

★ **LAW****Temporary driver's licenses**

Those who have lost their driver's licenses because of failure to pay child support may soon have a chance to receive a limited license.

Effective July 1, 2002, a new law will permit the commissioner of public safety to grant a 90-day limited license to people more than three months behind in child support payments if the person needs a license to get to a job, go to a chemical dependency program, or attend post-secondary classes, and the person otherwise meets the eligibility requirements for a limited license.

Homemakers who need a license to prevent disrupting their education, medical, or nutritional needs, or the needs of their family will also be eligible for a limited license.

The new law provides \$95,000 from the trunk highway fund to the commissioner of public safety to pay for the cost of the limited licenses.

Furthermore, the law makes some technical and clarifying changes to current law regarding payment agreements, and modifies the medical support law so it complies with federal requirements.

Driver's licenses are currently taken away from people who are more than three months behind in child support payments and have not made arrangements to pay.

The one-time limited license will expire after 90 days and cannot be renewed. Drivers who lose their license for nonpayment of support and who obtain a limited license will be required to pay a \$20 reinstatement fee.

Rep. Lynda Boudreau (R-Faribault) and Sen. Thomas Neuville (R-Northfield) sponsored the law.

Boudreau said the change was necessary because people who can't get to work have a hard time paying child support.

About 16,000 drivers have their licenses suspended, but about half of those would not qualify for a temporary license because they are ineligible for other reasons, she said.

HF3393/SF3114*/CH344

Black patrol cars allowed

It's July 1960 and the mercury just hit 90 degrees early in the afternoon. Your patrol car is the old traditional black and white, and, of course, you have no air conditioning. So you're only halfway through your shift, and you're

already counting the minutes until you'll get some relief from the heat.

Such scenarios were common many years ago, prompting the Legislature to establish specific colors municipal police departments could paint their patrol cars. Laws in the 1960s established that patrol cars must have distinctive marking and officers should wear uniforms to correspond.

Current law, which allows for municipal cars to be painted primarily blue, brown, green or white, dates back to 1981. County patrol cars must be predominantly brown or white, leaving maroon for the state patrol.

Black was not chosen as one of the colors, in large part because it attracts heat, which was not practical for cars not equipped with air conditioning.

Initially, these guidelines were intended to separate different law enforcement so they were easily identifiable, from one another and from private security agencies, too. Security companies must paint their cars colors different from law enforcement agencies.

In 2002, air conditioning is no longer an issue with patrol cars, and many police chiefs wanted to return to the old black and white format. So they appealed again to the Legislature to allow a little more flexibility with the colors, said Rep. Rich Stanek (R-Maple Grove), House sponsor of a new law to allow cities to paint patrol cars black.

The new law, allowing black patrol cars, is effective Aug. 1, 2002.

In addition, the new law continues to differentiate between police vehicles and security guard vehicles, but it does allow any company that has cars painted predominantly black to continue using them if they were being used prior to Aug. 1, 2002.

Future security vehicles must be primarily colors other than black, blue, brown, green, and white.

Sen. Grace Schwab (R-Albert Lea) sponsored the law in the Senate.

HF3362/SF3109*/CH267

Correcting errors

A new law put a new twist on technical corrections during the 2002 session.

The law, known as the revisor's bill, made several such corrections to laws passed during the 2001 session. However, the legislation required significant negotiation in a conference committee before earning the Legislature's and the governor's approval.

Each year, the Office of the Revisor of

Statutes submits two bills to the Legislature that provide corrections to legal language that was inadvertently wrong when the law passed. The first bill takes care of items from the previous session. The second bill covers errors from bills enacted during the current session.

Typically, such errors include typos and incorrect statute references. The revisor's office is responsible for making sure laws passed by the Legislature are written in proper legal form.

The new law involved the first bill for 2002 that proposed changes to several laws from 2001. However, one provision, which would have inserted an effective date from a 2001 special session law that was inadvertently omitted, created a stir as several members questioned the intent of the original provision and the haste with which the special session law passed.

As introduced, the provision would have inserted an expiration date inadvertently misplaced in the omnibus state government finance law, passed during the 2001 special session. The sunset clause would affect a provision that requires the attorney general's office to deposit all litigation or legal settlement proceeds in the state's general fund.

The sunset clause was added in a conference committee last year but put in the wrong place of the final bill when the full House voted on the measure. The provision would have expired June 30, 2003 under the original sunset date.

In the compromise bill that ultimately became law, the expiration date is included but is pushed back to June 30, 2004.

The new law also re-enacts the omnibus health and human services law passed during the 2001 special session. The copy of the bill submitted for the governor's approval was missing a page and the Legislature simply had to re-enact the bill as it originally passed to correct the problem.

Rep. Eric Lipman (R-Lake Elmo) and Sen. Don Betzold (DFL-Fridley) sponsored the new law, effective Aug. 1, 2002.

HF3163*/SF2792/CH379

**Balancing the budget, part I:
Criminal justice**

(See Budget, page 14)

Gaining custody

(See Children, page 19)

Requiring beer keg registration

(See Crime, page 22)

Taking responsibility for crimes

(See Crime, page 22)

Interstate compact plan

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Criminal history data sharing

(See Crime, page 23)

Tougher penalties

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Escape, endangerment provisions

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Postnuptial agreements

(See Family, page 30)

Judicial consistency

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Employee data privacy

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Responding to bioterrorism

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Honoring donors' wishes

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Commitment change

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Real estate disclosure

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Accident liability clarification

(See Insurance, page 44)

Accident victim protection

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Anti-terrorism provisions

(See Safety, page 53)

Guilty, but mentally ill

(See Dead Bills, page 70)

Child murder penalty

(See Dead Bills, page 71)

Regulating surrogate parents

(See Dead Bills, page 75)

★ LOCAL GOVERNMENT

Funding local projects

A new law making a number of changes in the authority of local governments to issue bonds and incur debt.

The new law contains several regional projects including one that would allow the Metropolitan Council to issue up to \$54 million in bonds to help purchase new buses.

House sponsor Rep. Ron Abrams (R-Minnetonka) said the council requested bonding authority of \$50 million to purchase the vehicles. He said that lawmakers who worked on the issue thought that buying new buses was a better approach than repairing older ones and buying used ones.

The new law also allows Anoka County to issue up to \$12.5 million in bonds to finance the costs of designing, constructing, and acquiring infrastructure and equipment for an 800-megahertz statewide public safety radio system.

The Region Nine Development Commission is given the authority to form a nonprofit corporation to reduce dependence on tax dollars in filling regional service gaps and funding rural programs by improving the region's access to other federal funding sources.

The Southwest Regional Development Commission is authorized to levy an amount sufficient (up to \$232,000 per year) to retire the remaining debt on the Prairieland Exposition Center project in Worthington, under the new law.

In addition, the southwest commission items are only effective if an agreement is approved by the commission and all the commission's participating counties.

Abrams said the alternative to authorizing levy authority was to allow the commission to declare bankruptcy, and that allowing a local unit of government to do that would establish a bad precedent.

An economic development authority is established in the Alexandria region, under the

law. The law indicates that one authority would be more effective than multiple existing government entities.

Though there are various effective dates for the different provisions in the new law, most of it is effective May 23, 2002.

Sen. John Hottinger (DFL-Mankato) was the Senate sponsor.

HF2836/SF2572*/CH390

Appointing, rather than electing

Three new laws establish that several Minnesota counties may appoint certain county officials rather than electing them.

Proponents testified during the 2002 session that the duties of these officials are becoming more technical, which changes the nature of recruiting for the jobs.

In 2001, a proposal would have changed state law to allow certain county offices to be appointed rather than elected, if 80 percent of the county board voted for the change and a subsequent reverse referendum upheld the decision. However, that plan was defeated on the House floor, requiring the counties to appeal separately to the Legislature.

Four counties — Carlton, Pine, Polk, and Steele — were granted appointing powers for officials in 2002. Cass, Goodhue, Hubbard, and Wright counties were given similar authority in 2001.

Under the new laws, if a county chooses to appoint certain officials, the community can restore the election requirement by a reverse referendum.



PHOTO BY TOM OLMSCHEID

Instead of filing for bankruptcy, the Southwest Regional Development Commission is permitted to levy an amount sufficient to retire the debt on the Prairie Exposition Center in Worthington.

State law allows all the state's counties to change the positions of auditor, treasurer, sheriff, and recorder to appointed rather than elected by a referendum.

Below is the specific information contained in the new laws for the different counties.

Carlton, Pine county positions

A new law, sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Becky Lourey (DFL-Kerrick), will allow the Carlton County board, by a resolution approved by 80 percent of its members, to change the recorder position from an elected one to an appointed one.

The law also permits Pine County to use the same process to change its recorder position to an appointed one and then combine the two into one appointed position, as long as the person has the qualifications required of assessors.

Hilty said the increasingly technical duties of the positions are reflected in the number of bills that have come forward on behalf of counties.

"If there was a number of people standing in line for county recorder (positions) than we wouldn't be seeing these bills year after year," he said.

The law will take effect upon local approval.

HF2753/SF2590*/CH263

Polk County positions

Sponsored by Rep. Bernie Lieder (DFL-Crookston) and Senate Majority Leader Roger Moe (DFL-Erskine), the new law will allow the Polk County board, by an 80 percent vote, to change those county recorder and the county auditor-treasurer positions so that they may be appointed rather than elected.

The bill is similar to two other new laws signed by Gov. Jesse Ventura allowing Steele and Carlton counties to appoint their recorder positions pending approval by the county board, and allowing Pine County to appoint its county recorder and form a combined assessor-recorder position appointed by the board.

The law is effective upon local approval.

HF2652/SF2434*/CH258

Steele County recorder

A new law, sponsored by Rep. Connie Ruth (R-Owatonna) and Senate Minority Leader Dick Day (R-Owatonna), allows Steele County to change the recorder position to an

appointed one by a four-fifths vote of the county board.

The governor also signed similar new laws for Polk and Carlton counties.

The law is effective upon local approval.

HF3074/SF2834*/CH256

Disclosing grant applications

Certain public officials would be allowed, as private citizens, to participate in state and federal grant and loan programs, under a new law.

Sponsored by Rep. Larry Howes (R-Walker) and Sen. Yvonne Prettnier Solon (DFL-Duluth), the new law will allow people who serve on local housing and redevelopment authority boards to apply for grants or loans administered by the authority. However, they must first disclose, as part of the official minutes of a meeting, that they have applied for the funds as part of a private development they are involved with.

Effective Aug. 1, 2002, the new law will also require that the individual abstain from voting on the application.

Howes said a new federal rule requires that housing and redevelopment authorities have a representative from the community and that could create an inherent conflict of interest if the resident should want to apply for a grant or loan.

A law was passed during 2001 that allows elected officials in St. Louis County cities with populations of less than 5,000 to apply for federal community development block grants or economic development administration funds after meeting similar disclosure requirements.

HF3509/SF3257*/CH356

Annexation exclusivity

A new law clarifies that orderly annexation agreements, those that are mutually agreed upon by affected townships and cities, are legally binding.

Township officials testified that the new law was necessary to address an inconsistency between state law and case law involving the city of La Crescent and La Crescent Township. The court found that even though there was an orderly annexation agreement between the city and township, property involved could be annexed by other means.

Township officials asserted that existing case law prompted administrative law

judges presiding over annexation hearings to allow properties involved in an orderly agreement to be annexed by other methods, such as annexation by ordinance.

The new law prohibits annexation of property included in the area covered by an orderly annexation agreement by any other procedure if the agreement states that it is the exclusive procedure by which the property may be annexed.

Rep. Larry Howes (R-Walker), the House sponsor, said the law is a reflection of an agreement reached between groups representing cities and townships. It is effective March 15, 2002.

Sen. David Tomassoni (DFL-Chisholm) was the Senate sponsor.

HF1620*/SF2210/CH236

Neighborhood organizations

Certain nonprofit neighborhood organizations are allowed greater flexibility in membership voting, under a new law effective Aug. 1, 2002.

Existing laws governing nonprofit corporations require that when a vote is to be taken on matters such as amending the corporate articles or bylaws, the board must notify the voting members of the election date up to 60 days prior to the vote. Only members notified are allowed to vote on the matter.

Sponsored by Rep. Jean Wagenius (DFL-Mpls) and Sen. Jane Ranum (DFL-Mpls), the new law allows neighborhood organizations that are also nonprofit corporations the option of allowing others to vote without meeting the mandatory notice requirement.

The new law allows members who are on a pre-existing membership list or who have a valid driver's license or state identification card with an address in the defined neighborhood boundaries to vote. Members will also be allowed to vote if they can show proof of ownership of a business or property within the neighborhood or have someone to vouch for their residency.

Wagenius said her own neighborhood group, which under prior law had to exclude certain residents from voting because of the nonprofit corporation notification requirements, brought the issue to her.

The law applies to neighborhood organizations that are nonprofits, represent a defined geographic area, and have been accepted as the basic planning unit. Neighborhood organizations may choose to use the new law but are not required to.

HF3445/SF3238*/CH340

Delano Public Utilities Commission

A new law will allow the Delano Public Utilities Commission to expand from three members to five. The measure takes effect upon local approval.

A similar expansion was also granted to Shakopee in 2002.

The city of Grand Rapids received the same authority from the Legislature in 1999.

Public utility commissions are responsible for the management of publicly owned water and electric utilities. The new law will maintain staggered three-year terms for the Delano commission and will prohibit more than one city council member from serving on the commission at any time.

Rep. Steve Smith (R-Mound), the House sponsor, said that since the commission was formed in 1936, the city's population has quadrupled and the commission's budget has increased 800 percent. The current budget is around \$2.8 million, which is 50 percent higher than the city's general fund.

Sen. Gen Olson (R-Minnetrissa) sponsored the law in the Senate.

HF3202*/SF2801/CH238

Shakopee Public Utilities Commission

A new law will allow the Shakopee Public Utilities Commission to increase in size.

Sponsored by Rep. Mark Buesgens (R-Jordan) and Sen. Claire Robling (R-Prior Lake), the new law will change the commission from three members to five.

Shakopee has seen tremendous growth over the past decade, as has the entire northern Scott County region. The city's population doubled during the last decade, Buesgens said, and likely will double again by 2010.

The commission is responsible for the management of publicly owned water and electric utilities in the city. Its members serve three-year staggered terms and are appointed by the city council.

The new law maintains the staggered terms. One position would expire on April 1, 2004, while the second additional position would expire on April 1, 2005.

Taking effect upon local approval, the new law will prohibit more than one city council member from serving on the commission.

HF2624*/SF2441/CH226

Water tank repair

A new law will allow municipalities greater flexibility in the way they pay for repair and maintenance of water tanks.

Rep. Larry Howes (R-Walker), the House sponsor, said the measure allows municipalities, either through direct negotiation or a request for proposal process, to enter into multi-year professional service contracts for work on water tanks.

Howes said the law will also allow municipalities to spread payments over a period of time rather than paying the entire costs up front.

He said the new law clarifies prior law that was being interpreted differently by municipal attorneys. Some thought that municipalities already had the power to enter into such contracts under municipal contracting laws. Others interpreted municipal contracting laws that are specific to water tanks to prohibit such contracts.

Effective May 2, 2002, the new law requires the contracts to contain a provision that a

municipality is not required to make total payments in a single year that exceed the water utility charges received by the municipality that year.

Another contract provision requirement, under the new law, is that the work performed be done under the review of a professional engineer licensed by the state.

The law will also allow the city of Walker to enter into an agreement with either the Department of Human Services or the Department of Administration to allow the city to take over the maintenance and operation of a water tower owned by the state and located at the Ah-Gwah-Ching nursing home facility.

Howes said that provision of the new law was brought forward by local officials.

Sen. Dan Stevens (R-Mora) was the Senate sponsor.

HF2995/SF3168*/CH358

Reporting change

(See Crime, page 24)

Friendlier fuels

(See Environment, page 30)

Filling township vacancies

(See Government, page 33)

New cities created

(See Greater Minnesota, page 34)

Livable communities program

(See Metro Affairs, this page)

Asphalt plant partnership

(See Metro Affairs, page 50)

Conforming tax law changes:

Local provisions

(See Taxes, page 57)

Reporting changes

(See Vetted Bills, page 66)

Local telephone competition

(See Dead Bills, page 80)

Paying for car fires

(See Dead Bills, page 83)



PHOTO BY TOM OLMSCHIED

Municipalities can now enter into professional service contracts for water tank repairs and maintenance. Payments for the work can now be spread out instead of paying all costs up front, and they cannot exceed the water utility charges received in a given year.

METRO AFFAIRS

Livable communities program

A new law will allow cities to opt out of a Metropolitan Council program rather than having to opt in every year.

The new law, sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Ann H. Rest (DFL-New Hope), will allow cities to remain

in the council's Livable Communities Program until they opt out.

Holberg said city councils were previously required to pass a resolution each year choosing to be a part of the program. The law reverses that process by allowing cities, once they have enrolled, to remain in the program until they vote to opt out.

The program awards grants to cities to clean up polluted land, to create affordable housing opportunities, and to stimulate development that incorporates efficient use of land, a range of housing types and costs, and access to transit and open space.

The new law will also allow the grants to go to development authorities. Under previous law the grants were required to go directly to a municipality.

Development authorities include redevelopment authorities, economic development authorities, and port authorities. The law requires that a grant to a development authority must be used for a project in the participating municipality.

The new law is effective March 22, 2002.

HF2899*/SF2711/CH246

Asphalt plant partnership

A new law will allow the city of Minneapolis to partner with a private company in building an asphalt plant.

Currently there are two existing asphalt plants within two blocks of each other in a Minneapolis neighborhood.

Sponsored by Rep. Dennis Ozment (R-Rosemount) and Sen. Linda Higgins (DFL-Mpls), the new law allows the city to enter into negotiations with a company to consolidate the two operations. Ozment said the public/private partnership would allow for cleaner asphalt production in the future.

Though the city has been discussing the prospect with Bituminous Roadways in Minneapolis, the law does not specify which company the city must ultimately contract with.

The new law will allow the joint venture to occur but will require the city to issue a request for proposals to allow competitive bidding for the project.

Officials representing the private company testified that the bill ensures a competitive process so that there is no advantage to any potential bidders, and it will likely save 40 percent to 50 percent in asphalt production costs.



PHOTO BY ANDREW VON BANK

Cleaner asphalt production is the goal of a new law that will allow the city of Minneapolis to partner with a private company in constructing one asphalt plant that will consolidate two existing plants.

The new law requires the joint venture to provide a lower cost and reliable supply of asphalt for a 25-year period when compared to the current city facility.

HF2796*/SF2670/CH264

Parking limitations lifted

Visitors needing to complete business at Hennepin County offices located in Minneapolis might have more parking options, under a new law.

Effective Aug. 1, 2002, the new law allows the county to acquire and improve off-street parking facilities that serve public buildings, used for county purposes and are under the jurisdiction of the county board.

Originally passed in 1969, the existing law limits the county to ownership of one off-street parking facility within the city of Minneapolis.

Rep. Ron Abrams (R-Minnetonka), the House sponsor, said the restriction on the county is the only one like it in the state. He said the law will allow the county to potentially provide more parking closer to the Hennepin County Medical Center.

The law will also remove a five-year limit currently in place for county-lease contracts of real property.

Hennepin County also acquires and improves off-street parking facilities that do not necessarily serve county buildings. In such a case, the city council where the facility is

located must approve any proposed plans the county may have for improving parking facilities.

Sen. Ann H. Rest (DFL-New Hope) was the Senate sponsor.

HF2906/SF2568*/CH359

Phosphorus-free fertilizing

(See Environment, page 28)

Moth spraying allowed

(See Environment, page 30)

Friendlier fuels

(See Environment, page 30)

Reducing medical costs

(See Health, page 39)

Guthrie funding

(See Dead Bills, page 69)

Claiming impounded vehicles

(See Dead Bills, page 81)

Alternative transit study

(See Dead Bills, page 81)

No clearance for MAC plan

(See Dead Bills, page 82)

Dollars for development

(See Dead Bills, page 82)

★ MILITARY

Called to duty

Members of the Minnesota National Guard can be called to duty by the governor for state active service or federally funded state active service. Members can also be called to action by the president for federal active service.

A new law changes state law regarding the code of military justice for guard members called to duty by the governor so that it conforms more closely to federal code.

The new law deletes obsolete statutory language and clarifies and updates language and terms.

Judge Advocate Gen. John Brossart, a lieutenant colonel in the Minnesota National Guard, testified that most of the prior law was adopted in 1963 with amendments passed in 1974 and 1986.

As an example of bringing the state code more into conformity with the federal Uniform Code of Military Justice, is a provision of the new law relating to the code's definition of "desertion" and the procedure to deal with that violation. Desertion under the previous law contained a clause that defined the act as quitting a member's unit, organization, or place of duty with intent to avoid hazardous duty or to shirk "important" service. The new law removes the word "important" from the definition.

Under the same section the law clarifies that those presumed in violation of the definitions of desertion are not merely "guilty" but rather "shall be punished as a court-martial may direct."

Effective Aug. 1, 2002, the new law is sponsored by Rep. Rob Eastlund (R-Isanti) and Sen. Leo Foley (DFL-Coon Rapids).

HF3221/SF3145*/CH308

Benefit clarification

Minnesota National Guard members and reservists who are ordered to either state active service, such as for natural disasters or state worker strikes, or federally funded state active service, such as for airport security following Sept. 11, will receive the same benefits under a new Minnesota law, as they would receive under federal law if ordered to federal active service.

The law, sponsored by Rep. Greg Blaine (R-Little Falls) and Sen. Steve Murphy (DFL-Red Wing), aligns the state statute to conform to the federal Soldiers and Sailors Relief Act of 1940.

Protections provided under that act include reduced interest rates on mortgage payments and credit card debt, protection from eviction, and temporary suspension of certain civil court proceedings such as bankruptcy, foreclosure, and divorce.

Under federal law, those protections apply only to military personnel ordered to active service under Title 10, the law governing federal active service. Title 10 duty would involve duty such as peacekeeping missions in Bosnia or combat in Afghanistan. Federal law does not provide those benefits to military personnel called up under Title 32 or by the governor for state active service for actions defined above.

The new state law will extend these protections by applying them to military personnel who are ordered to active duty of any type, whether state or federal.

The new law is effective retroactive to Sept. 11, 2001.

HF3274*/SF3068/CH284

Capital projects law: Military and veterans homes

(See Bonding, page 13)

Capital cuts

(See Vetoed Bills, page 67)

★ RECREATION

Stadium plan endorsed

After being shut out in prior years at the Capitol, the Minnesota Twins may finally be on their way out of the Hubert H. Humphrey Metrodome, under a new law that provides

potential financing of a new \$330 million roof ready stadium for the team.

The new law requires an upfront contribution of \$120 million from the Twins and other private sources. The state would then issue revenue bonds to make a loan to a city for construction costs of the ballpark. (Sec. 7)

The law allows the Twins to partner with a city, but not a county. It requires the team and the host city to make annual payments of \$12 million to pay off the bonds. (Sec. 7)

Joint powers agreements between two or more cities to serve as a host municipality for the ballpark are allowed, under the law. (Sec. 17)

Subject to prior voter approval, the host city is authorized to impose food and alcoholic beverage taxes and a lodging tax of up to 5 percent. An admission tax of up to 5 percent is also authorized, but only if the commissioner of finance determines that the additional funds are needed to pay off the bonds. (Sec. 11)

A property tax exemption for the new ballpark is provided, as is a sales tax exemption on the materials used in the construction of the stadium. (Secs. 1, 2)

Though lawmakers put the financing plan into law, there are several other steps, including local approval and the Twins agreeing to the plan, that need to be met before the stadium can be built.

The principal source of funding in the law comes from an idea put forward by Peter Sausen, a deputy commissioner with the Department of Finance. Interest generated from the \$120 million upfront private contribution goes toward paying off interest on the bonds.



PHOTO BY TOM OLMSCHIED

A new law provides the foundation for constructing a new ballpark for the Minnesota Twins. The plan includes a \$120 million contribution from the team and other private sources, and state-issued bonds to be repaid by a host city.

Officials from the Department of Finance said the difference between the interest rate from the \$120 million and that of the bonds would have to be between 1.4 percent and 1.75 percent.

The law states that no state dollars can be used to pay off the bonds with a provision that says, "the state neither makes nor has a moral obligation to pay the bonds if the pledged revenues and other legal security for them is insufficient." (Sec. 10)

The new law allows municipalities to issue bonds in place of the state issued bonds if the municipality can do so at a lower rate. (Sec. 15)

To address concerns about the Twins being eliminated or relocated, the law requires Major League Baseball to guarantee a franchise in the Twin Cities for 30 years before the stadium can be built. (Sec. 7)

There is also a requirement that the state's executive council, which consists of the constitutional officers, review the prospects for adoption of changes to Major League Baseball providing increased revenues for small market teams before the bonds could be issued. (Sec. 7)

One requirement of the new law has already been met with the agreement in a lawsuit involving the Metropolitan Sports Facilities Commission and Major League Baseball over an attempt to contract two franchises — reportedly the Twins and Montreal Expos.

The law requires that before bonds can be issued, one of three outcomes to the lawsuit be met. The first is disclosure by the Twins and Major League Baseball of all documents relating to the Twins' finances, including tax records, and contraction plans by the team owner. The others are a court approved settlement or a court dismissal of the case. (Sec. 7)

The commission and Major League Baseball reached a settlement in June where the league agreed not to contract the Twins prior to the 2003 season and that the commission agreed to drop the suit.

To address a potential new football stadium for the Minnesota Vikings and University of Minnesota, the new law creates a football stadium account with a \$500,000 deposit from the Metropolitan Sports Facilities Commission's cash reserves. The commission is also required to deposit net proceeds from a sale of the Metrodome, if that possibility arises, into the account. (Sec. 4)

The law appropriates the money from the new account to the university for developing an agreement with the Vikings for a football stadium to be built on its Twin Cities campus. The provision states the "agreement should assume that legislation authorizing the financing and construction of the stadium will be enacted by March 1, 2003." (Sec. 18)

Rep. Harry Mares (R-White Bear Lake) and Sen. Dean Johnson (DFL-Willmar) were the sponsors.

HF2214*/SF1857/CH397

Border changes

State park boundaries will be adjusted, under a new law effective May 16, 2002.

Sponsored by Rep. Doug Peterson (DFL-Madison) and Sen. Don Samuelson (DFL-Brainerd), the new law will allow the Department of Natural Resources to acquire permanent stream easements to improve fishing access and wildlife habitat.

The new law also calls for multi-use, dual treadway trails on the Casey Jones Trail near Pipestone in southwestern Minnesota and Cuyuna Lakes Trail in Crow Wing and Aitkin counties in northern Minnesota.

A number of state trails and parks gain acreage under the law, including Crow Wing State Park near Brainerd, Myre-Big Island State Park near Albert Lea, and Big Bog State Recreation Area in Beltrami County in north central Minnesota.

Meanwhile, the Big Stone Lake State Park in southwestern Minnesota near the South Dakota border will lose land.

The Richard J. Dorer Memorial Hardwood State Forest in southeastern Minnesota and the Pillsbury State Forest near Brainerd will also gain land.

The Cuyuna Country State Recreation Area under development about 15 miles northeast of Brainerd will both lose and gain acreage.

A number of counties will also be permitted to sell surplus, tax-forfeited, or trust lands, under the new law.

HF3025/SF2727*/CH366

Capital projects law: Environment, state parks

(See Bonding, page 12)

ATV restrictions

(See Environment, page 28)

Consolidated-Conservation land

(See Environment, page 29)

Deer health, fund changes

(See Environment, page 29)

ATV use, duck decoys

(See Game & Fish, page 32)

Agent registration

(See Higher Education, page 39)

Capital cuts

(See Vetoed Bills, page 67)

RETIREMENT



Retaining engineering titles

Retired engineers will be allowed to use their profession's title under a new law effective Aug. 1, 2002.

Rep. Rich Stanek (R-Maple Grove), the House sponsor, said the issue was brought to him by a constituent but applies to people throughout the state.

To ensure public safety and to minimize confusion, due in part to deceptive advertising, current licensing laws for people who practice architecture, landscape architecture, professional engineering, professional geoscience, land surveying, and interior design prohibit the use of the titles unless the person is properly licensed and certified.

Those professions are licensed by the state Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design. The 21-member board is appointed by the governor and consists of members of the various professions.

Previous law specified that individuals who are retired from one of the professions are prohibited from using the title. The new law allows retention of the title, presuming the individual held a valid license at the time of retirement. The retiree's use of the title must be preceded by the word "retired."

Stanek said that his constituent, who was an engineer for more than 40 years, does a large amount of volunteer work at schools and various other functions and would like to refer to himself as a retired engineer.

The Senate sponsor was Sen. Warren Limmer (R-Maple Grove).

HF2629*/SF2913/CH239

Pension revisions

A new law will make changes to public pension laws reflecting recommendations made by the Legislative Commission on Pensions and Retirement.

Each year the commission, which consists of five members each from the House and Senate, makes recommendations to the Legislature reflecting its study and investigation of state public pension plans.

A provision of the new law updates existing laws that became obsolete when most local police and paid firefighter relief associations merged into the Public Employees Retirement Association (PERA).

Existing language in pension laws is restructured because only four local associations — the Fairmont Police, Minneapolis Fire, Minneapolis Police, and Virginia Fire — remain.

Retroactive to July 1, 2001, the new law will allow members of PERA, the Minnesota State Retirement System, or the Teachers Retirement Association to obtain service credit for strike time for up to one year. To obtain credit the employee must pay an amount equal to the employee and employer contributions plus interest.

Members of a retirement plan administered by PERA who are receiving temporary workers compensation benefits are allowed to receive service credit by making specified payments to the association under the law.

The new law also requires the state to make unpaid retirement fund contributions on behalf of 15 charter schools that closed prior to April 1, 2002. The payment amount will be deducted from the total amount otherwise payable as state building lease aid to charter schools.

Legislators whose service is not covered by Social Security will be allowed to elect future and retroactive Social Security coverage for service time, under the new law. The provision requires legislators electing the option to make the employer and employee Social Security contributions.

Rep. Harry Mares (R-White Bear Lake) and Sen. Dean Johnson (DFL-Willmar) were the sponsors.

There are various effective dates but most provisions are effective May 23, 2002. It expires after one year.

HF3127*/SF2984/CH392

LTV pension concerns

A resolution approved by the 2002 Legislature claims laid-off LTV steel mining workers were given “virtually no notice” of the

termination of their pension plan and calls for action on their behalf.

The resolution states that the Minnesota Legislature urges the pension corporation to delay terminating the LTV Steel Mining Co. Pension Plan until March 2003 in order to enable the employees of LTV and the state “to study possible alternatives to a Pension Benefit Guaranty Corporation distressed termination.”

Besides the pension corporation, the president of the U.S. Senate, the speaker of the U.S. House of Representatives, and several federal administrators will receive a copy of the resolution.

The pension corporation gave plan participants 45 days notice of its intention to terminate the pension plan, based on their analysis that the plan is no longer fully funded, according to the resolution. House rules were waived to pass the resolution in a matter of days.

The LTV mining plant in Hoyt Lakes shut down in August 2000, and went bankrupt in February 2001.

In March 2002 the Pension Benefit Guaranty Corporation, the government’s pension insurance program, announced that it will guarantee basic pension benefits for participants in the three underfunded LTV plans, affecting 82,000 workers and retirees of the company.

The guarantee corporation estimated in March that the three plans were underfunded by about \$2.2 billion.

About 3,500 Minnesotans are either collecting or are eligible for a fully funded pension from the LTV plan addressed in the resolution.

Rep. Tom Bakk (DFL-Cook) sponsored the resolution in the House, and Sen. David Tomassoni (DFL-Chisholm) carried it in the Senate.

HF3411/SF3207*/R7

★ SAFETY

Anti-terrorism provisions

In response to the Sept. 11, 2001 attacks in New York City, Washington D.C., and Pennsylvania, a new law will provide Minnesota law enforcement with training, equipment, and new legal tools to prevent and respond to terrorist attacks.

Policy provisions in the law, a culmination of several provisions and months of debate, primarily took effect May 23, 2002.

Appropriations are effective July 1, 2002.

In its final form, the anti-terrorism law was sponsored by Rep. Kevin Goodno (R-Moorhead). There was no Senate sponsor.

Prior to final passage by the House and Senate, provisions in the law were sponsored by Rep. John Tuma (R-Northfield) and Sen. Jane Ranum (DFL-Mpls).

The following are highlights of the law.

HF2515*/SFnone/CH401

Crime and punishment

Several provisions in the new law define terrorism and set penalties in place for those convicted.

As defined by the law, a crime is committed to further terrorism if it is a violent, premeditated, felony-level crime intended to “terrorize, intimidate, or coerce a considerable number of members of the public in addition to the direct victims of the act.”

The criminal act also must significantly disrupt or interfere with the operation of government, commerce, or the right of lawful assembly to be labeled as furthering terrorism. (Art. 1, Sec. 20)

Laws governing first-degree murder will be expanded, under the law, to include causing the death of a person while “committing, conspiring to commit, or attempting to commit a felony crime to further terrorism,” according to the law. In addition, if the crime shows “an extreme indifference to human life,” it will also be considered first-degree murder. (Art. 1, Sec. 15)

The newly defined crimes under the murder statute will also be subject to the life in prison without release penalty. (Art. 1, Sec. 13)

In addition, the new law also makes damage to certain public service facilities, utilities, pipelines, etc. a felony subject to a 10-year maximum sentence. (Art. 1, Sec. 16)

Trespassing on such properties will also be subject to gross misdemeanor penalties, as well. (Art. 1, Sec. 17)

With regard to weapons of mass destruction, the new law includes the following guidelines and penalties (Art. 1, Secs. 19, 20):

- Manufacturing, acquiring, or possessing weapons of mass destruction, defined by the law, is subject to 20 years in prison and a \$100,000 fine;
- Possessing, making, or acquiring biological and chemical agents — including such substances as smallpox, anthrax, or botulism — in quantities that threaten human life, will also be subject to 20-year prison terms and a \$100,000 fine;

- Simulated weapons of mass destruction, intended to intimidate or terrorize, will be a crime punishable by up to 10 years in prison and a \$20,000 fine, as will threats with real or simulated mass destruction implements; and
- Any felony committed to further terrorism would be subject to a 50 percent longer maximum penalty.

These provisions are effective July 1, 2002, and they apply to crimes committed on or after that date.

Addressing homeland security

The new law creates a 27-member homeland security advisory council, which is given oversight of various areas of terrorism preparedness.

The council will advise the Department of Public Safety on homeland security issues, including overall preparedness and anti-terrorism policies and procedures.

In addition, the council will coordinate state and federal funding related to those ventures and insure that the funds are being spent and allocated appropriately.

The council will expire on June 30, 2005. (Art. 1, Sec. 1)

Emergency 911 surcharge

The new law authorizes an increase in the Emergency 911 surcharge of up to 6 cents from the previous level of 27 cents, effective July 1, 2002. The surcharge is assessed each month to each telephone customer.

Officials from the state Department of Administration said that the increase is needed to meet obligations prescribed in existing law. The increase was part of the governor's budget recommendations in 2001 but was not adopted at that time.

According to the nonpartisan House Research Department, 1.5 cents of the increase will be used in 2005 to increase funding for emergency call centers and another 1.5 cents will be used for revenue bonds to continue improvement and expansion of the public safety radio system in the Twin Cities metropolitan area. (Art. 1, Sec. 3)

The new law also appropriates \$6 million through 2003 from the 911 account for the administration of 911 services, including call centers. (Art. 2, Sec. 2)

Funds for training, equipment

A total of \$13 million is appropriated in the new law for the purchase of equipment and development of staff and training facilities for emergency responders. (Art. 2, Sec. 1)

The largest chunk — \$7.5 million — is set aside for terrorism-related training. The funds will be disbursed as grants to local response units.

Another \$3.75 million will be used for grants to local law enforcement to produce personal protection, chemical detection, and decontamination equipment. Grants will require a 25 percent local match.

In addition, another \$600,000 combined will help reimburse bomb disposal units, convert the state's chemical assessment teams to also handle emergency responses, and insure that up to five chemical responders are available for incidents.

The new law will also allow counties the authority to issue bonds to pay for designing and building infrastructure for a public safety communication system.

DNA collection

Felons incarcerated in Minnesota will be required to provide a DNA sample for future testing, under the new law.

The collection period will last from July 1, 2002 to June 30, 2003 and samples must be collected upon sentencing or prior to release.

Out-of-state offenders housed in Minnesota are also subject to the requirements.

Officials testified during 2002 that the state should have a more complete DNA database to aid in investigations. Collecting samples from people convicted of other crimes provides an information base that can help

investigators identify suspects.

For example, in a case where DNA evidence was collected at the scene, investigators will often run a check of DNA databases to see if there is a match, when they could identify suspects by no other means. A larger database will allow for a greater possibility of "cold hits," officials say.

Prior to the new law, 12 states required all felons to submit DNA samples upon conviction. (Art. 1, Sec. 14)

Capitol Security

Funds are also provided in the law to expand security at the State Capitol complex.

The new law allocates \$600,000 for fiscal year 2003, to hire two additional state troopers at the complex year-round and to fund overtime for two troopers to patrol the complex while the Legislature is in session. (Art. 2, Sec. 1)

Previously, there were three full-time troopers assigned to Capitol Security, separate from the governor's security detail.

Sparklers legalized

A new law will allow the limited sale and use of fireworks in the state.

Under the measure, people age 18 and older will be allowed to purchase certain fireworks, including sparklers, snakes, glow worms, smoke devices, and trick noisemakers, for use on private property in the state.

Effective April 30, 2002, the new law



PHOTO BY TOM OLMSCHIED

The purchase of some novelty fireworks, including sparklers, snakes, smoke devices, and glow worms, is now permitted in Minnesota. The devices may only be used on private property.

requires buyers to provide photo identification at the time of the purchase.

Sponsored by Rep. Tom Hackbarth (R-Cedar) and Sen. Debbie Johnson (R-Ham Lake), the new law is a result of a compromise in conference committee.

The original bill dealt with extending volunteer firefighters' benefits by prohibiting employers with at least 10 employees from taking disciplinary action against an employee who misses time while performing volunteer fire fighting duties. However, those provisions were removed in conference committee.

The House version of the bill would have permitted the sale and use of federally approved fireworks during periods around Independence Day and New Year's Day. The new law contains no date restrictions.

Rep. Mark Holsten (R-Stillwater), who originally offered the fireworks-related provisions as a separate bill (HF1543), said the compromise reached was to allow the sale of "novelty" items.

Fireworks legalized under the measure include wire or wood sparklers of not more than 100 grams of mixture per item, and other sparkling items that are non-explosive, non-aerial, and contain 75 grams or less of chemical mixture per tube, or a total of 200 grams or less for multiple tubes.

Holsten said the law means Minnesota will join 41 other states in allowing the sale of fireworks, and regulating their use will allow the state to make sure the items are used safely and responsibly.

HF2525/SF2960*/CH350

Make way for emergency vehicles

Drivers who don't pull over for emergency vehicles could soon face harsher penalties.

A new law will allow emergency vehicle drivers to call in the license plate numbers of drivers who get in their way.

The new law makes it a petty misdemeanor for drivers who simply refuse to yield because they don't know the law or don't notice the vehicle and a misdemeanor for those who intentionally impede the emergency vehicle.

Rep. Matt Entenza (DFL-St. Paul) and Sen. Richard Cohen (DFL-St. Paul) sponsored the law.

Entenza said the law should be changed because drivers are refusing to yield to emergency vehicles more and more frequently.

The new law gives emergency vehicle drivers similar authority to call in license plates that school bus drivers have to report drivers

who drive through a bus stop sign, he said.

Also included in the bill is a provision that allows law enforcement personnel to pass through red lights or stop signs while either flashing the vehicle's lights or sounding its siren.

Prior law required emergency vehicles to do both while passing through an intersection.

Supporters said the change would allow police the ability to sneak up on criminals who may otherwise flee the scene of a crime when they hear sirens approaching.

That part of the bill went into effect April 6, while other provisions will be effective Aug. 1, 2002.

HF2706*/SF3076/CH319

911 reimbursement, regulations

A new law will update language regulating 911 services to reflect new technologies and slightly change 911 reimbursement procedures.

Effective May 18, 2002, the new law reflects technical corrections suggested by state Department of Administration officials and other telephone groups in an effort to streamline 911 reimbursement and administration processes.

The new law changes state law to acknowledge wireless and cellular phone service providers. Under the new law, all phone service providers, including traditional telephone companies and wireless communications providers, must provide 911 service without charge to callers.

Supporters of the provision said that the law governing 911 had not been substantially changed since its initial passage in 1977. Updating the law was necessary to reflect new technologies, as well as other system changes that had occurred over the years.

In addition, the new law allows competitive local exchange carriers, those who have only been offering services in a local service area since de-regulation in 1995, to be reimbursed for providing 911 service.

All companies providing 911 services to customers collect a fee that is sent to the state. However, under prior law, only incumbent service providers, those who have been the primary service provider in an area since prior to 1995, were eligible for reimbursement from the state.

Effective Jan. 1, 2003, the competitive carriers will also be eligible for reimbursement for services provided beginning July 1, 2002.

In addition, the new law removes the

requirement that the public utilities commissioner sign off on all payments to service providers before they are disbursed. The new law also requires that reimbursements be paid within 30 days of receipt, rather than 90 days as is provided in previous law.

The new law does not raise the 911 surcharge fee. However, the anti-terrorism law passed in the 2002 session does include a 6-cent increase (from 27 to 33 cents) that was proposed by Gov. Jesse Ventura in the 2001 budget process to maintain the system at current levels and keep it from incurring a deficit. (See related story, page xx.)

In addition, the new law does not provide additional funding for emergency call centers, which was proposed during legislative debate.

Rep. Mike Osskopp (R-Lake City) and Sen. James Metzen (DFL-South St. Paul) sponsored the new law.

HF2550/SF2392*/CH372

Filing mine reports

Mine inspection reporting will become a little simpler, under a new law.

Sponsored by Rep. Chris Gerlach (R-Apple Valley) and Sen. Arlene Lesewski (R-Marshall), the new law eliminates a requirement that a report produced by an inspector of mines be filed with the Department of Labor and Industry. The report will still be filed with the appropriate county auditor.

Gerlach said department officials, who said that they do not use the report, brought the measure to him and that all the information required is included in other sources. The new law merely removes the department from the distribution list.

The annual report includes information such as the number of visits and inspections made, the number of mines in operation and not in operation, the quantity of ore shipped, the number of workers employed, and the average wages paid for different kinds of work.

There is also some safety information included in the report including the number of accidents, fatal or otherwise, and the cause of such.

The new law is effective Aug. 1, 2002.

HF2642*/SF2760/CH224

Daycare pool safety

(See Children, page 20)

Daycare swimming pools

(See Children, page 20)

Restricting sex offenders

(See Crime, page 22)

Lifetime sex offender registration

(See Crime, page 23)

Interstate compact plan

(See Crime, page 23)

Criminal history data sharing

(See Crime, page 23)

Tougher penalties

(See Crime, page 24)

Escape, endangerment provisions

(See Crime, page 24)

Responding to bioterrorism

(See Health, page 35)

Drug administration

(See Health, page 35)

Employee screening

(See Human Services, page 40)

Reporting incidents mandated

(See Human Services, page 41)

Behavior disclosure

(See Human Services, page 41)

Running lights, weight limits

(See Transportation, page 58)

Flashing red for funerals

(See Transportation, page 58)

Scooter-like speed limit

(See Transportation, page 59)

Policy provisions enacted

(See Transportation, page 59)

Capital cuts

(See Vetoed Bills, page 67)

Felons and firearms

(See Dead Bills, page 70)

Airbag replacement

(See Dead Bills, page 83)

Fire retardant cigarettes

(See Dead Bills, page 83)

Paying for car fires

(See Dead Bills, page 83)

Security background checks

(See Dead Bills, page 84)

'United We Stand' plates stall

(See Dead Bills, page 84)

TAXES**Conforming tax law changes**

The 2002 omnibus tax law doesn't include rebates or major tax cuts like in recent years, and it doesn't even bear the governor's signature.

Gov. Jesse Ventura allowed the bill to become law without his signature saying it was "inadequate and does not responsibly contribute to the long-term budget solution."

The law was the second piece of the final budget-balancing agreement passed by the 2002 Legislature. Primarily, it conforms state law to certain federal law changes, adjusts regulations affecting sales tax definitions, and provides authority for local tax adjustments.

There are various effective dates, but much of the new law becomes effective for taxes collected in 2003.

Rep. Ron Abrams (R-Minnetonka) and Sen. Lawrence Pogemiller (DFL-Mpls) were the sponsors.

HF2498*/SFnone/CH377

Bread and meat tax

A few changes in the law make corrections to the 2001 tax law, including one that will return bakery goods made by the seller to the list of items not subject to sales tax.

As part of the state's participation in an effort known as the Streamlined Sales Tax Project in 2001, the definition of prepared food was changed in law. The project's definition included baked goods made by the seller, which affected a number of grocery store-based bakeries that made their own products.

Abrams said that it was never the intention of last year's tax changes to include a tax on bread. Revenue Department officials even missed the unintended change, he said.

The new law exempts bakery items made by the seller, unless they are served with eating utensils, therefore intended for consumption on site.

Also, ready-to-eat meat and seafood in an unheated state is included in the sales tax exemption clarification. Because this portion of the change is not in compliance with the allowed options under the streamlined definition, it will sunset Dec. 31, 2005. (Art. 3, Sec. 4)

Reciprocity agreement

Another provision of the law changes the income tax reciprocity arrangement between Minnesota and Wisconsin. Under current law, Wisconsin residents working in Minnesota and Minnesota residents working in Wisconsin only

file returns with their home state.

The two states then determine the amount of tax paid by people who work in the other state. Traditionally, more Wisconsin residents work in Minnesota so that Wisconsin makes a payment to the Minnesota Department of Revenue, and that payment generally has been made at the end of the following calendar year.

The new law requires Wisconsin to pay interest on this delayed payment if it is not made by July 1 of each tax year. If Wisconsin does not agree to the payment of interest by Oct. 1, 2002, the new law calls for the termination of the reciprocity agreement. (Art. 1, Sec. 2)

Federal updates

The state will conform its tax laws to some federal tax changes, under the new law. One such change is the federal "Victims of Terrorism Relief Act of 2001" that waives any income tax obligations on wages earned by terrorism victims in the year of their death, or in the preceding year. The law also applies to victims of the post-Sept. 11 anthrax attacks and victims of the 1995 Oklahoma City bombing. (Art. 2, Sec. 3)

The federal law also provides estate tax rate relief to victims' heirs and makes nontaxable the settlement and charitable funds, provided by groups like the American Red Cross to the victim's families. Neither the federal nor state benefits will apply to perpetrators of the attacks.

The state also conformed to most provisions of the Job Creation and Worker Assistance Act of 2002, including a \$250 deduction for elementary and secondary teachers for expenses from purchases of materials used in the classroom. Also, foster care payments to qualified placement agencies are excluded from taxable income. (Art. 2, Sec. 3)

Minnesota did not fully conform to federal 30 percent bonus depreciation but instead will require taxpayers to add back 80 percent of the bonus amount and then claim it in equal parts over the next five tax years.

Ventura said one of the reasons he was allowing the bill to become law without his signature was its treatment of the bonus depreciation in a way that does not require individuals and businesses to maintain separate state and federal depreciation schedules.

Officials from the Department of Revenue testified that if the state made no adjustment to its tax laws, the state's tax calculations would become much more complicated. Fully conforming to federal law was too expensive given

the budget estimates (\$103.8 million in 2002 and \$129.7 million in 2003). The new law requires taxpayers to add back all but 20 percent of the additional federal depreciation, but they will subtract an equal amount from taxable income over the next five years.

Sales taxes

A scheduled repeal of a business-related tax provision has been delayed, accounting for a savings to the state's general fund of \$25.5 million in the 2002-2003 biennium.

Retailers with at least \$120,000 in annual sales tax collections currently pay 75 percent of their estimated June sales tax liability two business days before June 30, the end of the state's fiscal year. The rest of the year they are required to pay the taxes by the 14th of the following month.

As part of the 2000 and 2001 omnibus tax laws, the June accelerated sales tax would be phased out by reducing the percentage to 62 percent this year and eliminating the payment shift altogether in June 2004.

The new law reinstated the 75 percent estimated payment for 2002 but maintains the elimination of the accelerated payment as of June 2004. (Art. 3, Sec. 2)

Another sales tax provision narrows the exemption for meals served at colleges, universities, and private career schools to only meals served to students under board contract. (Art. 3, Sec. 7)

The law allows a sales tax exemption on admissions to events sponsored by arts organizations, including events sponsored by the University of Minnesota for events at the school. Also, all food and beverages sold through vending machines at elementary, secondary, and post secondary schools will no longer be exempt from sales taxes. (Art. 3, Sec. 12)

Local provisions

The new law also contains several provisions specific to local areas in the state.

One such provision will allow cities in the St. Cloud area to impose local sales and use taxes to fund the regional airport and other capital projects approved by the voters. State law requires the Legislature to authorize imposition of local sales taxes. The tax will only be in effect until Dec. 31, 2005. (Art. 11, Sec. 2)

Two years ago St. Cloud voters approved a sales tax to fund airport, library, and road improvements plus funding for park and trail needs.

The law also allows the cities of Bloomington and Rochester to increase their local lodging taxes by 1 percent. (Art. 3, Secs. 20, 25)

The city of Albert Lea is authorized to establish a redevelopment tax increment financing district to assist in economic development of an industrial park. The project is in response to the fire that destroyed the Farmland Foods plant during the summer of 2001.

The provision allows the city to create the TIF district with exemptions from the law requiring that districts address blight conditions.

Because TIF will be used to both cleanup the old site and help build the new facility, an exemption is needed because both sites would not fall under the blight test requirement.

City officials testified the TIF district will be used to make up a \$2 million gap after all federal and state grants are applied to the project. (Art. 7, Sec. 7)

Agricultural credit

Individuals and families living on agricultural land will also benefit, under the new law.

The 2001 omnibus tax law included a tax credit for agricultural homestead properties of 0.2 percent of the market value of a homestead not including the value of the house, garage, and surrounding one acre of land. The maximum credit allowed was \$230.

The new law increases the credit to 0.3 percent of the market value and increases the maximum credit to \$345 per homestead. The new law also reduces the credit by 0.05 percent of the market value over \$115,000 but limits the reduction to \$115. (Art. 4, Sec. 18)

Safe schools levy

There's increased levy authority granted to schools in the new law.

Districts were previously allowed to levy \$11 per pupil unit for various crime-related costs. This included paying salaries, benefits, and transportation costs of peace officers, sheriff's liaison services, and other security measures. The levy can also be used for gang resistance education programs.

The new law increases the levy authority to \$30 per pupil unit and renames the levy the "safe schools" levy. (Art. 5, Sec. 4)

Property tax provisions

The law provides a new property tax classification on bed and breakfast establishments in the state. Under previous law owner-occupied and owner-operated bed and breakfasts should have been taxed using a split

classification — partially homestead and partially at the commercial rate of 1.5 percent of the first \$150,000 of commercial market value, and 2 percent on the market value above \$150,000.

Under the new law, bed and breakfast establishments that meet certain criteria will continue to have a split classification. They will be taxed for value in excess of homestead classification at a rate of 1.25 percent and be exempt from the state's general tax.

To qualify for the lower rate the establishment must rent rooms for guests that generally stay for 14 days or less and provide meals as part of the rental costs to those who rent rooms. The lower rate only applies to five rental units. Any units over that threshold will continue to be assessed at the commercial rate. (Art. 4, Sec. 17)

The method in which wind power systems are taxed is changed under the new law. Beginning with taxes payable in 2004, the law exempts equipment and buildings of a wind energy conversion facility from property taxes. However, the land on which the system is located will still subject to property tax.

The new law establishes a production tax on the electricity produced from wind energy conversion systems. The rate of the tax will be based on the size of the system. Large generators, those with a capacity of 12 megawatts or more, will pay .12 cents per kilowatt hour. Medium-sized generators (between two and 12 megawatts) will pay .036 cents per kilowatt hour. Small generators of .25 to 2 megawatts will pay .012 cents per kilowatt hour.

The production tax applies to conversion systems installed after Jan. 1, 1991, except there is an alternative in-lieu payment that may be negotiated for systems. (Art. 4, Secs. 6, 12, 13)

The law also provides future property tax exemptions for five proposed energy generating facilities, subject to a number of specific conditions. The facilities will be located in Waseca and Beltrami County, Minneapolis, Shakopee, and at the former LTV site in Hoyt Lakes. One facility in particular focuses on developing biomass energy technology. (Art. 4, Secs. 7-11)

Individuals who own a property that has both homestead and non-homestead classification status will be eligible for some homestead credit on the non-homestead portion through 2005. The homestead classification will be the greater of the actual portion used as homestead or:

- \$60,000 for taxes payable in 2003,
- \$45,000 for taxes payable in 2004, and
- \$30,000 for taxes payable in 2005.

For taxes payable in 2006 or thereafter, the homestead portion will receive only homestead treatment. (Art. 4, Sec. 14)

The new law also provides a permanent homestead and agricultural credit aid (also known as pipeline aid) to counties where public utility property comprises more than 40 percent of the county's tax base. Only three counties are affected — Clearwater, Kittson, and Red Lake. (Art. 4, Sec. 20)

Miscellaneous provisions

Foreign diplomats stationed in the state receive a liquor tax exemption on direct shipments of alcohol from foreign countries, under the new law. The provision conforms the law to an already existing Department of Public Safety rule. (Art. 9, Sec. 13)

To honor retiring Sen. Doug Johnson (DFL-Tower), the long-time chair of the Senate Taxes Committee, the new law renames the state's Northeast Minnesota Economic Protection Trust Fund Act the Douglas J. Johnson Economic Protection Trust Fund Act. (Art. 8, Sec. 14)

The fund, established in 1977, is devoted to economic rehabilitation of areas that face economic hardships and widespread unemployment that result when a single industry, on which the area is largely dependent, experiences a drastic reduction in activity.

Stadium plan endorsed

(See Recreation, page 51)

Veterans home admission

(See Taxes, page 61)

★ TECHNOLOGY

Labeling e-mail messages

(See Consumers, page 21)

Escape, endangerment provisions

(See Crime, page 24)

Public TV upgrade

(See Government, page 33)

Telemedicine assistance

(See Health, page 36)

★ TRANSPORTATION

Running lights, weight limits

Effective May 18, 2002, a new law modifies various transportation and public safety laws.

Aside from making many technical and conforming changes, the new law allows motorcycles to legally drive through red lights, creates special license plates for veterans, and changes rules regarding enforcement of commercial vehicle weight limits.

A provision heard in committee as HF3226, sponsored by Rep. Tom Workman (R-Chanhassen), will allow motorcyclists to go through red lights when their motorcycles aren't detected by the stoplight.

Veterans of any war will also be able to order special "Proud to be a Veteran," license plates for a one-time fee of \$30. Proceeds from the plates will go to the state's World War II memorial fund.

The law will also allow trucks hauling unfinished lumber to exceed the allowed weight restriction by 5 percent without penalty, instead of the current 4 percent, or 1,000 pounds. Supporters of the provision have said lumber trucks should have more leeway because the weight of wood can change depending on the level of moisture in the wood.

Related measures will limit inspections of commercial vehicles if there is not probable cause or if the vehicle has been inspected in the past three months and will only allow law enforcement to require a truck to be weighed if no more than two other trucks are in line.

The law will also require the state Department of Transportation to study seasonal load restrictions in the northern part of the state.

The law will also allow up to \$400,000 of trunk highway money to be spent on bus service during construction work on the Wakota Bridge in South St. Paul. Current law prohibits trunk highway funds from being spent in the current biennium on bus service to alleviate the congestion effects of highway construction.

Another provision would clear the way for online driver's license renewals by allowing the Department of Public Safety to adopt rules related to how it administers eye exams when people apply for license renewals.

The new law also transfers from the Department of Revenue to the Department of Public Safety the responsibility to collect fuel taxes from interstate motor carriers.

An exception to a requirement that airports match any federal funds was also included. The one-time exception will allow airports to receive federal aid as part of the federal anti-terrorism package without having to kick in local funds.

Rep. William Kuisle (R-Rochester) and Sen. Steve Murphy (DFL-Red Wing) sponsored the law.

HF3203*/SF3233/CH371

Flashing red for funerals

A new law will allow the driver of a funeral home motorcycle or vehicle to use a flashing red light to warn drivers that a funeral procession is following.



PHOTO BY TOM OLMSCHEID

A new law will allow motorcyclists to legally drive through red lights if the stoplight sensor does not detect their machine. Drivers are required to bring the motorcycle to a complete stop and can go if the signal is red "for an unreasonable time."



PHOTO BY ANDREW VON BANK

The leader of a funeral home procession has the authority to use a flashing red light on their vehicle even if they are not law enforcement, under a new law, to warn other motorists that a funeral procession is following.

The change is effective Aug. 1, 2002.

Rep. Jim Knoblach (R-St. Cloud), the House sponsor, said police in Greater Minnesota often do not have time to lead funeral processions, leaving funeral home employees to do so.

Since funeral home vehicles were previously not allowed to use a flashing red light, it was often dangerous for drivers when the procession passed through an intersection, he said.

In the past, drivers could recognize a funeral procession because cars in the procession would have their lights on, Knoblach said. However, many cars now drive with their lights on all the time as a safety feature, so other drivers may not realize when cars are part of a procession.

An earlier version of the law called for funeral homes to be able to control traffic lights like law enforcement and emergency vehicles, but the House removed that provision.

The Senate sponsor was Sen. Dave Kleis (R-St. Cloud).

HF3076/SF2612*/CH316

Scooter-like speed limit

Anticipating the popularity of a newly developed mode of transportation, legislators passed a law during 2002 regulating use of the device.

Sponsors of the new law said they hope that regulating the device now, before it becomes popular, will prevent their use from becoming a hazard once the Segway Human Transporter becomes a prospect for mainstream consumers.

Effective Aug. 1, 2002, the law limits use of the Segway, described on the company's Web site as a "self-balancing, electric-powered personal transportation machine," to sidewalks and bike paths. The law mandates a maximum speed of 15 mph for the machines, although that is already the top speed of the device.

A cross between a scooter and a vehicle, the Segway reacts to the rider's movements. It does not have brakes or a steering wheel, but respond to the rider's balance.

The machines accommodate one person and are expected to be available for \$3,000 in retail outlets later this year. Three Segway machines were offered in an on-line auction for more than \$100,000 each earlier this year.

The device is expected to become more accessible as technology and popularity drive the price down.

Sponsored by Rep. Tom Workman (R-Chanhassen) and Sen. Satveer Chaudhary (DFL-Fridley), the law specifies that electric personal assistive mobility devices, including the Segway, are not considered "motor vehicles."

HF2882*/SF3122/CH285

Policy provisions enacted

A new law contains a number of miscellaneous policy provisions related to the state Department of Transportation.

Rep. William Kuise (R-Rochester) and

Sen. Dean Johnson (DFL-Willmar) sponsored the new law, effective Aug. 1, 2002.

The new law will allow the Transportation Department to purchase land for future highway projects, allow advance funding for certain highway construction projects, and encourage the use of agricultural-based deicing solution for state roads.

In addition, the new law prohibits the department from eliminating the St. Croix Bridge project in Stillwater from its statewide improvement plan during 2003.

Other specific projects addressed in the new law include a pedestrian signal in Anoka, as part of the redesign of U.S. Highway 169, and a corridor protection demonstration project along state Highway 55 from Interstate 494 to Annandale.

The department is granted an exception from the moratorium on state consultant contracts contained in the first budget reconciliation law. MnDOT relies on those contracts in order to plan and design construction projects around the state. The moratorium also included contracts paid for from dedicated transportation funds and contracts from metropolitan highway bottleneck alleviation, Greater Minnesota interregional corridor improvements, and special lanes and ramps for transit.

The new law also allows an agreement between the department and the Minnehaha Creek Watershed District, regarding the flow of Camp Coldwater Springs near the intersection of state Highways 55 and 62 to supersede

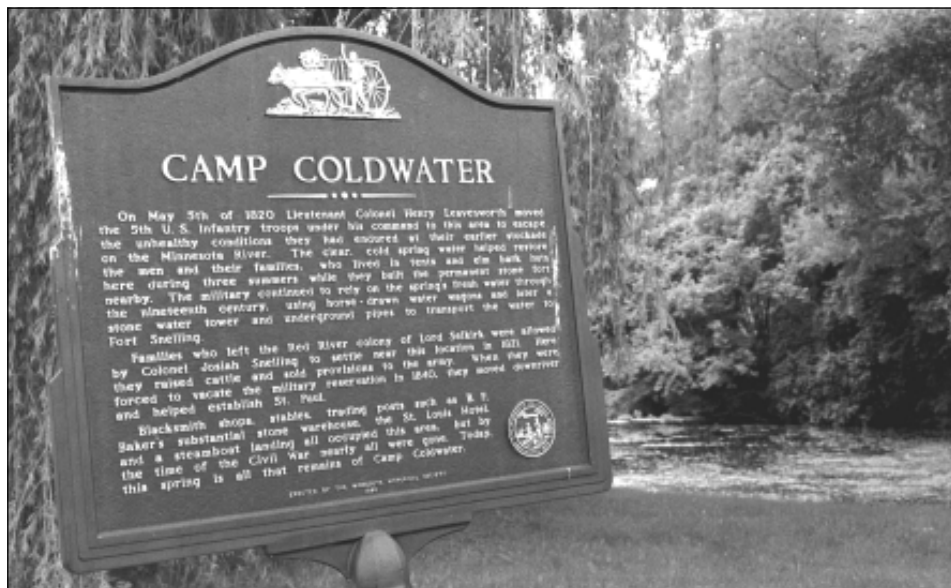


PHOTO BY TOM OLMSCHIED

Construction can proceed on the interchange of Highways 55 and 62 as an agreement between the Department of Transportation and Minnehaha Creek Watershed District has been reached regarding Camp Coldwater Springs. The agreement is part of a law dealing with transportation provision modifications.



PHOTO BY TOM OLMSCHEID

A new law prohibits school buses from parking near the air-intake system of a school building to prevent students from breathing diesel fumes.

the 2001 law that provided historical protection for the spring. The 2001 provision essentially halted construction on the intersection.

The new law also allows the department to enforce federal regulations regarding drug and alcohol testing for drivers of commercial vehicles.

Several bus-related provisions are also part of the new law.

First, other large-capacity buses will be allowed to use the shoulders of freeways and expressways, just as transit buses are. They will be limited by certain speed restrictions, however, to ensure safety.

Beginning July 1, 2003, school buses will be required to park and load passengers far enough away from school air intake systems to avoid introducing diesel fumes into the school ventilation system. School districts will be allowed some flexibility to not comply with the requirements if they determine such a setup would block traffic or impair safety.

Another provision will allow the state's public safety commissioner to cancel the endorsement of school bus drivers who have been convicted of a gross misdemeanor or a series of violations that show the person is a risk to public safety. The law is not specific about which offenses, but it merely establishes that a pattern of offenses may be cause to lose a school bus-driving license.

Previous law denied a school bus endorsement to those who have been convicted of a gross misdemeanor within the past five years, as well as those who have been convicted of a felony, drug and alcohol violations, or invasion of privacy.

The city of Chisholm will be given permanent eligibility for municipal state-aid street funds, under the law. The city dropped to under 5,000 population in the 2000 census and would have thus become ineligible to remain in the state-aid street system. Legislation passed in 2001 allowed the city to stay in the system, but the authorization would have expired at the end of fiscal 2004. The new law eliminates the expiration date.

HF3199/SF3298*/CH364

Disclosing vehicle information

A new law will allow limited access to motor vehicle records kept by the state.

Effective Aug. 1, 2002, the new law will allow the commissioner of public safety to give people or organizations access to motor

vehicle records if the information requested is related to the operation of a motor vehicle or public safety.

It will not change the law regarding driver's license records.

Under the law, the commissioner will have the authority to deny such requests if he or she feels the party asking for the information is likely to use the data for illegal, improper, or non-investigative purposes.

Rep. Steve Smith (R-Mound), the House sponsor, said the law is a technical change that corrects what appears to be an oversight. A bill passed in 1996 changed Minnesota's law regarding driver's license records to comply with federal regulations, but excluded motor vehicle records.

Media representatives have said such information is needed to do investigative public interest reports, such as stories about chronic drunken drivers.

The federal Driver's Privacy Protection Act passed by Congress in 1994 protects the privacy of driver's license information and vehicle registration laws. That law allows states to grant 14 exceptions when information can be released.

Sen. Don Betzold (D-Fridley) was the Senate sponsor.

HF2649/SF2448*/CH368

Street sweeper licensing

Motorists are used to seeing street sweepers along the side of the road, wiping away the remnants of the long winter or a community event. But they might look twice if they saw street sweepers pulled over by law enforcement for license violations.

A new law ensures that street sweepers are not subject to vehicle license requirements.

Effective Aug. 1, 2002, the new law will clarify that street sweepers are classified as special mobile equipment and are therefore exempt from licensing and taxation.

Street sweeping businesses offered testimony during the legislative session suggesting that street sweepers were pulled over and detained for license violations.

Prior state law does not specifically require street sweeping vehicles to be licensed, like it does for automobiles, trucks, and other equipment.



PHOTO BY TOM OLMSCHEID

A new law defines street sweepers as special mobile equipment, meaning they are exempt from vehicle licensing requirements and taxation.

However, it did not specifically include street sweepers as special mobile equipment, either. Law defines special mobile equipment as “every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway.”

The new law clarifies that street sweeping equipment does not require registration for operation, though drivers must still be licensed under state law and must also adhere to traffic laws.

Rep. Tom Workman (R-Chanhassen) and Sen. Dave Johnson (DFL-Bloomington) sponsored the law.

HF3189*/SF3135/CH250

Biodiesel mandate enacted

(See Agriculture, page 9)

Capital projects law: Bridges, busway

(See Bonding, page 13)

Balancing the budget, part I: Transportation

(See Budget, page 16)

Tougher penalties

(See Crime, page 24)

Organ donation

(See Health, page 35)

Capital cuts

(See Vetoed Bills, page 67)

Alternative transit study

(See Dead Bills, page 81)

Funding plan hits dead end

(See Dead Bills, page 84)

No Northstar funding

(See Dead Bills, page 84)



PHOTO BY ANDREW VON BANK

Federal tax rebates will no longer be used when determining income for a person seeking residence in a state veteran's home, under a new law. Previously, state tax rebates and refunds were excluded from calculations of one's earnings.

★ **VETERANS**

Veterans home admission

A new law will change the criteria used to determine a veteran's eligibility to qualify for residence in the state's veterans homes.

Under previous requirements, state tax refunds and rebates could not be considered as means of support when a veteran was applying for admission into a home. Earnings that a resident received from participating in a work therapy program were also excluded.

The new law, sponsored by Rep. Sondra Erickson (R-Princeton) and Sen. Dan Stevens (R-Mora), includes federal tax rebates among the admission criteria that cannot be considered when determining income.

Erickson said the law will allow veterans to get into the homes more easily.

The state has five veterans homes located in Fergus Falls, Hastings, Luverne, Minneapolis, and Silver Bay.

The new law is effective for rebates issued after June 30, 2001.

HF2647/SF2569*/CH313

Capital projects law: Military and veterans homes

(See Bonding, page 13)

Spending net profits

(See Gambling, page 31)

Pledge bill vetoed

(See Vetoed Bills, page 65)

Selected New, Adjusted Fees Adopted in 2002

Area/Purpose	Existing Fee	New Fee	CH	Art.	Sec.	Eff. date
Business						
Real estate license renewal (in addition to other appropriate renewal fees)	\$50.00	\$20.00	220	12	11	7/1/02
Real estate license initial license) (in addition to other appropriate fees	\$75 (if license expired more than 12 months after issuance) \$50 (if license expired within past 12 months)	\$30.00	220	12	11	7/1/02
Consumers						
Quarterly acquisition of do-not-call list by telemarketing companies		up to \$125 up to \$90 up to \$75	367	1	4	3/1/03 7/1/03 7/1/04
Gambling						
Bingo hall renewal license	\$2,500 (annual fee)	\$5,000 (two years)	386	2	3	8/1/02
Health						
Drycleaning solvents	\$3.50 for each gallon of perchloroethylene sold; \$0.70 for each gallon of hydrocarbon based solvent sold	\$0.35 for each gallon of nonaqueous solvents	324	1	2	4/1/02
Telemedicine physician registration		\$75 annual fee; \$100 initial application fee	361	1	1	7/1/02
Guest dental license		\$50.00	370	1	1	5/16/02
Volunteer health care provider program		\$50.00	399	1	3	7/1/02
Mortuary Science practitioner emeritus registration fee		\$50	399	1	1	7/1/02
Water quality						
Water quality permit fee application (individual, general, general industrial stormwater)		\$240.00	220	8	15	7/1/02
National pollutant discharge elimination system permit (major municipal facilities)		\$175,750 (50 million gallons and over) \$40,350 (20 to 49.99 million gallons) \$14,350 (5 to 19.99 million gallons) \$5,900 (up to 4.99 million gallons)	374 220 220 220	6 8 8 8	15 15 15 15	7/1/02 7/1/02 7/1/02 7/1/02

Area/Purpose	Existing Fee	New Fee	CH	Art.	Sec.	Eff. date
National pollutant discharge elimination system permit (non-major municipal facilities)		\$44,200 (20 to 49.99 million gallons) \$18,250 (5 to 19.99 million gallons) \$8,450 (up to 4.99 million gallons) \$1,450 (flows greater than 0.100 million gallons)	220 220 220 220	8 8 8 8	15 15 15 15	7/1/02 7/1/02 7/1/02 7/1/02
General industrial stormwater permits		\$280.00	220	8	15	7/1/02
General National Pollutant Discharge Elimination System and State Disposal System		\$345.00	220	8	15	7/1/02
Higher Education						
Professional sports agents registration fee		\$500	332	1	9	1/1/03
Agent registration renewal fee		\$400	332	1	9	1/1/03
Law						
Conciliation court fee Public defender co-payment	\$15.00	\$25.00 \$28	220 220	11 6	7 13	7/1/02 7/1/02
Public Safety						
Alcohol and gambling enforcement background check- American Indian tribes	\$8.00	\$15.00	220	7	4	7/1/02
Alcohol and gambling enforcement gambling devices check- manufacturers and distributors	\$8.00	\$15.00	220	7	4	7/1/02
State fire marshal plan review fee		\$100.00	220	7	13	7/1/02
Fire marshal inspection fees family day care		up to \$50	375	1	17	7/1/02
Emergency telephone service fee	\$0.27	\$0.08 to \$0.33 per month	401	1	3	7/1/02

Governor vetoes 9 bills

Editor's Note: A total of 185 bills and two resolutions reached the governor's desk during the 2002 Legislative Session.

The governor vetoed eight bills and line-item vetoed appropriations from one more measure.

Six vetoes were successfully overridden by the Legislature.

The summaries in this section give brief descriptions of each bill vetoed and some of the reasons for the governor's actions.

The bills are divided into two categories: full vetoes and line-item vetoes. Within the two categories, the bills are arranged alphabetically by topic.

Once a bill has passed both the House and the Senate in identical form, it is sent to the governor. The governor has several options when considering a bill. The governor can: sign the bill and it will become law; veto the bill; or line-item veto individual items within an appropriations bill.

During the first year of the biennium the governor has three days from the time of "presentment" to veto a bill. If the governor does not sign the bill within this time frame, it will become law without his signature. (Sundays are not counted in the three-day time limit, but holidays are.)

For bills passed during the last three days of the second year of a biennium (even-numbered years), however, the governor has 14 days from "presentment" during which he can use his veto authority. If the governor takes no action on a bill during this time, the bill is vetoed in what is called a "pocket veto." These same rules govern special session bills.

Vetoed bills are returned to the body of origin, and the House and Senate may attempt to override. A two-thirds vote in each house is needed to override a veto (90 votes in the House and 45 votes in the Senate).

The governor can exercise line-item veto authority on appropriations bills only. This option allows the governor to eliminate appropriation items to which he or she objects. As with all vetoes, the governor must include a statement listing the reasons for the line-item veto with the returned bill.

A specific listing of the sections of bills that were line-item vetoed is included in the Summary section, which begins on page 86.

The governor's veto authority is outlined in the Minnesota Constitution. (Art. IV, Sec. 23)

Full Vetoes

BUDGET



First round of cuts overridden

The Legislature voted to override Gov. Jesse Ventura's veto of the budget balancing bill that took care of the first \$1.95 billion of a \$2.3 billion projected deficit for the 2002-03 biennium.

The Department of Finance issued an updated budget forecast in February that increased the anticipated deficit by more than \$400 million. A subsequent budget-balancing law reduced the budget for the biennium.

Most of the law's provisions took effect March 1, 2002. (See related story, page 14.)

The new law will use \$1.59 billion from various state reserve accounts and one-time spending reductions and \$374 million in permanent spending cuts to reduce state budgets by the end of the 2003 fiscal year.

In his veto message, Ventura called the bill "irresponsible" because it depletes the budget reserves without providing a plan to replace them, which could have a negative effect on the state's bond rating. Ventura wrote that unless significant revenues were raised or there were "drastic cuts to education and local government" in subsequent legislation addressing the deficit, the state would be set up for an "even more severe crisis next year."

Budget cuts in the law, sponsored by Rep. Rich Stanek (R-Maple Grove) and Sen. Doug Johnson (DFL-Tower), are taken primarily from health and human services programs — a total of \$95.9 million. Some cuts, including those to State-Operated Services, were restored in the subsequent budget-balancing law.

The new law will cut \$15 million in the area of K-12 education and \$50 million for higher education. In his budget balancing proposal, Ventura recommended \$100 million in cuts to K-12 education for 2002-03 and \$70 million for higher education.

Early childhood education funding will be reduced by \$4 million, under the law, some of which will be replaced by federal dollars.

In his veto message, Ventura went beyond the budget reserve concerns to criticize the law because it doesn't directly address the debt by trimming local government aids. He also suggested state employee hiring freezes and cutting professional services contracts puts an undo burden on the state, which is already bearing nearly all the costs for the deficit.

He was also critical of the language in the

law that removes inflationary gauges for planning future budgets.

"Removing estimated inflation from our state forecast simply lowers our financial management standards but it doesn't mean that inflation won't happen," Ventura wrote. "What it does mean is that those who put together the next budget will have to make budget cuts or raise taxes just to maintain current service levels."

HF351*/SF254/CH220

Second Ventura veto overridden

Dealing with a \$1.9 billion budget deficit was one of the overriding issues facing lawmakers in 2002. And the solution crafted by the House and Senate was ultimately enacted over the objections of the governor.

Gov. Jesse Ventura vetoed the second budget-balancing law days before the end of the 2002 session, but lawmakers were able to override the veto before adjourning, making it law. (See related story, page 17.)

After overriding a gubernatorial veto of the first budget balancing law (HF351*/SF264/CH220), lawmakers learned of an additional \$439 million projected deficit for 2002-03 and \$1.4 billion shortfall in 2004-05 when the February 2002 forecast was released by the Department of Finance.

In his veto message of the second budget balancing law, Ventura wrote, "This bill is not worthy of Minnesota's strong tradition of responsible long-term budget management. This Legislature has deferred the difficult choices. Next year the Legislature and governor will have to face these hard choices with fewer options, fewer resources, and less time."

But Rep. Kevin Goodno (R-Moorhead), the House sponsor, said the new law meets the Legislature's constitutional mandate to balance the state's books in the current biennium. In addition \$302 million is added back to the state's budget reserves, and some cuts that occurred in the first budget law, particularly in the area of health and human services, are restored.

The new law eliminates the state's \$439 million deficit by transferring funds and using accounting shifts, such as delaying some payments.

The largest shift comes from an adjustment in the K-12 aid payment formula. Aid to school districts was previously paid in two-year cycles, with 90 percent in the first year and the remaining 10 percent the following year. Under the new law, the percentages would change to



PHOTO BY TOM OLMSCHIED

Gov. Jesse Ventura announces that he will veto the budget-balancing bill during a May 18 news conference. Also attending the announcement are Revenue Commissioner Matt Smith, *far right*, and Finance Commissioner Pam Wheelock. Both the House and Senate overrode the governor's veto later that evening, making the bill law.

an 83 percent/17 percent formula. The shift will save \$437.5 million in fiscal year 2003.

One provision in the health and human services and corrections section of the new law will save the state about \$37 million by delaying payments to counties for social services programs.

Ventura said the bill "abandoned any pretense of resolving the long-term budget imbalance" and that the gap between revenues and expenditures will remain in excess of \$1 billion "just as it was when the legislative session opened."

"My expectation is that the Legislature will return to Minnesota's high standards for governance and budgeting. My veto of Chapter 374 is a call to return to responsible long-term management of our state's finances."

Sen. Doug Johnson (DFL-Tower) was the Senate sponsor.

HF3270*/SFnone/CH374

★ CONSUMERS

Real estate fee override

The House and Senate voted to override Ventura's veto of a bill that extends the life of a real estate task force, thereby authorizing an increased fee for filing real estate documents. (See related story, page 21.)

Rep. Al Juhnke (DFL-Willmar), the House sponsor of the measure, said he believed that misinformation and miscommunication within the administration led to the veto.

He said the Electronic Real Estate Recording Task Force, a group operated by the Secretary of State's Office, brought the law forward.

The group was created by the 2000 Legislature to study and make recommendations regarding the implementation of a system for electronic filing and recording of real estate documents.

In real estate title law there are two systems: abstract, in which a private third party, such as a lawyer, makes determinations regarding the chain of real estate ownership over the property's history, and Torrens, in which the county determines the parties who currently own or have mortgages or other interests in the property.

Real estate documents related to abstract property are filed with the county recorder, and Torrens documents are filed with the county registrar of titles.

Funding for the task force was originally provided in 2000 by a temporary 50-cent increase in the surcharge on filing abstract property documents. The law will impose the same surcharge on the filing of Torrens deeds, which were inadvertently omitted from the 2000 legislation.

Juhnke said the increased surcharge will result in total revenue collected from the fee of \$657,000 in 2004.

The law will also extend the life of the task force, due to sunset June 30, 2003, for another year.

Ventura wrote in his veto message that it is unnecessary to extend the surcharge paid by homebuyers and sellers for another year. He wrote that if the bill were not enacted, the task force would be required to finish its work within the original timeline and budget.

Sen. Steve Kelley (DFL-Hopkins) was the Senate sponsor.

HF2573/SF2707*/CH365

★ EDUCATION

Pledge bill vetoed

Claiming that patriotism cannot be legislated, Gov. Jesse Ventura vetoed a bill that would have required public and charter school students to recite the Pledge of Allegiance at least once a week.

"Patriotism comes from the heart. Patriotism is voluntary. It is a feeling of loyalty and allegiance that is the result of knowledge and belief. A patriot shows their patriotism through their actions, by their choice," Ventura wrote in his veto message.

"There is much more to being a patriot and a citizen than reciting the pledge or raising a flag," he wrote.

Ventura went on to say that patriots serve, vote, pay attention to the actions of government and speak out when needed, and "teach their children about our history, our precious democracy and about citizenship."

"No law will make a citizen a patriot," he said.

The bill passed by wide margins in both the House and Senate after conferees negotiated a compromise between the two versions. The final bill did not contain a provision that teachers instruct students that not saying the pledge should not be considered unpatriotic, which did concern some members.

Rep. George Cassell (R-Alexandria), the House sponsor, noted during final debate that the bill would require school handbooks to include a statement regarding students' rights and responsibilities for saying the pledge.

School boards would have had the ability to waive the requirement to recite the pledge and the option to develop their own policy on saying the pledge.

Sen. Mady Reiter (R-Shoreview) was the Senate sponsor.

HF2598*/SF2411/CH391

Teacher insurance plan

The Legislature overrode Gov. Jesse Ventura's veto making a \$1.3 million allocation to create a study and plan for a statewide teacher health insurance plan law. (See related story, page 25.)

"I do not feel that this study can be justified at a time of critical budget deficits and cuts in state government and state services," Ventura wrote in his veto message.

The money will pay for staff, actuarial consulting, and legal expenses. A 14-person labor-management group will examine several options for a statewide pooling arrangement to lower cost, especially for teachers in small districts.

The House bill originally called for \$200,000 to be used for the study's plan and design, which would have come from the tobacco endowment fund. But the House sided with the Senate for the final version, allocating \$670,000 for each of the next two fiscal years.

Ventura also criticized the legislation for trying to accomplish what has already been done.

"There have been several previous studies of statewide pooling concepts ... (this) will not tell us anything we don't already know," he wrote.

The new law also includes a provision allowing proceeds from the sale of raffle tickets at school events to be used by schools for transportation costs.

Rep. Greg Davids (R-Preston) and Sen. LeRoy Stumpf (DFL-Thief River Falls) sponsored the law.

HF1868/SF1755*/CH378

★ ENVIRONMENT

Reporting changes

Gov. Jesse Ventura vetoed a bill that would have changed some government auditing report procedures.

Under existing law, local units of government must report all revenue collected from waste management fees, together with interest earned on the fees and also how the revenue is used, to the state auditor.

The bill stipulated that the reports would have been due annually, and it would have required them to be sent to the Office of Environmental Assistance rather than the state auditor.

It would also have changed another separate filing requirement involving forfeited property in criminal proceedings. Agencies currently provide a monthly, written record

of each forfeiture incident to the state auditor. Required information on the report includes the amount forfeited, the date, and a brief description of the circumstances involved.

The report also includes a list of the number of firearms forfeited, along with the make, model, and serial numbers of those firearms.

By law the auditor is required to annually make a report on the information to the Legislature.

The bill would have required that information be filed with the Office of Strategic and Long Range Planning rather than the auditor.

Finally, the bill would have repealed a requirement that local government expenditures paid for legal services to defend the entity from lawsuits and amounts paid in voluntary settlements or judgments be annually reported to the state auditor.

In his veto message Ventura wrote that he had "serious reservations" about transferring responsibilities from one state government entity to another without providing funding and staffing changes to make sure the work can get done.

Ventura also expressed concern that with the current hiring freeze passed as part of the law (HF351*/SF264/CH220) providing the first phase of budget cuts, the Office of Strategic and Long Range Planning could not handle the additional work.

The state auditor's office proposed the change, said Rep. Dennis Ozment (R-Rosemount), the House sponsor.

Sen. Ann H. Rest (DFL-New Hope) was the Senate sponsor.

HF3506/SF3084*/CH309

★ GOVERNMENT

Public TV veto

Gov. Jesse Ventura vetoed a bill that would have provided \$7.8 million to public television stations to assist them with a conversion from analog to digital signals.

However, the Legislature overrode the veto, making the measure law. (See related story, page 33.)

A mandate from the Federal Communications Commission requires that all public television stations convert to a digital signal by May 2003.

Beginning in 2003, stations will still be able to broadcast with an analog signal provided they have a digital signal, as well. Once 85 percent of the homes in the station's market are capable of receiving a digital signal, the station will be required to stop using its analog transmissions.

The public television grant was provided in the state government finance law passed during the 2001 special session. The law required the Department of Administration and the Minnesota Public Television Association to negotiate an agreement specifying uses for digital capability to serve state and local government needs before the grants could be distributed.

That stipulation was included in part to address the governor's 1999 veto of a \$113,000 appropriation to public television stations. Ventura said that veto was based on his view that digital TV conversion should be funded by non-state sources.



PHOTO BY TOM OLMSCHIED

Minnesota public television stations will receive \$7.8 million to aid the conversion to a digital signal after the House and Senate overrode Gov. Jesse Ventura's veto of the plan.

In his veto message of the \$7.8 million appropriation, Ventura wrote that the bill doesn't provide an adequate level of direct benefit for the state given the investment being made. He said the bill "adds to the state's obligations at a time when we have depleted our reserves and there is still a gap between revenues and expenditures, both in the current budget and the next."

The law will fund the public television appropriation by transferring a general fund appropriation to the Metropolitan Council for bus garages. The Department of Finance will then sell bonds and appropriate the proceeds to the council.

Rep. Dave Bishop (R-Rochester) and Sen. Keith Langseth (DFL-Glyndon) sponsored the measure.

HF197*/SF107/CH280

★ INSURANCE

No more free steaks

A veto by Gov. Jesse Ventura of a bill changing the laws relating to auto glass insurance to more closely align them with other automotive repairs did not hold up.

The Legislature voted to override the veto, making it law, effective March 28, 2002. (See related story, page 43.)

Sponsored by Rep. Ken Wolf (R-Burnsville) and Sen. James Metzen (DFL-South St. Paul), the new law changes the previous standard by which insurance companies had to pay glass claims from a "competitive price" to "fair and reasonable."

Previous law required insurance companies to pay market price for glass replacement as determined by a survey of costs charged in communities around the state.

The new law prohibits glass replacement companies from offering inducements, such as a box of steaks, to consumers. Prior law restricted such incentives to items with a value of \$35 or less.

In his veto message, Ventura wrote that the bill does not support consumers and consumer choice. He said just taking into account the cost of the repair would ignore important factors such as advertising and service costs and would be detrimental to small shops.

Ventura also said no evidence exists that the bill would cause premiums to decrease.

Wolf said the state changed its laws in 1991 so that auto glass claims were treated differently from auto body claims. The law required insurance companies to pay all "reasonable" costs, which he said led to companies being required to pay the cost of whatever was billed.

A compromise between the auto glass repair and insurance industries led to Wolf sponsoring the law that created the market survey, but he said that did not work.

According to information provided by American Family Insurance on claims filed between Jan. 1, 2001 and Oct. 31, 2001, the range of the costs was from \$334 to \$1,064. Wolf said that the national average is \$368 and in Minnesota it is \$441.

A compromise addressed concerns expressed by members about the practice of "steering" where insurance companies allegedly point consumers to preferred repair shops.

HF2570*/SF2553/CH283

Line-item vetoes

★ BONDING

Capital cuts

The bonding bill approved by the Legislature was cut by more than one-third by Gov. Jesse Ventura's vetoes — from \$979.1 million, of which \$881 million was general obligation bonding, to \$626.9 million, with \$586.6 million of that coming from general obligation bonds.

In his veto message, the governor said the cost of the bill was unreasonable. "Had the Legislature balanced our operating budget into future budget cycles when the debt service for these projects will come due, I may not have made as many vetoes," he wrote.

Ventura also said projects in his capital budget recommendations focused on statewide and regional significance. Additionally, all debt service created with the proposals was provided for in his operating budget recommendations for fiscal years 2002-03 and 2004-05.

"We need to show restraint by not aggravating what is already likely to be a huge budget problem for the next Legislature," he said, estimating that legislators will face a \$2.5 billion deficit when they return in January.

Legislators had adjourned *sine die* so they had no chance to attempt an override of the governor's cuts.

Here are some highlights of the items vetoed by the governor.

HF3618*/SFnone/CH393

Arts funding

The governor vetoed \$24 million allocated for the Guthrie Theater in Minneapolis to help build its new home along the Mississippi River.

Proponents argued the importance of the funding, saying the world-renowned Guthrie is one of the state's top 10 cultural institutions, and that a new theater will bring an estimated additional \$285 million to Minnesota's economy and will create 1,550 full-time construction jobs over the two years needed to build it.

The Children's Theatre Company in south Minneapolis will not receive \$5 million for its expansion due to a line-item veto. Teresa Eyring, managing director of the company, said they turn away hundreds of children, families, and teachers from its programs due to lack of capacity. The company has been in its current facility for 30 years and has never renovated or expanded, she said.

Ventura also vetoed \$1 million for Bloomington to furnish and equip a multi-purpose public arts facility and \$1 million for design of the Rochester Art Center.

Amateur sports

The Minnesota Amateur Sports Commission's request for \$5 million to construct a sports conference center at the National Sports Center in Blaine was vetoed, as well as \$3 million for the second phase of a National Volleyball Center in Rochester.

The city of Fairmont's request for \$500,000 to expand a sports complex was denied, and the governor shot down \$250,000 to complete construction of the Mount Itasca biathlon training facility.

Colleges and universities

Seventeen MnSCU projects totaling more than \$50.7 million and \$48.3 million for seven University of Minnesota projects all earned the governor's veto mark.

Among the vetoes were the following:

- \$24.7 million for construction of a translational research facility at the University of Minnesota's Minneapolis campus,
- \$10 million for remodeling two buildings at St. Cloud State University,
- \$9.2 million for a library renovation at Southwest State University,
- \$8.6 million for renovation of the social science building and fire protection system installation in three residence facilities at the University of Minnesota-Morris, and
- \$8.4 million to complete the upgrade of athletic facilities at Minnesota State University, Mankato.

Parks and trails

Thirty funding requests from the Department of Natural Resources, primarily for park improvements and trail connections, were

line-item vetoed by the governor.

Among them were \$4 million for construction or redevelopment of parks and trails in Greater Minnesota, \$3 million for land acquisition from sellers of private lands with state park boundaries, \$1.5 million for water access acquisition and development, and \$1 million for stream protection and restoration.

Approximately \$1.86 million in trail connections was cut. The money would have connected trails in New Ulm, St. Louis Park, and Stearns County, plus designated \$500,000 elsewhere in the state based on need.

The veto pen also slashed two projects specific to the Twin Cities — \$2.7 million for renovation of the Como Park Conservatory in St. Paul, and \$1 million for acquisition or betterment of greenways and natural areas or acquisition of such through conservation easement purchases.

Educating children, families

Included in the governor's cuts were \$22.5 million in projects requested by the Department of Children, Families and Learning.

Among projects cut were the following:

- \$9.5 million for a Minneapolis planetarium,
- \$5.5 million for the Trollwood Performing Arts Center in Moorhead,
- \$2 million in early childhood facility grants, and
- \$1 million to construct a new building for a magnet school in St. Louis Park.

Minneapolis Mayor R.T. Rybak said the planetarium is one of the projects of highest priority for the city. If the project received state funding, Rybak said the planetarium would be built as part of the new Minneapolis library. The amount requested was \$30 million.

"It is time to bring a facility that promotes astronomy and space science education in Minnesota up to the present and position it to take us into the future," wrote Dennis Brinkman, director of St. Paul Public Schools, in a letter to the Legislature.

The existing planetarium, which opened in 1961, has had few improvements over the years, whereas astronomy and space science have advanced tremendously, Brinkman said in his letter.

Governor's Residence

Ventura line-item vetoed nearly \$4.3 million to renovate the Governor's Residence in St. Paul. The home was built in 1912 and donated to the state in 1965. It has not been significantly renovated since.

The 16,000-square-foot mansion's fire alarm system needs to be upgraded and a second stairway needs to be added for the third floor in order to comply with fire code.

Heating, ventilation, and air conditioning systems need work, windows need to be replaced to improve energy efficiency, and the building's exterior needs conservation work.

During the session, Ventura announced he would move out of the mansion to save money because his security budget was trimmed by \$175,000. He said the cut jeopardized his family's safety. He also had the mansion closed for a several weeks.

However the second budget-balancing bill (HF3270*/SFnone/CH374) appropriated \$375,000 to reopen the residence. Of that amount, \$175,000 is for residence security.

Highways, public safety

Bonding for transportation projects took a \$48.5 million hit from the governor.

The largest cut was \$20 million in the local road improvement program — \$10 million each in the trunk highway corridor projects account and the local road account for routes of regional significance. Other hits included \$3.5 million for improvements at the Winona harbor, \$3.5 million for improved highway access to the port of Savage, \$2 million for Greater Minnesota transit facilities, and \$1 million for restoration of the aerial lift bridge in Duluth.

An additional \$13 million was deleted for the statewide public safety radio communications system.

The funds would have helped nine counties in the Twin Cities metropolitan area — Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, and Washington — link to a high-frequency, 800 mega-hertz system for public safety and emergency personnel.

Currently, officials testified, there is no way for multiple departments to communicate on

the same frequency, primarily because they do not have the technological infrastructure and the equipment to link to such a system.

One million dollars for design, preliminary engineering, and an environmental impact statement for a central corridor bus transitway between Minneapolis and St. Paul was rejected, as was \$500,000 for park-and-ride lots in the Twin Cities metropolitan area outside of a transit taxing area as defined in state statute.

Other vetoed items

Among the additional projects approved by the House and Senate but not the governor are the following:

- \$30 million for a wastewater infrastructure funding program that provides grants to cities;
- \$9 million in public infrastructure grants for development and redevelopment projects as part of the livable communities grant program;
- \$8.18 million for the creation of the Asia Trail at the Minnesota Zoo in Apple Valley;
- \$6.31 million to renovate the residential and program areas of a building at the regional treatment center in Brainerd;
- \$4 million for Roy Wilkins Auditorium in St. Paul;
- \$3.25 million for expansion of the St. Cloud Civic Center;
- \$1 million for the construction of the Minnesota Center for Agricultural Innovation in Olivia;
- \$500,000 for a joint military/law enforcement anti-terrorism training facility at Camp Ripley;
- \$300,000 for construction of the Children's Discovery Museum in Grand Rapids;
- \$125,000 for renovation of the Pipestone County Museum; and
- \$90,000 for predesign of a 150-bed segregation unit at the state prison in Stillwater.

★ AGRICULTURE

Feedlot exemption

A bill that would have exempted pastures from feedlot regulations received some approval but not enough to become law.

Sponsored by Rep. Rod Skoe (DFL-Clearbrook) and Sen. Dallas Sams (DFL-Staples), the provision would have excluded farmers who use pastures to temporarily feed livestock from regulations governing feedlots.

The bill passed the Senate 61-0. It made it to the House floor, where it stalled.

Specifically, the bill would have clarified the current definition of a pasture as it relates to feedlot provisions. "Pasture" would have been defined as an area that sustains grass or other vegetation for the purpose of grazing. The feedlot exemption would have applied as long as the concentration of grazing livestock did not prevent growth of vegetation in the growing season.

Vegetation cover would not have been required in plots near feeding and watering equipment or in areas used to transport animals.

The Minnesota Pollution Control Agency, which has advocated for better manure management practices among the state's farmers, supported the legislation. Other legislators and activists questioned whether the exemption would lead to water contamination.

In addition to the pasture exemption, the bill would have requested that the agency report to the Legislature on the proposed exemption of winter-feeding areas. The agency had objected to a winter-feeding plot exemption, warning that some farmers use the areas to feed too many animals, resulting in feedlot conditions with large amounts of manure.

HF2894/SF2516

★ ARTS

Children's Theatre funding

The curtain dropped on a bill that would have provided funding for the Children's Theatre Company in Minneapolis before it could gain final approval.

Rep. James Clark (R-New Ulm) and Sen. Linda Berglin (DFL-Mpls) sponsored the bill, which would have supplied funds in the bonding bill to Hennepin County to be used for the expansion of the 30-year-old theater.

According to company management, demand for its programs is so great that hundreds of people have been turned away due to lack of capacity.

The bill would have matched private donations with \$12 million in bonds to help pay for the expansion. Anticipated additions included classrooms, rehearsal space, a dance studio, a lobby area, and a 300-seat flexible theater to better serve young children and teenagers.

The proposal made it into the bonding bill (HF3618*/SFnone/CH393), funded at \$5 million. But the provision was line-item vetoed by Gov. Jesse Ventura. (See related story, page 67.)

Company literature touts its community involvement — including partnerships with 10 schools, reduced-cost matinees for 80,000 students a year, after-school and summer programs, as well as "pay what you can" performances to help build communities.

HF3067/SF2528

Guthrie funding

A bill that would have provided \$35 million in state bonds for the Guthrie Theater died this year.

The measure became part of the omnibus bonding bill (HF3618*/SFnone/CH393) to the tune of \$24 million, but the funds were line-item vetoed by Gov. Jesse Ventura. (See related story, page 67.)

The bonds would have helped pay for a new \$125 million theater. Proponents said that the Guthrie, a pillar within the Twin Cities arts community, is one of the state's top 10 cultural institutions.

Plans call for the new theater to feature three stages, an educational facility, and a production facility. Private funding will account for \$75 million, of which more than \$58 million had already been raised as of late February.

Theatergoers aren't the only ones who would benefit from the new facility, officials said. The new Guthrie is estimated to bring an additional \$285 million to the state's economy, creating approximately 1,550 full-time construction jobs over the two-year building project.

Rep. Ron Abrams (R-Minnetonka) and Sen. Lawrence Pogemiller (DFL-Mpls) sponsored the legislation.

Legislators hesitated to approve funding for the proposed theater, emphasizing the fact that the state could easily spend \$1 billion on arts facilities in the coming years. Facilities such as the Roy Wilkins Auditorium in St. Paul, the Shubert Theater in downtown Minneapolis, the Ted Mann Concert Hall at the University of Minnesota, and the Children's Theatre in south Minneapolis have either presented funding proposals to the Leg-

islature or have indicated a plan to present them down the road.

This is not the first time Gov. Ventura has vetoed bonding funds for the Guthrie. Ventura vetoed a \$3 million appropriation for the Guthrie in the 2000 bonding bill, but that veto was overridden by the Legislature.

HF2811/SF2646

★ BONDING

Planetarium funding

The proposed Minnesota Planetarium and Space Discovery Center may not become a reality, after a request for project funding was rejected by Gov. Jesse Ventura.

Rep. Margaret Anderson Kelliher (DFL-Mpls) and Sen. Linda Berglin (DFL-Mpls) sponsored a bill that would have appropriated \$30 million in the 2002 bonding bill to help construct and equip a new planetarium.

The bill itself did not advance out of committee, but a smaller appropriation was part of the Legislature's omnibus bonding bill (HF3618*/SFnone/CH393). The planetarium was slated to receive \$9.5 million in the bill, but Gov. Jesse Ventura eliminated the funding with a line-item veto.

Of the project's \$34.3 million budget, approximately \$16 million would have been spent on construction, \$13.5 million on equipment and exhibits, and \$4.7 million on design fees, according to planetarium documents.

The planetarium would have been built as part of the new Minneapolis library on the edge of downtown. Construction on the library is scheduled to begin in September 2002, following demolition of the existing planetarium.

Minneapolis Mayor R.T. Rybak said that the project was a high priority for the city. It would replace the current structure, which opened in 1961 and is scheduled to close in September 2002. Planetarium Director Bob Bonadurer said he expects the new facility to draw 250,000 visitors annually versus 75,000 in the current facility.

During committee hearings in 2002, Rybak testified that the new planetarium would likely not be built without state support.

Plans set completion of the new planetarium in 2005. It would feature a 250-seat theater with a full-dome video system, telescopes to study live satellites, virtual environments, and a traveling Star Lab to bring astronomy education to communities across the state.

It remains unclear what city leaders will do next. Among their options are eliminating the planetarium from the new library plans, or designing the library with the option of adding a planetarium if the funding comes through in the future.

HF2542/SF2386

★ CONSUMERS

Wine in supermarkets

Consumers hoping to purchase wine along with their groceries will find themselves making two trips, at least for the near future.

Sponsored by Rep. Barb Sykora (R-Excelsior) and Sen. Linda Scheid (DFL-Brooklyn Park), a bill that would have allowed the sale of wine in grocery stores was rejected by the House Commerce, Jobs and Economic Development Finance Committee. The bill also stalled in the Senate Commerce Committee.

This was the second try for the measure as Sykora withdrew the bill during a 2001 committee meeting.

The original version of the bill would have allowed wine sales only in grocery stores located in the Twin Cities metropolitan area, but the bill was changed in 2002 to include all grocery stores in the state. It was also amended to allow cities to issue wine licenses to grocery stores and to prohibit the sale of bottles smaller than 750 milliliters to help prevent shoplifting.

The bill would have mandated that all customers trying to purchase wine be required to produce identification, training for identification screening, and compliance checks and theft prevention plans for grocery stores.

Opponents worried about providing increased youth access to alcohol, pointing out that statistically, grocery stores have failed compliance checks more often than liquor stores in states where such sales are allowed. Others showed concern that small liquor stores could be hurt by the legislation.

Proponents countered that the latter complaint was unwarranted, given the success of independent floral shops, bakeries, and pharmacies, all of which can be found in many grocery stores.

In addition to one-stop shopping for customers, supporters also contended that selling wine in grocery stores would generate additional revenue, helping raise wages in a sector that lags behind other retail industries.

Sykora said the provisions in the bill are legal in 33 other states, including Iowa, South Dakota, and Wisconsin.

HF1205/SF1107

★ CRIME

Felons and firearms

Convicted violent felons will not face the potential of permanently losing their right to own a firearm, as a plan for such failed to pass.

The bill would have been more prohibitive than current law, which allows convicted felons to possess firearms 10 years after the conclusion of their sentence.

According to the bill, a crime of violence would include murder, robbery, and kidnapping, in addition to offenses such as assault, arson, and terroristic threats.

Currently, 33 states require a governor's pardon to reinstate the right to own a firearm, 13 restore felons' rights between five and 20 years after finishing the sentence, and four states have an outright lifetime ban on felon gun possession.

Under the measure, felons could go before a court 10 years after the end of their sentence to petition for the restoration of partial or total rights.

Supporters hoped that stricter regulations on gun ownership would prevent some violent criminals from striking again.

Rep. Barb Goodwin (DFL-Columbia Heights) pointed to the case of Michael McGee, a Columbia Heights police officer who was shot in the back while walking home from work in the summer of 2001. The accused shooter, David Joseph Byrne, had pleaded guilty to killing two people with a shotgun in 1966.

In 1994, police discovered two of the weapons used in the assault against McGee in Byrne's vehicle. However, they could not take any action against the man because his prison term had expired more than 10 years before.

Rep. John Tuma (R-Northfield) sponsored the bill, which made it through committee but never received a vote on the floor. There was no companion measure in the Senate.

HF2613/SFnone

Guilty but mentally ill

Adding to the standard pleas of guilty, not guilty, and not guilty by reason of insanity, a bill legislators considered in 2002 would have defined a fourth plea for defendants in criminal cases.

Defendants who meet certain criteria would have had the option of pleading guilty but mentally ill.

Sponsored by Rep. Rich Stanek (R-Maple Grove) and Sen. Doug Johnson (DFL-Tower), the bill would have defined the difference between mentally ill and legally insane. Specifically, it would have stipulated that a diagnosis of mental illness signifies a "substantial disorder of thought, mood, or behavior" that impairs the person's judgment, while the term "legally insane" specifies that the person was



PHOTO BY TOM OLMSCHEID

A House committee rejected a plan that would allow wine to be sold in grocery stores. Supporters said it would generate additional revenues and increase wages in a sector that lags behind other retail industries, while opponents were fearful of small liquor stores going out of business along with any potential increase in youth access to alcohol.

so ill as to "not know the nature of the act or that it was wrong."

The bill would not have repealed or abolished the defense of insanity.

A defendant wishing to plead guilty but mentally ill would have had to submit to a clinical evaluation of his or her mental state, which would have been examined by the court. Then a hearing would have been held to determine if the defendant were mentally ill at the time of the offense.

Under the proposal, a person who was found guilty but mentally ill could have been confined under any sentence authorized by law. The bill would have required the corrections commissioner to ensure that the person received further evaluation and appropriate treatment for the mental illness.

The Senate version was approved by the Crime Prevention committee but stalled in the Finance committee. The House bill stalled in the Crime Prevention committee.

Thirteen other states have such a plea option.

HF3494/SF2618

Child murder penalty

Anyone convicted of murdering a child would have served a mandatory life sentence without parole, under a proposal that failed during the 2001-02 session.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and former Sen. Randy Kelly (DFL-St. Paul), the measure would have imposed the penalty for first-degree murder of a child under age 14.

The measure passed three House committees, but failed to receive a floor vote. It also stalled in a Senate committee.

Hilstrom said the bill reflects some frustration surrounding the case of Cally Jo Larson, a 12-year-old Waseca girl who was raped and murdered in her home on April 20, 1999.

Following an investigation, Lorenzo Sanchez was charged with both first-degree murder and murder while committing a sexual act in connection with her death.

Sanchez pleaded guilty to first-degree murder, avoiding the harsher penalty of the second charge. While a conviction for the latter charge would result in a life sentence without parole, Sanchez's conviction of first-degree murder means that he will be eligible for parole in 2030.

The measure would not have been retroactive, so Sanchez would not be affected, but it would prevent similar plea bargains in future murder cases.

HF861/SF845

EDUCATION



Profile stays as is

The state's Profile of Learning graduation standards survived one more round of attacks in 2002.

House Majority Leader Tim Pawlenty (R-Eagan) and Rep. Gene Pelowski, Jr. (DFL-Winona) offered an amendment to a bill that would have prevented public schools and school districts from implementing the Profile of Learning portion of the state's graduation standards.

The original bill, sponsored by Rep. Marty Seifert (R-Marshall) and Sen. Dan Stevens (R-Mora), dealt with legislative oversight of decisions made by the health commissioner affecting the Clean Indoor Air Act. It would have also allowed school districts to offer students with limited English proficiency an additional testing opportunity to meet the state's graduation requirements for writing, which include a skills test.

The bill, with the Profile amendment, passed the House 109-22. However, the victory was short-lived, as a House-Senate conference committee later rejected the Profile repeal. The committee report, minus the repeal language, was rejected by the full House late in the session and sent back to the conference committee, a move that killed the measure.

The Senate companion to the House profile bill received a vote in the Senate, but it failed on a tie vote.

House members on both sides of the aisle had harsh words with respect to the Profile of Learning, arguing that it has hamstrung teachers and eliminated rigor from school curricula.

Pelowski, a teacher at Winona Senior High School, said the graduation standards, which call for more qualitative assessments of students' skills than traditional tests, have turned Minnesota's public education system into a top-down bureaucracy. However, many lawmakers were hesitant to repeal the Profile of Learning without an alternative plan.

The Senate passed the conference committee report on the original Seifert-Stevens bill, which did not contain the Profile repeal.

HF2625/SF3133

Mixed-gender wrestling

Girls who want to wrestle in high school will still be able to compete against boys, under state law.

Sponsored by Rep. Sondra Erickson (R-Princeton), a bill that would have required high school wrestling teams in the state to be gender-separated did not gain final approval before the 2002 session adjourned.

The bill arose out of concern that mixed-gender wrestling inhibits athletes and creates inappropriate or awkward situations. Rep. Paul Marquart (DFL-Dilworth), himself a wrestling coach, said he doesn't allow his team members wrestle girls due to the bodily contact involved.

"We're not talking about ability, we're not talking about girls not wrestling," Marquart said. "Wrestling is a close, intense, physical sport."

A number of high school wrestlers testified that wrestling a girl breaks their concentration and prevents them from competing as they normally would.

While wrestling continues to be dominated by male participants, a number of girls have taken up the sport. A handful of all-girls wrestling teams exist in the state, but most girls that want to wrestle join the boy's team.

Although supporters intended for the bill to benefit athletes, Rep. Mary Jo McGuire (DFL-Falcon Heights) raised the concern that it could eliminate options for girls because schools do not have the funding to support two teams.

According to the National Federation of



PHOTO BY ANDREW VON BANK

Burnsville High School wrestlers Tim Berceau and Ian Stoneberg demonstrate moves, before a House committee, that are legal in their sport but would be considered improper off the mat. A plan that would require high school wrestling teams to be gender-separated failed to receive legislative approval.

State High School Associations, there were nearly 900 girls wrestling teams across the country in 2001, representing more than 3,000 individual wrestlers.

Erickson's bill stalled while awaiting action on the House floor. Its companion measure, sponsored by Sen. Gen Olson (R-Minnetrista), stalled in the Senate Education Committee.

HF2437/SF390

Opting out of state requirements

School districts wishing to opt out of some state requirements were not granted the ability to do so by the 2002 Legislature.

Under the proposal, districts would have been given the opportunity to opt out of certain mandates, such as staff development requirements and graduation standards.

Rep. Mark Olson (R-Big Lake), the House sponsor, said he intended for the bill to increase communication and flexibility in an effort to avoid inappropriate mandates that may be burdensome for certain districts.

Any district wishing to opt out of a mandate would have been subject to legislative oversight.

The bill would have required at least 10 percent of school districts to determine that a particular mandate should not apply to them. After at least one public hearing, during which any loss of state or federal funds would have been discussed, an interested district would adopt a resolution describing reasons for opting out of the mandate.

The resolution would have had to explain how the district would meet the mandate's objectives in an alternative manner or why the mandate did not apply to the school district.

The bill was criticized by some legislators, who argued that allowing districts to opt out of unfavorable policies would essentially be making some state laws meaningless.

Four House committees approved the bill before it stalled.

Sen. Mark Ourada (R-Buffalo) was the Senate sponsor. That bill stalled in the Senate Education Committee.

HF3007/SF3340

Changing district boundaries

In an effort to change the flexibility of Minnesota school districts, a bill was proposed that would have completely transformed the traditional concept of a school district.

Sponsored by Rep. Alice Seagren (R-Bloomington), the measure would have

established a legislative review committee to consider new non-geographic districting proposals. Minnesotans with ideas for alternative school district structures could bring their proposals to the committee for review.

The bill remained rather vague, encouraging creative, unconventional notions of how a district should be structured.

"The bill is very lacking in specifics," Seagren told the House Education Policy Committee, "but is totally thinking about if you could be king or queen for a day."

The concept originated in a study completed by the St. Paul-based Center for Policy Studies. The group's findings suggested that a new framework for drawing district lines could help solve problems relating to Minnesota's big gap in graduation rates and large number of minority students.

Among other provisions, the measure would have required that a non-geographic school district must:

- be a nonprofit entity;
- have a governing board comprised of Minnesota residents;
- omit any geographic criteria except be located in the state; and
- provide a framework for the creation, supervision, and support of new learning environments and schools.

The Education Policy committee failed to vote on the bill. There was no Senate companion measure.

HF2984/SFnone

Marriage education in school

Public school health classes would have included information advocating abstinence and promoting marriage, under a bill that died in 2002.

Sponsored by Rep. Sondra Erickson (R-Princeton) and Sen. Claire Robling (R-Prior Lake), the measure would have required students to discuss sexually transmitted diseases (STDs) in the context of marriage.

High school students testified before the House Education Policy Committee in support of the legislation, saying that current health-class curricula fail to address the physical and emotional effects of sex outside of marriage.

Supporters intended for a focus on marriage to accompany the study of STDs, discussing the interconnection between marriage and health.

Originally, the bill would have required health class instructors to discuss the effects of

sex outside of marriage and to teach that "...marriage is the foundational social institution in society." This requirement was eventually dropped, and the final version of the bill was more limited in scope. It would have added the words "and educating students on the value of marriage" to a section that says the program must include a comprehensive curriculum that would help students "abstain from sexual activity until marriage."

The bill survived into the early morning hours of May 19, just before legislators adjourned *sine die*. At that point, several education-related provisions were amended into the bill. House members voted 66-64 to defer discussion on the bill, with the effect of killing the measure.

The bill failed to get a committee hearing in the Senate.

HF2660/SF2709

Staff development funds

Legislators considered waiving a mandate that requires schools to spend 2 percent of their budget on staff development, but ultimately they did not.

Under a bill sponsored by Rep. Ken Wolf (R-Burnsville) and Sen. Warren Limmer (R-Maple Grove), school districts would have been given more flexibility in deciding how to allocate funds, a consideration that sponsors said is especially important given the increasingly tighter budgets most school districts have encountered recently.

The change would have allowed districts to allocate whatever amount they deemed appropriate.

While supporters praised the plan for allowing districts to prioritize spending, some teachers' advocates offered harsh criticism. Jan Alswager, representing Education Minnesota, noted that staff development is critical, and she advocated against the bill.

Others, such as Tom Berge, director of finance and operations for Minnetonka schools, called for district prioritization. Berge said that his district cut 6.3 percent of its budget in the 2001-02 school year and that if the bill were to become law, staff development would probably be halved.

The bill failed to advance out of committee in either the House or the Senate.

HF3068/SF3275

Agriculture school aid

The Agricultural and Food Sciences Academy, an urban agribusiness high school, did not receive funding requested from the Legislature in 2002.

The charter school currently meets in a temporary location in Little Canada and would like to construct a new building on land donated by the Minnesota State Fair.

Sponsored by Rep. Bob Ness (R-Dassel) and Sen. Dallas Sams (DFL-Staples), the bill requested \$14 million in state bonds requiring matching funds from non-state sources.

The academy, which opened in September 2001, has 47 students and is expected to triple its population with the addition of 97 more students for the 2002-03 school year.

The proposed building would hold 600 students and would be finished by September 2004. Principal Brian Ingvalson said he plans for the school to add one grade each year and anticipates a waiting list down the road.

Specializing in forestry, agronomy, food science, and horticulture, the academy is four years in the making. The school has found a source of support in the 250 firms that make up the agribusiness community, with contributions ranging from financial support to internship opportunities.

The total price tag for the academy is \$31 million, with the new 127,000 square foot building costing \$21 million. The Minnesota State Fair donated 7.5 acres of its land for the school, a contribution valued at \$3 million.

The new building would have facilities for school projects in large and small animals, crops, plants, gardens, greenhouses, food processing, environmental education, and golf courses. Students and teachers at the school would be exhibitors at the state fair.

School plans also provide for college preparation, a computer for every student, two world languages, Future Farmers of America (FFA), and extra-curricular activities. Pre-design for construction has already been completed.

The bill stalled in a House committee. The Senate included \$1 million worth of funding in its bonding bill (SF3203), but the provision did not make it into the final bonding law.

HF2803/SF2489

ELECTIONS



Public funding, limited contributions

A bill that would have provided candidates with full public funding to run their campaigns and would have limited contributions to political parties did not pass either the House or Senate in 2002.

Sponsored by Rep. Mike Osskopp (R-Lake City) and Sen. John Hottinger (DFL-Mankato), the bill was patterned after legislation passed in the late 1990s in Maine and Arizona that established a voluntary full public financing option for candidates who agree to not take private funds.

The bill would have established different threshold amounts from a specified number of contributors, depending on the office sought, before a candidate would become eligible for the public funds.

The Senate Rules and Administration Committee approved the bill and referred it to the Senate Finance Committee where it remained. The election subcommittee of the House Governmental Operations and Veterans Affairs Policy Committee discussed the bill, but the full committee took no action.

Opponents said that limiting the amount someone is allowed to contribute to a campaign violates free speech rights.

In 1974 Minnesota became one of the first states to establish a public financing system for campaigns, via the income tax check-off program, which allows people to contribute to political parties — which then distribute money to candidates — when filing state income tax forms. At the same time, a tax credit was established for contributions to candidates for state offices. A refund program later replaced that credit.

Candidates who participate in the funding program are required to sign a spending limit agreement. The limit varies depending on the office being sought and is adjusted to reflect changes in the consumer price index. Participation in the program in 1998 was around 98 percent.

Osskopp estimated the cost for the bill at \$30 million for the 2002 election, but he said it could be as much as \$60 million, depending on the amount spent in the governor's race.

"This bill says if the people really want a fair and clean election, it's going to cost a lot of money," he said.

HF567/SF388

No 4-year terms for the House

House members will continue to serve two-year terms, at least in the near future. A bill that would have allowed voters to decide whether House members should serve two- or four-year terms did not pass either body.

Sponsored by Rep. Roxann Daggett (R-Frazee), the measure would have placed a constitutional amendment question on the 2002 general election ballot asking voters whether the state should go to a system of staggered four-year terms in both the House and the Senate.

Under Daggett's proposal, one-half of the members of each body would be elected every two years. The new terms would have taken effect beginning with the 2006 general election.

The current system of having representatives elected every two years, as opposed to their counterparts in the Senate who serve four-year terms, was to allow greater accountability in one chamber of the Legislature.

But Daggett said that with increasing technology, legislators are more accessible than ever before. She said she spends much of her time responding to e-mails from constituents.

Serving a longer term would allow representatives to focus more attention on the needs of their constituents than to the next campaign, she said.

Five states currently elect all their legislators to four-year terms.

Opponents of the bill said two-year terms keep representatives more active in the community and that requiring members to run less frequently would isolate them more.

Daggett said that just because members would participate in fewer elections doesn't mean that they would be any less active in their communities.

A companion measure, sponsored by Sen. Keith Langseth (DFL-Glyndon), did not receive a committee hearing.

HF289/SF1514

Senate skips initiative and referendum

A bill that would have given Minnesota voters the choice of whether to establish an initiative and referendum process in the state passed the House but didn't receive action in the Senate.

The measure, sponsored by Rep. Erik Paulsen (R-Eden Prairie), would have put a constitutional amendment question on the 2002 general election ballot asking voters whether the state should establish a system

where voters adopt laws or amend the constitution directly on the ballot, without first getting legislative approval.

Twenty-four states have some form of initiative and referendum. Paulsen said he deliberately patterned the bill so it would not be like California's system that only requires a certain number of signatures before a question is placed on the ballot. The ballots in California tend to be several pages long each election cycle.

Under the bill, those proposing a law or a repeal of an existing one are required to have a petition signed by a number equal to at least 5 percent of statewide registered voters who cast ballots for the governor's seat in the previous general election. In addition, the same percentage of signatures must be collected from voters in at least three-quarters of the state's congressional districts.

Paulsen said initiative and referendum would increase voter turnout and create a better-informed electorate in Minnesota. He also said it encourages grassroots activism and has led to important legislation in our country's history, including the women's right to vote, campaign finance reform, and tax and environmental reforms.

"This is a tool that will empower Minnesotans in a balanced, responsible manner," he said.

The measure passed the House 76-57. There was no Senate sponsor or action on the bill.

HF643/SFnone

State your party

Neither the full House nor the Senate voted on a proposal to eliminate a requirement that election judges disclose their party affiliation in order to qualify to serve on Election Day.

Proponents of the measure said that allowing independent election judges would help address a growing shortage and the increasing age of the average precinct workers.

As an example, Dorothy McClung, the director of Ramsey County's property records and revenue department, said the average St. Paul election judge is 67 years old. Fifty-five percent of the city's judges are at least 70, and 7 percent are older than 80.

Current law requires that no more than half the election judges in a precinct belong to the same political party unless there is an odd number of judges. In that case the number of judges of the same party may be one more than half the total number in the precinct.

As a practice, election judges declare what

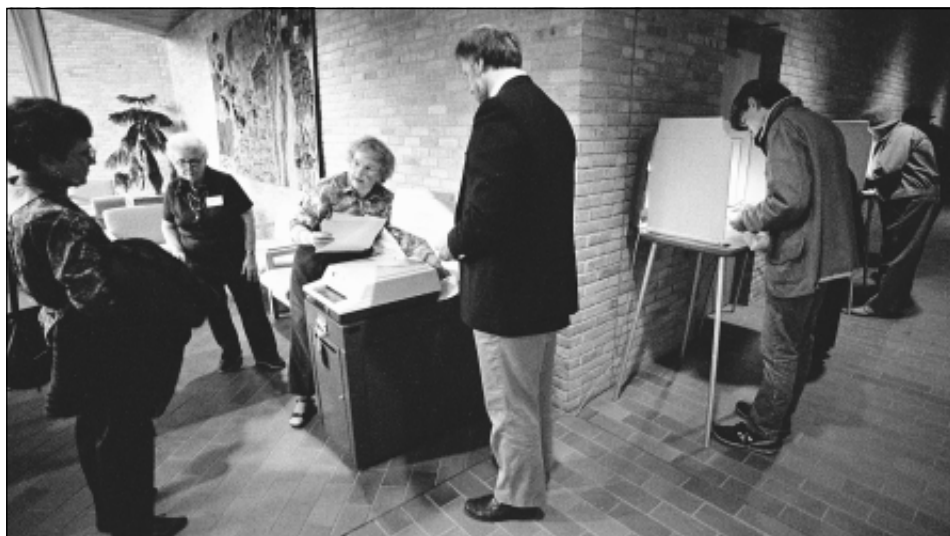


PHOTO BY TOM OLMSCHEID

A bill that would have permitted people not affiliated with a political party to be election judges failed in 2002. The bill was offered to help address a growing problem, identified by some election officials, of recruiting people to serve as election judges.

party they are affiliated with prior to appointment in a precinct so county officials can ensure they are following the law.

Sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park), the bill was approved by the House Governmental Operations and Veterans Affairs Policy and the Senate Rules and Administration committees but did not receive floor votes in either body.

Secretary of State Mary Kiffmeyer opposed the bill saying that a nonpartisan label didn't necessarily mean that the person doesn't have party affiliation.

Kiffmeyer said that having representation from all political parties is important because some of the judge's most important responsibilities, such as ensuring that only those qualified to vote in a precinct are allowed to do so and the certification of results at the end of the day, need close scrutiny in order to satisfy the public's confidence in the system.

HF3283/SF2950

★ EMPLOYMENT

Paying prevailing wage

Salaries for construction workers at energy generation plant projects would have been protected by the state's prevailing wage law, under a bill that died during 2002.

State unions have reported that out-of-state contractors are winning bids in Minnesota because wages for the state's workers are higher than elsewhere in the country.

A bill sponsored by Rep. Mark Holsten (R-Stillwater) would have prevented contractors from bringing in labor to work on energy plants for a wage significantly below the local standard. It also would have expanded the parameters of current prevailing wage law so that it would apply to energy plant construction.

Minnesota's prevailing wage law is designed to protect local jobs by requiring that contractors pay wages comparable to those being paid in a local area. Currently, the law applies only to construction projects that receive state funds directly. Energy plants receive state assistance indirectly, typically in the form of property tax subsidies, so contracted workers are not held to wage restrictions.

The bill would have directed energy plants receiving "special tax treatment" to pay prevailing wages.

Opponents argued that the state's calculation of a prevailing wage does not take into consideration the wide variations in wage rates between counties. Others pointed out that a prevailing wage is not a guarantee that Minnesota workers will get the jobs.

The bill passed the House Regulated Industries and Commerce, Jobs, and Economic Development Policy committees, but it did not advance from the taxes committee.

In the Senate, where it was sponsored by Sen. James Metzen (DFL-South St. Paul), the plan made it to the floor but was sent back to committee, where it died.

HF3340/SF2976

★ ENVIRONMENT

Funding the environment

Voters will not be given the chance to decide whether to set aside a portion of sales tax revenue to fund environmental interests in the November 2002 election.

Rep. Mark Holsten (R-Stillwater) was the House sponsor of a bill that would have dedicated three-sixteenths of 1 percent of existing sales tax revenue to a fund for conservation programs, zoos, parks, and trails.

The oft-presented bill would have allowed for a constitutional amendment to be placed on the November 2002 general election ballot.

The fund would have acted as a supplement to state spending and would only have become law with voter approval. It would have generated an estimated \$120 million annually before expiring on June 30, 2026.

Supporters claim that although Minnesota's outdoor industry raises \$3 billion annually, environmental causes are often foregone for more human interests.

The bill lost momentum when Rep. Phyllis Kahn (DFL-Mpls) added an amendment that would have developed a matching dedicated fund for education. Rep. Mindy Greiling (DFL-Roseville) followed suit, tacking on an amendment calling for a similar early childhood education fund.

Committee discussion focused on whether creating dedicated funds would set a harmful precedent. Although Holsten said that environmental interests deserve the protection of a dedicated fund, he joined in criticizing additional dedicated funds as poor policy.

Holsten also objected strongly to the amendments and ultimately withdrew his bill.

Sen. Bob Lessard (Ind.-Int'l Falls) sponsored the companion measure in the Senate. A procedural move to suspend the rules and take the bill up on the Senate floor failed in the final days of the session.

HF1671/SF1589

★ FAMILY

Regulating surrogate parents

Reflecting recent increases in more high-technology means of achieving pregnancy through assisted reproduction, a bill was introduced in 2002 that would have regulated agreements between women who agree to carry a child (known as carriers) and infertile couples.

The bill stalled in a House committee, but not before provoking discussion and debate about how families and parents should be defined and protected. It also stalled during the committee process in the Senate.

Sponsored by Rep. Kathy Tingelstad (R-Andover) and by Sen. Linda Higgins (DFL-Mpls), the bill would have allowed for legally binding agreements between surrogate mothers and the child's intended parents. These agreements would have been developed before conception of the embryo and would have set forth the legal relationship between the prospective surrogate carrier and the intended parents of the child.

That relationship may have protected intended parents by allowing them to sue for custody of the child if the surrogate carrier later decided not to give the child to the parents.

The bill also included provisions related to intended parents and reproductive cell donors.

It would have regulated compensation for surrogate carriers, sperm donors, and egg donors. A surrogate carrier would have been able to receive compensation for the time, effort, and inconvenience of carrying the child. Compensation for sperm or egg donors would have specified that the reimbursement be independent of the quality of the cell donated and unrelated to the donor's traits.

The proposal would also have required a surrogate carrier to have had children prior to entering into an agreement, in an effort to ensure that she understands the process and has clear expectations. Under the bill, the surrogate carrier would have to receive a mental health evaluation and counseling, as well as legal counseling, before agreeing to the contract.

Advocates of the plan called for state regulation during the 2002 session because of the large number of infertile couples. But others were concerned with the implications of regulating something as personal and human as parental relationships, saying the plan commercialized children.

HF2819/SF2625

★ GAMBLING

State-run casino rejected

A proposal to establish a state-run casino using revenue shared with American Indian tribes failed in a House committee and didn't receive a hearing in the Senate.

Sponsored by Rep. Dave Bishop (R-Rochester) and Sen. Doug Johnson (DFL-Tower), the bill would have imposed a

40-percent tax on revenue generated at the casino minus the amount paid out as prizes. The tax revenue would then have been evenly split between the state and the tribes.

The Minnesota State Lottery would have operated the casino, under the measure. Lottery Director George Andersen said a Twin Cities metropolitan area casino could likely generate as much as \$500 million annually.

The House Governmental Operations and Veterans Affairs Policy Committee devoted an entire day during the 2002 session to hear six casino-related bills, ranging from legalizing sports betting to authorizing slot machines at Canterbury Park. The committee approved none of the bills.

Speaking in favor of the shared state-run casino bill, Bobby Whitefeather, tribal chair of the Red Lake Band, said the additional revenue would support economic development. He said the Red Lake unemployment rate is around 50 percent and there is a severe need for housing in the community.

Rep. Bill Hilty (R-Finlayson) said he differed with the proposals philosophically because gambling revenue is an unfair way to deal with real needs in the state and all should contribute if a need is deemed worthy of public funds.

Bishop said gambling revenues amount to a user fee, not a tax.

The state's proceeds from the casino would have been dedicated to economic development, funding for the arts, professional and amateur sports facilities, higher education scholarships, K-12 telecommunications technology, and other statewide programs.

The bill would have authorized the casino to have blackjack, video games, pull-tabs, and bingo. Participating tribes would have shared in the start-up costs.

HF2799/SF1841

★ GOVERNMENT

Unicameral falters again

After earning a late revival during the 2001-02 session, plans to allow voters to choose between a one-house or two-house legislature were again unsuccessful.

Two plans were considered during the biennium, but neither made it to the full House for a vote. The closest they came was a procedural vote on one plan (HF3722) May 16 when the bill was sent back to committee in the waning days of the session.

The other plan (HF2764) failed in the House Ways and Means Committee March 25.

Rep. Ron Abrams (R-Minnetonka) sponsored both plans.

Both bills would have placed a constitutional amendment on the November general election ballot to allow voters to decide whether the Legislature should have one house or two. The question would have set the size of the one-house legislature at 134 members, serving two-year terms.

The unicameral concept received a number of hearings in the House Governmental Operations and Veterans Affairs Policy Committee. In fact, the concept has been heard dozens of times since 1999 when the Ventura administration began. The governor has offered strong support for the plan.

During 2002, HF2764 went through two committees before stalling in the Ways and Means committee. Among other issues, members expressed concern that the Secretary of State's Office would have to incur extra expense to inform voters about the proposal during a time of tight budgets.

The bill required that the secretary of state prepare an informational guide, a requirement that was added as an amendment in the House Governmental Operations and Veterans Affairs Policy Committee against Abrams wishes.

Late in the session, Abrams introduced HF3722, which was heard in the House Rules and Legislative Administration Committee and forwarded to the full House for a vote. Members objected to the quick route of the bill and a majority voted for it to be returned to the government operations committee where it could go through the committee process.

However, due to the lateness of the referral, the bill would not have had time to go through the committee process before the Legislature was required by constitution to adjourn.

Abrams and others argued that the current state legislative system has not been changed in the state's history, while other branches of government have been subject to reorganization. He also said that the conference committee system used in Minnesota's two-house legislature lends itself to abuse of the system.

However, other members said there's a good reason that only Nebraska has a unicameral legislature. They said a one-house system does not allow for a variety of ideas to be heard, particularly if legislative leaders and the governor are from the same party.

Sen. Dave Kleis (R-St. Cloud) sponsored the Senate version of both proposals. Neither

advanced from a committee in the Senate in the 2002 session.

HF2764/SF2505

HF3722/SF3475

Treasurer duties uncertain

Who will ultimately perform the duties of the state treasurer remains unclear as a bill dealing with that soon-to-be-eliminated constitutional officer's duties did not make it out of a conference committee.

In 1998 voters elected to abolish the office via a constitutional amendment effective January 2003. The law authorizing the referendum also required the treasurer to consult with several other state officials and recommend where to locate the office.

The state treasurer is responsible for overseeing state funds independent of all other agencies.

In her report to the Legislature in 2000, State Treasurer Carol Johnson recommended not transferring the duties to the state Department of Finance in an effort to maintain the check-and-balance functions of the office. However, other officials, including the commissioner of finance, noted in the report that the Department of Finance is a logical place for the duties of the treasurer.

The House proposal, sponsored by Rep. Sondra Erickson (R-Princeton), would have created a new statutory office. The governor, with the advice and consent of the Senate, would have appointed the treasurer.

Opponents of the proposal said that creating a new office bypasses people voted for and would create an unnecessary layer of government.

But proponents argued that it is the most cost-effective approach in ensuring that the duties that will still need to be performed are accomplished.

The Senate proposal, sponsored by Sen. Ann H. Rest (DFL-New Hope), would have transferred the duties to the Department of Finance.

Johnson said that if the duties were transferred to the Finance Department, officials would need to take steps maintaining a separation between the former treasurer duties and the rest of the department.

The House approved its version of the bill 90-35 while the Senate passed its version 54-8. Conferees were unable to reach an agreement.

The House omnibus budget bill (HF3270) also contained the House proposal establishing the new treasurer agency. The provision was not included in the final conference committee report.

It will likely be up to the executive branch and whomever is elected governor in November 2002 to determine what department takes over the treasurer's duties.

HF2761/SF2963

No state contract approval

Lawmakers adjourned before an agreement could be reached to ratify state workers' contracts. Thus the negotiated contracts were nullified May 19.

However, state and labor negotiators again agreed upon identical contracts on May 21, meaning the Legislature may have to deal with the ratification issue in 2003 or during the intervening months.

The inclusion of same-sex domestic partner benefits in some of the agreements, including those with the two largest unions, the American Federation of State, County, and Municipal Employees (AFSCME) and the Minnesota Association of Professional Employees (MAPE), was at the center of the difference between bills that passed the House and Senate.

State law authorizes the commissioner of employee relations to enter into agreements with those representing the various state employee groups. The Legislature is required to accept or reject the bargained agreements before they are finalized.

A House proposal, sponsored by Rep. Dave Bishop (R-Rochester), changed greatly as it moved through the committee process. As it was originally introduced, the bill would have removed the legislative approval requirement for the contracts.

The House Governmental Operations and Veterans Affairs Policy Committee amended the bill March 6 to accept the negotiated agreements and add legal definitions of the criteria needed for a same-sex domestic partner of a state employee to be eligible for the benefit.

Two weeks later the House Ways and Means Committee amended the bill to reject the contracts providing the same-sex provision. Contracts that did not contain the clause and provisions of negotiated compensation plans without the benefit would have been approved under the measure.

Though the contracts would have officially been rejected, the amended bill specified that until subsequent agreements are reached between the bargaining units and the state the remainder of the negotiated contracts would continue to be in effect, with the exception of the same-sex domestic partner benefit.

That version of the bill passed the House 78-52.

The Senate bill, sponsored by Sen. Roger Moe (DFL-Erskine), would have changed the process so that if the Legislature did not reject the contracts, they would automatically go into effect. It passed 35-28.

A conference committee was appointed to work out the differences, but it never met.

The Senate proposal was also included in an omnibus budget balancing law (CH374). However, the House sponsor of that measure, Rep. Kevin Goodno (R-Moorhead), said that dealing with the issue as part of the budget bill was not appropriate especially since there was a conference committee appointed specifically to address the benefit issue.

HF3575/SF3208

Investment disclosure

A bill that would have required members of the State Board of Investment to disclose more of their own financial information, including their private income, passed the House 94-30 but failed to receive a hearing in the Senate.

The board, which consists of the governor, attorney general, state auditor, secretary of state, and state treasurer, is responsible for administering and directing the investment of state funds and pension funds.

Sponsored by Rep. Matt Entenza (DFL-St. Paul) and Sen. Richard Cohen (DFL-St. Paul), the bill would have required board members to disclose any contract or other arrangement under which services would be performed for compensation as a consultant, employee, or independent contractor for a person or entity other than the state.

Current law requires board members to disclose expenses paid by investment advisors, consultants, and outside money managers under contract, or who have bid on a contract with the board. Annual disclosure is also required when a member has a contract with a business that the board has invested in.

Because the board is responsible for managing \$53 billion in public funds, Entenza said that disclosure of private contract arrangements is important to help people determine the extent to which a conflict may exist.

An amendment offered during the House floor debate by Rep. Ann Lenczewski (DFL-Bloomington) that would have required legislators to make the same disclosures was ultimately ruled out of order by House Speaker Steve Sviggum (R-Kenyon).

Opponents of the amendment said it would

cause difficulty for legislators in professions that require confidentiality arrangements with clients and that it is appropriate to have different disclosure requirements for a part-time citizen legislature as opposed to full-time employees such as the constitutional officers.

HF1025/SF469

No travel restrictions

After watching state employee out-of-state travel costs increase for five years, two legislators unsuccessfully tried to reverse the trend.

Rep. Carol Molnau (R-Cologne) and Sen. Linda Scheid (DFL-Brooklyn Park) sponsored a bill that would have imposed an out-of-state travel moratorium on executive branch state employees until July 1, 2003.

Although the measure made it to the House floor, no vote was taken. No action occurred in the Senate.

Molnau said the moratorium was needed because out-of-state travel costs by state employees rose 48 percent between fiscal years 1996 and 2001, according to the state Department of Finance.

She said some departments experienced significant increases, such as a 174.2 percent increase by the Department of Children, Families and Learning to \$401,227 in fiscal year 2001. The Department of Corrections had a 119.5 percent bump to \$416,670, and costs for

the Department of Economic Security rose to \$640,422, a 90 percent increase.

Molnau said waivers would be available through the commissioner of the Department of Employee Relations.

The plan initially included the Minnesota State Colleges and Universities (MnSCU), which spent \$4.95 million in out-of-state travel costs in fiscal year 2001, a 45.9 percent increase from five years prior. The House State Government Finance Committee removed that section.

Rep. Lyndon Carlson (DFL-Robbinsdale) said that without the change students would be able to attend events in other states, but not other personnel who are MnSCU employees, such as coaches, directors, or trainers.

The plan was not directed at House employees because the speaker had essentially imposed a moratorium, and travel is only permitted by special request.

HF1739/SF1438

No new state flag

A new state flag may eventually be blown in the wind, but it isn't one of the issues that passed either the House or Senate this session.

Rep. Ron Erhardt (R-Edina) and Sen. Edward Oliver (R-Deephaven) sponsored a measure that would have established a task force to study the form, style, and design of the



PHOTO BY ANDREW VON BANK

Rep. Ron Erhardt, left, describes the detail in the Minnesota state flag to illustrate why a new design is needed during a meeting of the House Governmental Operations and Veterans Affairs Policy Committee in 2002. Sen. Edward Oliver, right, also testified in support of the bill that would establish a state flag design task force. Displayed at the committee was one possible new flag design.

current state flag and suggest any changes. Consisting of three senators and three representatives, the task force would have reported back to the Legislature by Jan. 15, 2003.

"Flags are great symbols that arouse great passions," Oliver said.

The plan received committee approval in the House and was awaiting floor action when the session closed in May. In the Senate the bill remained in the committee process when session ended.

The state's current flag, like 25 other state flags, is blue with an insignia. The flag design has been revised over the years, with the last change coming in 1983. The current version includes the state seal surrounded by the state flower and motto, the North Star, and 19 stars representing Minnesota as the 19th state admitted to the union following the original 13.

Erhardt said the flag is "unremarkable and not very distinctive. School kids couldn't tell you about it to save your soul."

Oliver said that in a session dealing with a budget deficit and other serious issues this bill adds a lighter tone to discussions. He said that since Sept. 11, there has been a greater appreciation for flags and an outpouring of people displaying the American flag.

HF3556/SF3201

No claims payments

An annual bill that usually receives little fanfare saw some fireworks during the wee hours of the last day of action in the 2002 session.

The bill, which pays claims against the state, easily passed the House 128-2. But when the Senate took up the measure around 3 a.m. the final day of action in the Legislature, an amendment offered by Sen. Dean Johnson (DFL-Willmar) incorporated the stalled omnibus transportation finance package into it.

Medical service claims settled in the bill totaled \$17,673.

Senate Republicans argued that the amendment was not germane to the bill, but after the body voted that it was, they refused to vote on the measure. The bill passed 36-3. The House did not vote on the amended bill.

The bill would have given approval to payments to individuals injured while performing community service or correctional sentencing-to-service work.

By law, claims of \$500 or less are investigated by the state or local agency responsible for supervising the work to determine if the claim is valid and if the loss is covered by the claimant's insurance. Approved claims are

then submitted to the Department of Corrections or any state department that receives a legislative appropriation to make the payment.

A claim of more than \$500 requires legislative approval.

Compensation for the claims is limited to reimbursement for medical expenses and compensation for permanent total disability, permanent partial disability, or death. Payments for pain and suffering are not allowed under the law.

Since the bill did not pass both the House and Senate and receive the governor's approval, the claims will not be paid in 2002. They must wait until the 2003 session when they may be revisited.

Rep. Bill Haas (R-Champlin) and Sen. Steve Murphy (DFL-Red Wing) were the sponsors. HF3643/SF3403

HEALTH



Drug purchase discounts

Low-income Minnesotans, as well as senior citizens, would have been made eligible for a discount on their prescription drug purchases, under a bill that died this year.

The bill passed two House committees and was awaiting a hearing before the House Ways and Means Committee when session ended. It received no action in the Senate.

Prescription drug funding is a problem for many retired people, whose drug expenses take up a significant chunk of their limited budget, and low-income Minnesotans who may not have access to insurance-based discounts. The bill, sponsored by Rep. Fran Bradley (R-Rochester), sought to establish a statewide drug discount program that would have taken effect Jan. 1, 2003.



PHOTO ILLUSTRATION BY TOM OLMSCHEID

Many states are considering state-level prescription drug discount programs to help residents pay for costs. A plan Minnesota legislators pitched in 2002 failed to gain legislative approval.

A person would have been eligible for the program if they:

- were a permanent resident of the state;
- did not have prescription drug coverage through a private, state, or federal health insurance plan; and
- earned less than 250 percent of the federal poverty level — \$21,475 a year.

Under the program, pharmacies would have participated voluntarily to provide drugs at a discount to eligible customers. Pharmacies would have been reimbursed by the state for discounts provided to customers, using money received as rebates from drug manufacturers.

Drugs produced by three or more manufacturers would not be included in the program, according to the bill.

The bill drew support from a number of state medical groups, pharmacists, and the Minnesota Senior Federation, who commended it as an important step toward securing legislation to ease the financial burden faced by many senior citizens.

Leading a campaign against the bill, the Pharmaceutical Research and Manufacturers of America argued that the industry is already taking steps to make drugs more affordable for lower-income people. Industry representatives indicated that federal lawmakers, who have the power to modify Medicare and establish a drug benefit, should address the problem, rather than developing a state solution.

The Senate passed a bill (SF765) in May 2001 that called for a similar program. Sponsored by Sen. John Hottinger (DFL-Mankato), it did not contain the income limit. It failed to receive a House hearing.

Bradley's bill had no Senate companion.
HF2646/SFnone

Changes for grant recipients

Family planning services would have faced new restrictions to receive state funds, under a bill introduced in 2002.

Specifically, the measure would have prevented organizations that receive family planning grants from publicly supporting or recommending abortion services.

The bill would also have prohibited organizations that receive family planning grant funds from practicing "public advocacy" of abortion, including lobbying abortion-related legislation, endorsing candidates based on their views on the subject, or suing a unit of government to bar the enforcement of an abortion regulation.

In addition, the bill would have limited the use of family planning grant funds. It would have prohibited those funds from being used to subsidize abortion services, granted to an organization or affiliate that provides abortion services unless the affiliate is independent, or granted to an organization that has a policy stating abortion is part of a continuum of family planning services.

Rep. Mary Liz Holberg (R-Lakeville) sponsored the legislation in the House, which she said was patterned after a Missouri statute that encourages traditional childbirth care. Sen. Thomas Neuville (R-Northfield) was the Senate sponsor.

Connie Perpich, spokeswoman for Planned Parenthood of Minnesota and South Dakota, said the organization receives about 5 percent of its overall funding from the state. She said those funds are strictly monitored and specifically diverted from abortion services.

"It is simply not true that your tax dollars fund abortions," Perpich said.

Some members expressed concern that

decreased funding to certain family planning services would limit health care options for lower income women.

However, other members noted that organizations like Planned Parenthood offer a number of health care services at a low cost, providing an important option for uninsured women.

The measure stalled in a health committee in each body.

HF3130/SF3061

Informed consent fails

A bill that would have placed an additional restriction on women seeking abortions failed to become law again in 2002.

The bill would have required women to receive information about the procedure at least 24 hours before the scheduled abortion. It was intended to promote "informed consent" from women seeking abortions, according to sponsors, Rep. Lynda Boudreau (R-Faribault) and Sen. Michelle Fischbach (R-Paynesville).

However, opponents said the bill was an effort to delay abortion procedures by instituting a 24-hour waiting period.

The provision was included in a bill that was initially part of the budget-balancing legislation (HF2515) passed by the House, sponsored by Rep. Kevin Goodno (R-Moorhead), chair of the House Health and Human Services Finance Committee. A conference committee did not agree to the language and the abortion provisions were removed from the bill (and the actual House file dropped the informed consent measure and was used as a vehicle for the anti-terrorism measures as the session drew to a close).

Gov. Jesse Ventura vetoed similar abortion-related provisions in both 2000 and 2001.

HF262/SF217

★ HIGHER EDUCATION

Contract equality

A proposal would have created a committee to study the issue of establishing bargaining units for instructors who teach in state residential facilities, including correctional facilities. Rep. Peggy Leppik (R-Golden Valley) and Sen. Jim Vickerman (DFL-Tracy) were the sponsors.

Although the measure received a hearing in the House Higher Education Finance

Committee, no vote was taken. The bill also stalled in the Senate Education Committee.

The perceived inequities result from the two instructional units in the state residential facilities. Instructors hired by the Department of Corrections, and who are members of the State Residential Schools Education Association generally teach K-12 education, GED, and some vocational classes. Other full-time instructors that are hired by the Minnesota State Colleges and Universities (MnSCU) teach other college-level classes.

Those hired by each entity vary on bases such as pay, hours, and benefits. Additionally, the MnSCU faculty do not take part in safety measures, such as prisoner pat downs or facility lockdowns, which corrections department employees are required to do, per their contract.

Leppik said she wanted to put the idea forward for discussion purposes but that the cost of the study prevented action on the bill this session.

HF2545/SF2385

No contract exemption

A plan that would have allowed for an exception to a moratorium on state contracts did not ultimately pass either body, despite an urgency to pass it during the 2002 session.

The measure passed the House 132-0 April 3, but it was awaiting a hearing before the Senate Education Committee when the session ended.

Sponsored by Rep. Marty Seifert (R-Marshall) and Sen. Tony Kinkel (DFL-Park Rapids), the bill would have exempted the Minnesota State Colleges and Universities (MnSCU) system from the moratorium if the contracts were paid for with student fees or from other private sources. The change was to have been effective immediately.

A moratorium for professional and technical contracts until July 1, 2003 was included as part of the first budget balancing act (HF351*/SF264/CH220) approved by the Legislature.

"I think this bill would resolve some unintended consequences," said Rep. Joe Opatz (DFL-St. Cloud).

Seifert and Steve Frantz, MnSCU system director for disability and student life, said events and services not able to take place without the legislation include graduation speakers and photographers, guest conductors, fine arts festivals, job fairs, student life programming, school dances, and the presence of some specialized medical personnel

for health services, such as tuberculosis screening.

Frantz said the colleges could use general funds to pay for those things, but instead they have set up a fee structure. "This would not affect the state's general fund," Seifert said.

He said it was college students that brought the problem to his attention.

"Freezing our budget causes us to halt our programming, therefore preventing the co-curricular events that provide students with both educational and entertainment opportunities," eight members of the St. Cloud State University Program Board wrote in a letter to legislators.

A more broad exemption was provided in the second budget-balancing law. (See related story, p. XX.)

MnSCU campuses could also apply to the Department of Administration for waivers from the contract moratorium for specific functions.

HF3690/SF3444

★ HOUSING

Predatory lending

A bill that would have protected borrowers from irresponsible lending practices passed with large support in the Senate, but fell short of full House approval.

Rep. Jim Rhodes (R-St. Louis Park) and Sen. Sandra Pappas (DFL-St. Paul) sponsored the bill, which would have prohibited the practice known as "predatory lending." Under the bill, lenders could not offer high-cost home loans to borrowers who may be unlikely to repay the loan.

Tara McCarthy, a certified credit counselor, testified before a House committee that people affected by predatory lending are generally those who want to pay the loan but do not have the financial ability.

Specifically, the bill stated that monthly debt payments must not exceed 55 percent of a borrower's monthly gross income.

The bill would have required development of a disclosure notice to help inform applicants of the terms and requirements of a high-cost home loan.

The disclosure would also require that the lender encourage borrowers to seek independent home loan credit counseling.

Rhodes said the bill was a compromise reflecting the interests of those in the lending industry, groups often targeted by unfair lending, the

Department of Commerce, and others.

Commerce Commissioner Jim Bernstein testified the measure would give the department a tool to stop the practice that "tears the heart out of a lot of people in Minnesota."

After passing the Senate 63-0, the bill stalled awaiting a full vote on the House floor.

HF3434/SF3030

HUMANITIES

Mighty Books grants

Communities looking for library dollars need not look to the state for assistance as no state grants will be available.

Rep. Larry Howes (R-Walker) sponsored legislation that would have established the Mighty Books grant program.

Similar to the Mighty Ducks and Mighty Kicks programs for hockey and soccer facilities, the program would have allowed libraries to apply for state assistance to help with construction or renovation costs. In order to qualify for the program, libraries would have been required to provide a 50 percent match of local money.

The bill would have set a cap for grants awarded at the lesser of \$1 million or 50 percent of the total project cost.

The state has never bonded to provide money for local libraries, but supporters emphasized the increasing number of state libraries that are old, in poor condition, or in need of expansion as proof that it was time to set a precedent.

The Mighty Books grant would have applied to several proposals for local library projects that were brought to the House Family and Early Childhood Education Finance Committee. Libraries in Fergus Falls, Pine River, Fosston, and Cross Lake requested a total of \$3.1 million. The bill itself did not advance out of committee, and funding for the projects were not included in any omnibus finance bills.

There was no Senate companion bill.

HF3005/SFnone

★ INDUSTRY

Local telephone competition

Legislators considered, but did not adopt, a proposal that would have promoted competition in the local telecommunications market.

Sponsored by Rep. Loren Jennings (DFL-Harris) and Sen. James Metzen (DFL-South St. Paul), the measure was one of two proposed this session that dealt specifically with competition in the telecommunications market. It would have encouraged competition within the local market by clarifying standards of conduct for telecommunications providers and providing criteria for dealing with violations of those standards.

The bill would have required providers to follow certain procedures governing relationships between telephone companies and their customers, including a provision that would prohibit service providers from using private customers' information without consent. Under the bill, private customer information, such as the quantity or destination of calls made through the provider, would have been kept confidential.

Large local service providers engaging in anti-competitive practices or violating standards of conduct would have been subject to structural separation, under the bill. Structural separation would involve the separation of retail and wholesale activities, effectively forcing dominating providers to break into smaller affiliates.

It would also require activities to be reported to consumers on separate billing statements.

Structural separation would allow smaller companies to compete with providers like Qwest, which dominates the market in Minnesota, providing about one-third of all the telephone lines in the state.

The bills stalled in committee in each body, specifically the House Regulated Industries and Senate Telecommunications, Energy, and Utilities committees.

HF2919/SF3146

Competitive phone service

A bill that was designed to create a competitive residential marketplace, and thereby give consumers more choice while driving down prices, failed to clear a House committee.

The bill would have opened up competition for local telephone service by forcing local market dominators — Qwest in Minnesota — to break into smaller affiliates if they are found to engage in anti-competitive conduct.

It would also have established a telecommunications "special master," an administrative law judge who would preside over complaints or competition violations.

In addition, the bill would have increased penalties for companies that do not abide by

local competition regulations.

With numerous new services such as caller identification, additional phone lines, and high-speed access, residential customers are becoming increasingly attractive for local phone companies. However, unlike long distance service, consumers cannot simply change their local service provider with a phone call or even a mouse click.

Sponsored by Rep. Ken Wolf (R-Burnsville), the bill lost steam after legislators in the House Regulated Industries Committee heard testimony on the proposal.

Although many smaller phone companies supported the bill, Mitch Wilk, the former chair of the California Public Utilities Commission, warned that the proposed structural separation resembled California's energy deregulation plan, whose failure resulted in a massive energy crunch for the state.

There was no Senate companion measure.
HF2778/SFnone

★ INSURANCE

Ovarian cancer screening

A bill that would have required insurance companies to cover ovarian cancer screening for at-risk women stalled in health committees in both the House and Senate.

Rep. Karen Clark (DFL-Mpls), a survivor of ovarian cancer, sponsored the bill along with Sen. Linda Scheid (DFL-Brooklyn Park).

"Early detection makes all the difference for women," Clark told a House committee.

Current law requires insurance companies to cover routine screenings for most cancers. The bill would have gone one step further, requiring a specific type of screening for women who are "at risk" for ovarian cancer as defined in the bill.

Under the proposed bill, a woman would be considered at risk if she has a family history of one or more close relatives with the disease or of clusters of female relatives with breast cancer.

Dr. William Cliby, a gynecologist at the Mayo Clinic in Rochester, testified that one study showed that survival rates doubled when women received early screening.

Some legislators criticized the bill for adding yet another insurance mandate in the state. They cautioned that the mandate might have unintentionally harmful consequences. Mandates do not apply to many people insured through their employer because company

plans are self-insured and independent of state regulations.

Some lawmakers feared that insurance companies would raise their rates in order to fund the additional screening charges. However, supporters emphasized the fact that treatment is not only more effective in earlier stages, but cheaper, as well.

The House bill stalled in the House Health and Human Services Policy Committee and the Senate version in the Senate Health and Family Security Committee.

HF3234/SF3163

★ METRO AFFAIRS

Claiming impounded vehicles

Car owners in the Twin Cities metropolitan area will not necessarily have to accelerate their efforts to reclaim impounded vehicles.

Proposed by Rep. Chris Gerlach (R-Apple Valley) and Sen. David Knutson (R-Burnsville), a bill would have reduced the amount of time that impound lot operators must keep a towed vehicle.

Currently, impound lots located inside the Twin Cities metropolitan area, but outside the cities of Minneapolis and St. Paul, are required to keep vehicles for 45 days before disposing of them. The proposal would have decreased the waiting period to 15 days.

The bill would have resembled current law in the state's two largest cities, which was

changed a few years ago in order to alleviate overcrowding in city impound lots. Supporters felt similar legislation would be beneficial in the suburbs.

After a car is towed, the towing company would send a certified letter to the owner requesting that they claim the car. Under the bill, the owner could then claim the car right away or request that the company hold the vehicle for up to 45 days. If the owner failed to respond, the towing company would be able to dispose of the vehicle after 15 days.

The original version of the bill would have applied throughout the state. After representatives from Greater Minnesota districts explained that overcrowding at impound lots is not a problem in their communities, the bill was amended to pertain only to the seven-county Twin Cities metropolitan area.

The bill failed on the House floor 39-91 and was not formally reconsidered before the session adjourned. The Senate passed its measure 58-2.

HF2643/SF2559

Alternative transit study

A plan that would have allocated \$400,000 to study the viability of personal rapid transit on the University of Minnesota-Twin Cities campus moved out of one House committee but stalled in another during 2002.

Sponsored by Rep. Mark Olson (R-Big Lake), the bill would initially have funded a project to build a personal rapid transit

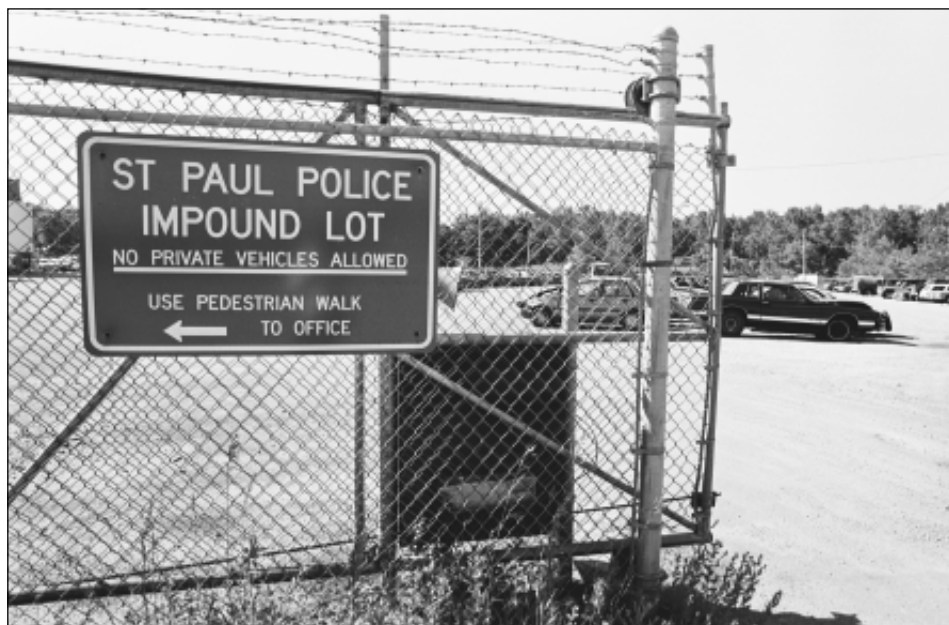


PHOTO BY TOM OLMSCHIED

Owners of vehicles towed to impound lots in the Twin Cities metropolitan area still have 45 days to claim their vehicles. A plan to reduce that to 15 days was passed by the Senate, but not the House.

system at the Twin Cities campus and the adjoining state fairgrounds. Olson said the area would be a good place to study the concept because there are thousands of staff and students on the campus every day and about 1.6 million people attend the state fair during its 12-day run each year.

Personal rapid transit involves a system of small cars that accommodate one or two people and operate on elevated guideways. The cars move from station-to-station, as riders direct them, requiring only one fare for the entire car and the duration of the trip.

Proponents say the system is a less expensive mass transit option and will pay for itself in less time than buses and rail options.

A Fridley company, Taxi 2000, has developed the technology and is developing a test track in that city, funded through \$1 million in private sources. Officials expect it to be completed in late 2002 or early 2003.

The House Transportation Policy Committee approved the study portion of the bill Feb. 22 and referred it to the House Transportation Finance Committee where it stalled.

Sen. Satveer Chaudhary (DFL-Fridley) sponsored the Senate version. It stalled in the Senate Education Committee.

HF3320/SF3423

No clearance for MAC plan

A proposal to make the Metropolitan Airports Commission (MAC) a state agency stalled in committee during 2002.

The commission is the governing authority of the Minneapolis/St. Paul International Airport and its reliever airports.

The key goal of the bill, sponsored by

Rep. Tim Wilkin (R-Eagan) and Sen. Doug Johnson (DFL-Tower), was to establish greater legislative oversight of the commission.

"The governing structure of the MAC is now outdated. It's time for the Legislature to take a more active role in its oversight," Wilkin said.

The bill originally would have transferred the commission to the authority of the state Department of Transportation. But the bill was amended to make it a standalone agency.

The House Governmental Operations and Veterans Affairs Policy Committee approved the amended bill, but two other committees to which it was referred and then re-referred did not hear the bill.

The Senate State and Local Government Operations Committee amended the bill so that it would have required the MAC to submit its budget to the Legislative Commission on Metropolitan Government for recommendations. However, the committee then voted not to approve the bill.

Created by the Legislature in 1943, the commission receives no state appropriation and is funded through user fees. Jeff Hamiel, the commission's executive director, said that Northwest Airlines pays approximately 80 percent of those fees.

The commission consists of 14 commissioners and a chairperson, appointed primarily by the governor and also the cities of Minneapolis and St. Paul.

It sets policies for the operation of its airports, including Minneapolis/St. Paul International, Airlake in Lakeville, Anoka County-Blaine, Crystal, Flying Cloud in Eden Prairie, Lake Elmo, and the St. Paul Downtown Airport. The system is the third busiest in the country.

HF2568/SF2682

Dollars for development

A bill that called for money to help communities with development and redevelopment issues nearly became law, but drew Gov. Jesse Ventura's veto. (See related story, page 67.)

Funding totaling \$9 million was included as part of the omnibus bonding bill (HF3618*/SFnone/CH393) approved by the House and Senate. However, the funding was line-item vetoed by Gov. Jesse Ventura.

Sponsored by Rep. Jim Abeler (R-Anoka) and Sen. Linda Higgins (DFL-Mpls), the original bill requested \$10 million in bonding request for grants to cities in the metropolitan area under the Livable Communities Act.

Overseen by the Metropolitan Council, the Livable Communities Act was established by the Legislature in 1995. It was part of an effort by Gov. Arne Carlson to restructure a redevelopment funding program through the Department of Trade and Economic Development. As part of the restructuring, metropolitan area projects would be funded under the Livable Communities Act and Greater Minnesota projects would be handled by the department.

The act is comprised of four separate accounts, which are dedicated to cleaning up polluted land; revitalizing communities and promoting efficient development; inclusionary housing; and providing affordable housing to people with moderate incomes, according to council literature.

Through the act, the council has previously contributed funds to several cities in the metropolitan area, including Ramsey and Anoka, allowing those cities to establish a downtown center and more affordable housing, respectively. There have been a number of other projects funded under the act since its



PHOTO BY ANDREW VON BANK

A proposed bill would have made the Metropolitan Airports Commission, governing body of the Minneapolis/St. Paul International Airport, a state agency. The bill failed to become law in 2002.

establishment in 1995, totaling nearly \$85 million.

Caren Dewar, deputy regional administrator for the Metropolitan Council, told the House Governmental and Veterans Affairs Policy Committee that the funds are distributed by an advisory committee. She said the programs are competitive, available to all cities, and for public improvements only.

The money requested would have helped fund several potential projects, including: \$1.2 million for construction of a town center in Mendota Heights, \$1 million for redevelopment of a boulevard in Coon Rapids, and \$1 million for a skyway system in Richfield.

HF3446/SF3058

★ SAFETY

Airbag replacement

A bill that would have made it illegal to repair a car without replacing a deployed or damaged airbag skidded to a halt in a House committee.

The bill's House sponsor, Rep. Dan Larson (DFL-Bloomington), said the measure would protect consumers by ensuring that cars that have been involved in an accident retain a functional airbag.

Failing to comply with the repair requirement would have resulted in a misdemeanor charge. Cars more than 7 years old would have been exempt from the proposal.

Along with consumers, auto dealers would have also found some protection in the bill.

Alyssa Schlander, representing the Minnesota Auto Dealers Association, supported the bill, explaining that many auto dealers have seen vehicles that appear to be equipped with an airbag but are not. Dealers are concerned about the possibility of lawsuits if a consumer unwittingly purchases a car without a functional airbag. Schlander said that although there are three ways to verify whether a car has an airbag, none is 100 percent accurate.

Critics argued against the mandate, citing concern that the bill would be harmful to people who do not wish to fix their airbag or who do not intend to sell their car. There was also criticism that some people may not be able to afford airbag repairs, which would prevent them from making other repairs to their car and leave them without a vehicle.

Sen. Leo Foley (DFL-Coon Rapids) sponsored the bill in the Senate, where it passed 62-0.

HF2904/SF2970

Fire retardant cigarettes

A proposal that would have mandated fire retardant cigarettes did not make the cut for 2001-2002.

According to the proposal, at least 75 percent of the products that cigarette manufacturers sell in the state would have to comply with fire retardant standards by July 1, 2004. The bill is patterned after legislation passed in New York, where a fire retardant cigarette mandate should be in place by July 2003.

A cigarette manufacturer has developed a paper that resists burning unless the smoker is actually drawing oxygen through the cigarette. Small threadlike fire-retardant filaments are wound around the tobacco, surrounding the cigarette in a tight, cylindrical pattern.

The bill stalled in committee in 2001, but Rep. Greg Davids (R-Preston), chair of the House Commerce, Jobs, and Economic Development Policy Committee, had promised that the committee would hear the proposal again if nothing was done to address the issue on the federal level.

The bill's House sponsor, Rep. Dennis Ozment (R-Rosemount), a retired firefighter, said if states begin adopting standards, it's likely there would be more movement federally and tobacco manufacturers would continue to develop cigarettes that extinguish themselves more readily than the current product.

Although fires started by cigarettes are among the most deadly, lawmakers heard criticism of the proposals, particularly from tobacco manufacturers.

Tom Briant, executive director of the Minnesota Wholesalers Marketers Association, said no cigarette currently exists that would meet the standards set in the bill.

The bill made it out of the commerce committee in the House but did not receive a vote on the floor. Sen. John Marty (DFL-Roseville) sponsored the Senate version, which stalled in committee.

HF175/SF98

Paying for car fires

It usually costs between \$300 and \$500 to extinguish a car fire, but estimates show that about 10 percent of these fires are never paid for. A bill that would have allowed fire departments to attain reimbursement for these lost funds failed to ignite.

Sponsored by Rep. Dennis Ozment (R-Rosemount) and Sen. LeRoy Stumpf (DFL-Thief River Falls), the bill would have required the state transportation commissioner



PHOTO BY TOM OLMSCHEID

A bill that would have provided a vehicle fire revolving account in the state's general fund to aid municipal or volunteer fire departments in getting reimbursement for extinguishing a car fire on a trunk highway or interstate right-of-way failed to become law.

to set up a revolving account in the general fund to help offset the costs of vehicle fires.

Funds accumulated from extinguishing car fires in trunk highway rights-of-way and interstate highways would have been placed in the account.

Municipal or volunteer fire departments would have been able to collect up to \$300 from the fund as reimbursement for their costs.

Officials hoped that up to 70 percent of unpaid fees could have been collected through county auditors without using the new account. Nevertheless, the bill would have prevented fire departments from suffering a loss for the remaining unresolved payments.

The funds in the revolving account would be used as a last resort after first going directly to the person for the money, and then to their county auditor through a levy placed on the driver's property.

The measure passed in four House committees, but failed to get a floor vote. The Senate companion was approved by three committees and was included in the Senate's transportation funding package, which did not pass.

HF211/SF160

Security background checks

Despite great support in the House, a bill mandating criminal background checks for employees of electronic security system companies failed to become law.

The House passed the measure 126-0. The Senate did not act on the plan.

Owners, company officers, and current and future employees of security systems would have been required to undergo a Minnesota criminal background check, under the bill. Checks would have been required only when licenses come up for renewal or are first applied for. Installers of fire protection equipment would have been exempt from the requirement.

Rep. Bill Hilty (DFL-Finlayson), the House sponsor, argued that background checks are necessary given the employees' access to security codes.

The bill would have cost an estimated \$136,000 in fiscal year 2003, and \$87,000 in each year of the 2004-2005 biennium. The 2003 amount includes funding for system modification, rulemaking, two full-time employees, one new workstation, and hearing costs.

Security companies would have been required to pay the Bureau of Criminal Apprehension for the cost of the checks. Companies would have been allowed to pass those costs on to employees or applicants.

An employee found to have a criminal history would have been discharged and had their license revoked. Failure for a company to conduct background checks would have been a misdemeanor.

Sen. John Marty (DFL-Roseville) sponsored the measure in the Senate.

HF2787/SF2215

'United We Stand' plates stall

A plan to create a specialty license plate and a special account to fund anti-terrorism efforts survived one House committee, but ultimately failed to gain final approval.

The bill would have created "United We Stand" license plates that could have been purchased by Minnesotans just like other specialty plates.

The plates would have cost an extra \$50, with \$25 staying in the state for administration and \$25 going to the federal, non-profit Rewards for Justice program, which disburses funds directly to anti-terrorism efforts worldwide.

An official from the program testified before the House Judiciary Finance Committee

in March that the group is run by U.S. State Department personnel responsible for the safety of American embassies throughout the world.

Proceeds from plate sales would have been disbursed back to Minnesota anti-terrorism efforts, as well as Rewards for Justice initiatives.

The group is separate from the government, officials said, and no money collected from plate sales is used to pay for administrative costs at the federal level.

The plan was initially amended to the anti-terrorism bill in the judiciary finance committee. However, the House Ways and Means Committee removed the provision a week later.

On its own, the license plate bill never received a committee hearing in either the House or the Senate.

Rep. Rich Stanek (R-Maple Grove) and Sen. Grace Schwab (R-Albert Lea) were the sponsors.

HF3677/SF3434

★ TRANSPORTATION

Funding plan hits dead end

Differences between the House and Senate transportation finance plans proved irreconcilable as the 2002 legislative session ended before a compromise could be reached.

The House plan, sponsored by Rep. William Kuisle (R-Rochester), called for the state to borrow \$750 million in trunk highway bonds from 2003 to 2008 to pay for road construction projects. Proceeds from the bonds would be placed in a new major projects account.

Many DFL representatives criticized the House Republican plan, saying it didn't include enough money for transit and was financed with funds that were already budgeted for other things.

Money in the House bill would have gone to four main purposes: Twin Cities metropolitan area bottleneck reduction, road-based transit advantages such as dedicated busways, improvements to major interregional highways in Greater Minnesota, and safety and capacity improvements on dangerous highways.

The bill passed the House 71-61. Rep. Al Juhnke (DFL-Willmar) cast the sole DFL vote in support of the Republican plan.

Meanwhile, senators were working out their own transportation finance plan.

Sen. Dean Johnson (DFL-Willmar) sponsored a bill that would have increased the gas tax by 6 cents and would have allowed for the gas tax to be indexed to inflation to provide \$5 billion over 10 years. Indexing would allow the tax to change, as necessary with inflation and as construction costs increase.

It also called for a referendum to allow voters in the 11-county Twin Cities metropolitan area to vote on a half-cent sales tax increase to pay for transportation projects.

After several House-Senate conference committee meetings, Kuisle presented a new House offer that included a 3-cent to 4-cent gas tax increase to pay for additional bonding beyond the initial \$750 million. The new plan was not received favorably in the House, where there was little support for a gas tax. The plan also drew criticism from Johnson, who said he would not support a plan that didn't raise the gas tax by at least 4 cents.

Conferees also disagreed about transit funding.

Legislators failed to reach an agreement before the session ended and the bill died in conference committee. Conferees did not meet during the final nine days of session.

HF3364/SF2812

No Northstar funding

One of Gov. Jesse Ventura's favorite projects, the Northstar Corridor commuter rail line drew persistent debate throughout the session, but a proposal for funding the line was ultimately rejected.

The commuter rail would have run 82 miles between Rice and Minneapolis, with stops in St. Cloud, Clear Lake, Becker, Big Lake, Elk River, Ramsey, Anoka, Coon Rapids, and Fridley. The project was expected to help clear up rush hour congestion in the northwest part of the Twin Cities metropolitan area, especially along U.S. Highway 10.

Using rail line already in place, 18 trains would shuttle passengers between Minneapolis and Rice. The plan called for a connection in Minneapolis, which would allow passengers to transfer to buses or the Hiawatha Corridor light-rail transit line, currently under construction between downtown and the Mall of America.

An expected 10,000 commuters would use the rail line, which was slated to open in late-2005.

The project carried a \$294 million price tag, of which 50 percent would have been financed by the federal government. The state would have paid 40 percent, or \$108 million, and



PHOTO BY BECKY EKSTAM

Approximately 60 legislators and local community members participated in a Jan. 28 train ride that organizers hoped would garner support for the proposed Northstar Corridor commuter rail line from downtown Minneapolis to St. Cloud. The plan was not included in the 2002 bonding law.

local entities the remainder. The state and federal government would have split the \$23.4 million cost of the multi-modal connection in Minneapolis.

The state Department of Transportation originally requested \$120 million for the project, an amount that Ventura recommended, and was the amount sought in the bills.

Concerns related to unforeseen costs, insufficient traffic reduction, and unclear funding sources drew opposition from some legislators. Although the Senate proposal included \$8 million for the rail line, the House allocated nothing, and the final bonding bill (HF3618*/SFnone/CH393) did not include any contribution for the line.

Rep. Kathy Tingelstad (R-Andover) and Sen. Jane Krentz (DFL-May Township) were the sponsors.

HF2818/SF2657