlight Enbridge Line 3 oil pipeline

A bill that would have given the go-ahead to the Enbridge energy company to build its replacement Line 3 oil pipeline across northern Minnesota without the Public Utilities Commission’s approval has been vetoed by Gov. Mark Dayton, who called the measure “unnecessary.”

Sponsored by Rep. Dan Fabian (R-Roseau) and Sen. David Osmek (R-Mound), the bill would have required the commission to issue a certificate of need and route permit for Enbridge’s preferred route by the end of 2018.

“This bill is a crass and foolhardy attempt by the Legislature to destroy the integrity and the intelligence of the existing, statutory decision-making process,” Dayton wrote in his veto letter. “It would set an extremely dangerous precedent that would severely undermine the PUC’s authority in future cases.”

Dayton wrote the bill “preempts the long-standing PUC process” that’s been “used for years to make those complex and controversial decisions,” adding it would negate the commission’s process to determine if the pipeline is needed and, if so, the route that’s the least harmful to the state.

The governor said the bill is “unnecessary” because the PUC is to make a decision on the Line 3 project by the end of June 2018.

“I trust the bill’s passage provides the re-election talking points desired by some of its proponents. Otherwise, it is a shameful abuse of responsible legislative authority,” he concluded.

HF3759*/SF3510/CH187

Vetoed

Dayton vetoes omnibus agriculture policy bill

Gov. Mark Dayton vetoed a bill containing language that would limit the reach of certain statutory erosion-control measures to only those areas of the state where the local unit of government has adopted a corresponding ordinance.

That provision was among the measures included in the omnibus agriculture policy bill.

Sponsored by Rep. Paul Anderson (R-Starbuck) and Sen. Bill Weber (R-Luverne), the bill would have made policy and technical changes to statutes including changes to several agricultural loan programs along with a beginning farmer tax credit and measures to help aquaculture become more established in the state.

Dayton offered support for those provisions in his veto letter, but said the dispute over the administration’s proposed nitrogen fertilizer rules and steps taken by his political opponents surrounding that disagreement forced the veto. He said the Legislature “missed the opportunity” to pass the other bipartisan-supported policies.

HF4133*/SF3536/CH190

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