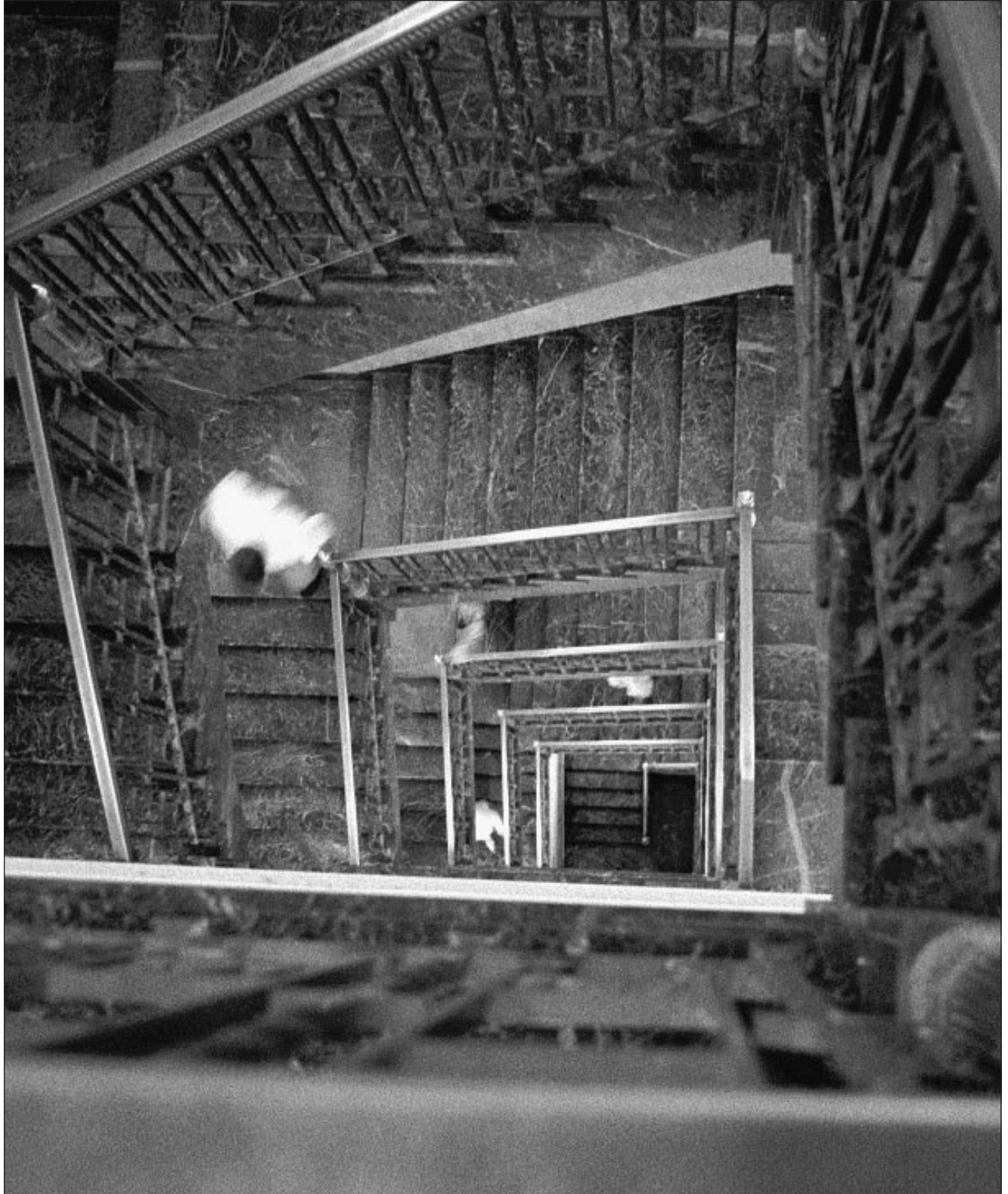


SESSION WEEKLY

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Update

The rivers of Minnesota have always played a major role in affecting the lives of people. From the majestic St. Croix and mighty Mississippi rivers on the east boundary to the roaring Red River on the west, waterways have been instrumental in formulating the shape of things to come in the state.

Before 1849, when Minnesota became a territory, and thereafter, the rivers have been used for logging, shipping, milling flour, travel, and recreation. The geographic boundaries of the east, west, and part of the north were determined by using rivers and lakes as borders. The shape of the eastern border seems to depict, with a bit of imagination, a profile of George Washington, "The Father of Our Country," facing west and conceptually overseeing the future of the land west of the Mississippi and the fate of its people.

Rivers then, as now, are not the only entities that gave shape to the state. The people have been the most important contributors to its future. In true pioneering spirit, a government was established to oversee the preservation of the territory and the rights and privileges of its citizens, present and future. However, in early stages of statehood, Minnesotans were often at odds with each other.

In 1857, for example, north-south border proponents disagreed with the east-west faction over what the state's boundaries should be. The east-west group wanted the Capitol built in St. Peter with the northern boundary of the state drawn just north of St. Paul. Other disagreements arose at the constitutional convention over who would write the state's constitution, Democrats or Republicans. While the two parties refused to sit in the same room or to sign each other's documents, the legislative assembly solved the problem by adopting both.

Fortunately, in times of struggle, Minnesotans come together in support of a common cause. Not long after becoming a state, volunteers from the 1st Minnesota Regiment, for example, joined with the Union Army to fight in the Civil War. Today, while the Legislature is busy completing its work for 1997, a different kind of war is being waged along the Red River border where thousands have been affected by major floods.

The Capitol is located some 235 miles to the east of the Red River, and legislators and staff cannot physically go to help their fellow Minnesotans in need just yet. But they, like other citizens around the state, are volunteering and gathering goods and financial donations. This is just an initial offering of help. There is already talk of a special session to discuss funding and relief for the western and eastern borders and some central locations devastated by the flood of 1997.

— LeClair G. Lambert

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On the cover: Several individuals make their way down the State Office Building's staircase April 23 as committee action winds down and legislative action moves to the House floor.

— Photo by Tom Olmscheid

Highlights

Omnibus tax bill . . .

Property tax, education finance systems overhauled

Fulfilling a pledge made by nearly every legislator during the campaign season, the House Taxes Committee approved a bill April 22 that would dramatically alter Minnesota's property tax, education finance and local government aid systems.

"This is a bill that goes a long way toward property tax reform, while at the same time providing immediate relief to taxpayers," committee chair Rep. Dee Long (DFL-Mpls) said of the measure, which was approved on a 19-6 vote.

The House Ways and Means Committee approved the proposal April 24. The bill goes now to the House floor.

HF2163 not only reduces the tax rates for many of the state's property tax classifications, it compresses the system itself, spreading the levies more evenly between classes. The omnibus legislation also modifies the state's sales and income tax codes, and imposes new restrictions on the budget surplus and Tax Increment Financing (TIF) districts. Moreover, the bill would amend dozens of other tax-related provisions, such as extending the date by which counties can issue capital improvement bonds, and applying the property tax to all but the smallest wind energy power generators.

To fund the reform package, HF2163 draws on a newly created property tax reform account, which, in turn, would draw funds from Minnesota's budget surplus. A summary prepared by the House Fiscal Analysis Department estimates that in 1997, the surplus account has a balance of \$487 million available to begin implementing the changes.

The House committee passed its tax bill less than a week after the Senate Committee on Taxes approved their version, SF493. Although the two measures contain many similarities, there are a few distinct differences.

For example, SF493 would impose a new business tax, known as the business activities tax (BAT), which would apply not only to a firm's profits, but to wages, benefits, and interest paid out as well. The idea behind the tax, supporters say, is to more effectively capture revenue from those firms that suc-



The House omnibus tax bill not only reduces the tax rates for many of the state's property tax classifications, it compresses the system itself, spreading the levies more evenly between classes. The legislation also modifies the state's sales and income tax codes, and imposes new restrictions on the budget surplus and Tax Increment Financing districts.

—Photo illustration by Tom Olmscheid

cessfully shelter their profits or from companies that do business in Minnesota but don't have an established corporate presence in the state. The Senate plan would establish a 0.45 percent BAT, and reduce the rates at which businesses pay property taxes.

HF2163, on the other hand, provides an appropriation to study the feasibility of adding a BAT.

The House tax bill also would refund to Minnesota taxpayers 8.5 percent of their 1997 property tax burden. For renters, the rebate would equal that portion of rent that went toward property taxes, assumed to be 17 percent of the amount paid in 1997, and 20 percent thereafter. Under SF493, sponsored by Sen. Doug Johnson (DFL-Cook), renters would get back 20 percent of their rent.

Neither bill contains the education tax credits favored by Gov. Arne Carlson. Carlson's property tax plan featured an education homestead credit equal to 50 percent of the state's General Education Levy.

"Senate and House members have been working together closely on property tax reform and that's paved the way," Long said.

"The differences are contentious, but not problematic."

Property tax reform

The House bill incorporates two separate phases with regard to reforming the system: the first, effective with property taxes payable in 1998; the second, for taxes payable in 2000.

The first phase provides a number of rate reductions and modifies many of the subdivisions that exist within property classifications. For example, the values included in the first tier of residential homesteads and cabins would expand from \$72,000 to \$80,000, while the identical tier in commercial/industrial property would rise from \$100,000 to \$150,000.

In addition, the first and upper tiers in the commercial classification would enjoy rate reductions — from 3 percent to 2.8 percent for the lowest strata, and from 4.6 percent to 4.3 percent for the upper division. Market-rate apartments also would receive a rate reduction.

Low-income rental properties, currently taxed as much as 2.3 percent, would be taxed

at 1.5 percent under the bill. In exchange, though, they become subject to new rules. To qualify for the new, reduced rates, a property must be occupied by low-income tenants and have had a rent restriction agreement with the Minnesota Housing Finance Agency in place for at least five years. The properties also must meet minimum housing standards and be inspected regularly by the agency.

Beginning in the year 2000, HF2163 would forsake the 1998 modifications in favor of an entirely new model that relies on only four classifications. The four classifications — residential, agricultural, commercial/industrial, and apartment — would be subject to two separate taxes, a local property tax and a state general education levy, both with a uniform rate structure.

The property tax refund program would also see major changes under the House bill's year 2000 provisions. Homeowners with incomes below \$100,000 would receive a standard refund of 0.25 percent of their home's market value — to a maximum of \$180 — and an income-sensitive refund tied to the amount of property tax paid. A total of \$750 could be refunded under the law.

Aid to local governments

With the reclassification in 2000 also would come substantial changes to the manner in which the state provides aid to local governments.

Under the House plan, the Homestead and Agricultural Credit Aid (HACA) program would be eliminated, and a new county Local Government Aid (LGA) program established. The existing LGA plans for cities and towns would be modified so all local aid

would be administered on a needs basis, determined by a formula that takes into account a municipality's population, income level, geographic size and net tax capacity.

The LGA calculation also would consider an area's sprawl population, defined as all the people in cities or towns that are closer to a given city with 5,000 or more than any other city. Sprawl population is defined only for non-metro cities with 5,000 or more residents.

Cities that contain a significant amount of state-owned properties would receive payments in lieu of property taxes. The payments, 25 cents per square foot for educational and correctional facilities and 75 cents per square foot for all others, would be limited to no more than \$15 per capita.

Education finance changes

Under HF2163, the manner in which the state finances education would see significant changes designed to reduce the reliance on property taxes.

The bill would reduce the state's general education levy by \$210 million for taxes payable in 1998 and \$250 million for 1999. In addition, a number of the existing levies and entitlements, such as the alternative facilities levy and early childhood family education aid, would be converted to state aids.

The levy reductions also would be converted, in amounts equal to the decreases, to state aids. To cover the cost of the education levy reductions, HF2163 would draw on funds from the property tax reform account and the general fund.

HF2163 also would prohibit school districts from conducting levy referendums

before Jan. 1, 1998, unless approved by the commissioner of the Department of Children, Families and Learning. Moreover, the commissioner could authorize an aggregate total of only \$16.5 million in additional referenda.

By 2000, all additional school district levies would be prohibited, and replaced with state aids. Moreover, the bill would equalize school district referenda. That is, any proposed referendum would be levied against the district's local tax capacity.

Any school district levies enacted after Jan. 1, 1997, would automatically expire and become state aid entitlements after fiscal year 2000.

The changes would effectively increase the state's share of education spending to approximately 60 percent of the total.

Local levy limits

In crafting the bill, several legislators expressed concern that some communities — particularly those worried about seeing a decrease in education funding — might simply increase their local levies. As a result, HF2163 would establish levy limits for local governments, effective for taxes payable in 1998, 1999, and 2000.

The bill uses the taxes levied in 1997 as a base for a community's limit, with adjustments allowed for inflation and population growth. The specific amounts would be calculated by the commissioner of revenue, who would notify the community of their limit by Aug. 1.

Local governments could exceed the levy limit with voter approval in either a general or special election. Special levies could be imposed for debt, increased costs due to welfare reform or the 1997 floods. A community also could authorize a special levy if it was done by referendum and spread evenly over market values.

HF2163 also would allow a community of 1,000 or more that enacts an increase over its specified levy limit to hold a reverse referendum.

If 5 percent of the voters sign a petition calling for the referendum within 21 days of the increase's adoption, voters would have to approve the action in a special election held the third Tuesday in January.

HF2163 also would modify property tax notices to shift the focus to local government spending. Each local government would have to publicize not only the time and date of hearings, but also the budget and spending amounts under consideration. The bill also allows for cities and counties to hold joint public hearings.



Lobbyists, state agency staff, University of Minnesota students, and members of the Willmar High School Student Council listened as the House Taxes Committee put the final touches on the omnibus tax bill April 21.

Sales tax modifications

HF2163 also contains provisions, many of which emerged as recommendations from the report of the Sales Tax Advisory Council, designed to more efficiently administer Minnesota's sales and use taxes.

The bill would allow several new exemptions from the state's sales tax, including replacement capital equipment. The sales tax on new farm equipment also would be phased out, while used farm equipment would be permanently exempted.

Other products, which are currently exempt, would become subject to the tax. Most food and drinks prepared for immediate consumption would be taxable regardless of whether they are heated or not. Telephone calling cards also would become taxed.

Emerging technology, such as the Internet, has created new ways for consumers to make purchases, many of which are beyond the reach of existing sales tax law. HF2163 would create an advisory council to study the changes and suggest methods of broadening the sales tax base to capture the lost revenue. The council would report back to the 1998 Legislature with its findings.

Tax Increment Financing

Many communities have come to rely on TIF districts to create economic development. Using TIF, a local government creates a specific district in which property tax values are frozen. As a developer proceeds with a project, the increase in property value over the frozen amount, known as the increment, is diverted from the normal revenue stream (education finance, local services, etc.) to finance the economic development.

A recent report by the Office of the Legislative Auditor determined that, in many cases, communities have incorrectly applied the state's existing TIF dollars. As a result, HF2163 contains new provisions designed to crack down on the abuses of TIF throughout the state.

Under HF2163, communities would have to apply a but-for test to additional spending in existing TIF districts. That is, but for TIF, the development would not occur. Any money left unspent when a district expired would have to be returned to the local tax jurisdiction.

In addition, the bill imposes a number of restrictions on the uses to which TIF money can be put, and adopts explicit definitions aimed at tightening the use of TIF district creation.

Mandates on local governments

HF2163 also regulates the imposition of state mandates on local governments. The bill creates a division of state and local mandates within the Department of Finance, and requires the division to prepare fiscal notes explaining the costs to local governments imposed by any proposed mandate. The notes must accompany any bill that would impose a new mandate.

This provision would require detailed explanations of how and why a mandate was being imposed.

Other provisions

The House bill also contains a number of miscellaneous measures, many of which would allow specific local governments to enact particular taxes within their jurisdictions. Hennepin County, for example, would impose a deed and mortgage tax, as would Ramsey County, and cigarette retailers could pass on manufacturers' discounts as lower prices under the Unfair Cigarette Sales Tax.

—F.J. Gallagher



CHILDREN

Adoptions and race

The House unanimously passed a bill April 18 that would significantly reduce the role race plays in placing children for adoption and in foster care. The vote was 127-0.

"The federal government said that [placement considerations] must be in the best interests of the child, and that there should be no delays," bill sponsor Rep. Barb Vickerman (R-Redwood Falls) said.

The bill says that placement of a child in foster care could not be delayed or denied because of the race, color, or national origin of the child or potential parents. (It would not alter federal law regarding the placement of Indian children.)

HF209 also would delete current law that says a child's best interests are met by giving consideration to race or ethnic heritage when making foster care or adoption placements. Instead, the bill would require "an individualized determination of the needs of the child" to be conducted, detailing "how the selected placement will serve" those needs.

Factors that could be considered include the child's functioning and behavior; medical, educational, and developmental needs; past experience; religious and cultural needs; connection with a community, school, and church; interests and talents; relationship to

current caretakers, parents, siblings, and relatives; and reasonable preferences of the child, if of an appropriate age.

The emphasis on race or ethnic heritage in child placements has become controversial in recent years. Critics have said that a shortage of minority foster and adoptive families has caused children to languish needlessly while interested families were disqualified on racial grounds, and that race is not important in family bonding.

In 1994, Congress passed the Multiethnic Placement Act, provisions of which are incorporated into HF209. Failure to comply with the act could result in federal violations and reduced federal funding.

"The bill tries to get children placed as quickly as possible in a loving environment," said Rep. Barbara Sykora (R-Excelsior). "To keep them waiting allows problems to develop that never would have happened."

The bill now moves to the Senate.

(See April 11, 1997, *Session Weekly*, page 4.)



CRIME

Omnibus crime bill

Crime and justice in Minnesota would cost the state almost a billion dollars over the next two years, under a bill moving through the House.

HF163/SF1880* sailed through the House Ways and Means Committee April 23, its last step before reaching the House floor.

The \$990 million bill funds the state's court and correctional systems; law enforcement and public safety agencies; and departments such as the office of the Attorney General and the Human Rights Division.

Under the bill, judges would see a raise, work loads for probation officers would be reduced, judicial districts would set up drug courts, women leaving prostitution would find help, and money would travel to community advocacy groups to help battered women.

The Department of Corrections (DOC) would be expected to reduce the daily (per diem) cost of housing prisoners, making layoffs possible.

Low income families would have easier access to legal representation in court, as would low-income farmers. Courts would be given money to launch a pilot program to improve the resolution of family matters. The program would assign one judge to hear domestic abuse, probate, juvenile and delinquency matters within a single family.

County attorneys, public defenders, victim advocates, and shelter personnel would be trained in how to help victims of crimes that involve possible exposure to HIV.

The public safety appropriation includes funds to provide the Bureau of Criminal Apprehension (BCA) with an additional forensic scientist to process arson evidence samples, and to provide laboratory equipment and training. The BCA also would receive funds for a polygraph specialist and a database on gang activities and member characteristics.

Also part of the public safety appropriations is \$1 million in each of the next two state budget years to pay the overtime necessary to police high crime areas.

The bill sets aside \$320,000 from a DOC's existing pot of money (earned from housing certain federal inmates) to construct a new building for the wilderness endeavors program for juvenile offenders at Thistledeew Camp in northern Minnesota. Another \$300,000 would be used to establish a weekend program at Camp Ripley, near Little Falls, Minn., for first- or second-time male offenders ages 11 to 14. "The camp shall be a highly structured program and teach work skills, such as responsibility, organization, time management, and follow-through," the bill states. Later, the juveniles would be expected to develop a community services plan that they would fulfill upon release.

The DOC appropriations also would cover a restorative justice program in which the accused would meet with the victim and others such as family members and law enforcement personnel. The groups would discuss the impact of the crime; assign a sanction to the offender; and, if the offender is from the community, provide methods for reintegration. The bill appropriates \$175,000 each year for the restorative justice program.

The DOC would be required to look into a victim notification system that would keep victims informed of an inmate's current status and location, and report back by February 1998.

Below are some highlights of HF163/SF1880* in more detail.

Gang strike force

A major initiative in this year's crime prevention bill is to establish a gang task force and oversight council. The strike force would look at gang problems throughout the state, and be overseen by the council, which would be made up of top law enforcement officials from across the state. In addition to setting up the strike force, the council would develop a plan to investigate and prosecute

crimes committed by gangs. The strike force would assist and train local governments and law enforcement agencies to identify gang members and to prosecute their crimes. Its members would have jurisdiction throughout the state to conduct investigations and make arrests.

Gang crime is not only exploding within the Twin Cities metropolitan area, but is increasingly felt in smaller towns and rural communities throughout Minnesota, according to Hennepin County Sheriff Pat McGowan. A coordinated effort is needed because gang and criminal activity do not honor boundaries, he added. The bill appropriates \$2.1 million each year for the next two years to fund the council and strike force, and allows up to 10 additional special agents to be hired.

A second tool to fight gangs would be a gang intervention pilot grant program, in which the DOC, through local agencies, would provide services to gang members who want to leave their gang. To qualify for help, a gang member must be under 25 years old and not currently serving time. They must not have received similar services through other programs, and they must comply with the program requirements and be employable.

The DOC would report back to the Legislature on the program's success by January 1999.

Arson strike force

The bill would set up an arson-fighting strike force that would provide expert investigative and prosecutorial assistance to local agencies in complex and serious cases of arson. The strike force would consist of representatives from the fire marshal's department, the BCA, the attorney general's office, police and fire department officials, the county attorney's association, private detectives, and other experts. The law responds to an epidemic of arson fires throughout the state, especially fires related to gang violence.

In addition to battling fires, the strike force would help train public safety personnel and set up educational programs for them and for prosecutors.

Related provisions in the bill would establish a statewide juvenile fire starter intervention network, and make clear that refusal to testify or produce evidence in an arson case can be punished through district courts. Further, a person who commits arson in an effort to conceal another crime could not only be convicted of both crimes but sentenced for both.

Juvenile crime

Closely associated with efforts to combat gang problems are initiatives to address problems among juveniles, the focus of many committee hearings. The bill includes at least five measures to prevent juvenile crime.

Community service grant pilot project.

Children under age 16 in high crime neighborhoods in Ramsey and Hennepin counties would be recruited to perform voluntary community service. The project would provide funding to community-based organizations to administer the project. The goal is to encourage good citizenship and discourage illegal activity among participants. The programs could offer children scholarships, gift certificates, tickets for entertainment or group outings, or other nonmonetary rewards.

The bill stipulates that participating community agencies must be closely connected with the community and local governmental units, represent a diverse population, have a demonstrated ability to successfully coordinate the program and to interact with juveniles, and have a successful history working with schools and parents of juveniles.

Enhanced probation pilot project; Ramsey County

This program would provide intensive monitoring and coordination between juvenile probation officers, local law enforcement personnel, and culturally specific community nonprofit agencies. The focus of the effort would be juveniles on probation who are considered at risk for committing violent crimes and are associated with gang and drug activities in Ramsey County.

The goal is to discourage young people from criminal activity by providing intensive intervention by the involved community and law enforcement groups. The county must provide a status report to the Legislature by March each year.

Pilot for school-based probation in Anoka and Dakota counties

Established by the DOC, the program would select one middle or junior high school and one senior high school in each county for an experiment in placing probation officers within schools to help address behavioral incidents by students on probation. The officers would work with school personnel, families, and other agencies to coordinate responses to behavioral problems. A report on the project's effectiveness would be due to the Legislature by January, 1999.

Pilot for juvenile gun offenders in Hennepin County

Juveniles in Hennepin County who are caught illegally possessing a pistol would be committed to a local county correctional facility for not less than 30 days. Twenty-three of those days could be stayed (postponed), however, if the juvenile successfully completes a 40-hour course on gun education after seven days. The county would report on the project's effectiveness by January 1999.

Restitution

A working group would be created to study ways in which repeat juvenile offenders could provide restitution to their victims. The group would look at having the offender pay their job wages to the victim.

Community social services

Currently, community social services already help families with children under 18 and who are experiencing special problems, wards of the state, vulnerable adults, people over 60 having trouble living independently, people who are mentally retarded, drug addicts, and others. The omnibus bill adds adolescents to the list of those eligible for certain benefits provided by county boards.

Adoption, foster care, placement

Many laws governing adoption and foster care placement would be altered under the bill.

Residential placements

- Responsible placement agencies would have better access to records including educational, psychological, psychiatric, and social or family history data.
- A parent or parents considering relinquishing a child to a residential facility would be notified that they have the right to legal counsel and the right to change their minds. They also would be notified that evidence gathered at the time of placement may be used later as a basis for continued placement or termination of parental rights, and, in the event the child is deemed in need of protection, that the parent and child each are entitled to legal counsel at public expense.
- Relatives of children placed in residential facilities would be notified if permanent removal from the home is imminent and given an opportunity to be considered as a placement option.

Adoptions and permanent placements

- Courts could halt efforts to unite a child in need of protection or services with his or her family if such efforts are deemed futile

for reasons such as a parent's history of abuse of the child or other children.

- Relatives of an adopted child with whom the child previously lived would be able to enter into legally binding agreements with adoptive parents to maintain contact and communication.
- Mental illness and deficiency would be added to the list of characteristics that would classify a child as being in need of protective services and, therefore, a candidate for placement. The classification would apply to children found not guilty in connection with a delinquency proceeding, extended jurisdiction juvenile prosecution, or a proceeding involving a petty offense.
- Attorneys would be prohibited from simultaneously serving as a child's guardian ad litem and requires that a guardian ad litem be appointed in all cases where a child is in need of protective services. Currently, cases regarding truancy, runaways, or where another child of the same parent has been the subject of a termination of parental rights hearing in the past five years, do not require guardians.
- A conviction for homicide or assault would be added to the grounds for terminating parental rights.
- In the event that a parent's rights are terminated, the courts would maintain jurisdiction over a child when either adoption or long-term foster care is the intended disposition.
- The Department of Human Services would look for strategies to recruit foster and adoptive families.
- Courts would be required to develop a system similar to the "one judge, one family" model used in Ramsey county.

Teen court

The bill would allow the establishment of teen courts, which would offer alternatives to juvenile proceedings in cases in which a teen is alleged to have committed a minor offense. Teen courts could be established by any group of two or more adult sponsors who are affiliated with an appropriate agency or group, such as a school or community service organization. With the permission of local law enforcement, county attorneys, schools, or probation agencies; upon notification to the victim; and with the offender's agreement and that of a jury of his or her peers, the offense can be tried through teen court.

Teen courts could impose community service, counseling, treatment, law-related educational classes, participation as a juror in future teen court proceedings, restitution,

or a small fine, to compensate for the crime.

Other provisions say that the teen's parents or legal guardian must accompany him or her in all teen court proceedings. A teen must acknowledge responsibility for the offense to qualify. Other agencies could refer cases to teen court.

In the event a teen fails to comply with the teen court's ruling, they could face a juvenile court proceeding or a school disciplinary proceeding.

General crime provisions

The bill would make more than 30 changes to crime-fighting laws that range from increased penalties for repeat offenders to studying exactly how much crime costs communities and society.

Certain misdemeanor crimes, including prostitution, tampering with a motor vehicle, damage to property, and some weapons and controlled substance crimes, would become gross misdemeanors and subject to increased penalties if the defendant has a history of committing those crimes. The measure is an effort to clean up neighborhoods plagued by petty crime and drug dealers. In that same interest, witnesses to the crimes would be kept apprised of the final outcomes of the cases.

The bill strengthens laws protecting police and Department of Human Services employees against assault. A person who commits a first-degree assault against a police officer would be subject to a mandatory minimum sentence of 10 years behind bars. The bill would make it a gross misdemeanor to assault a human services employee while that person is performing a duty mandated by law, if the assailant knows the victim is a human services employee, if the offense causes significant bodily harm, and if the assailant is under commitment or being evaluated for commitment due to mental illness or psychopathic personality disorder; or is a sexually dangerous person.

Elderly and handicapped persons would get more protection against con artists who prey upon them. The bill would make it a gross misdemeanor to commit certain types of fraud that would cause the victim to lose assets or income.

Criminals should stop when asked to by police. The bill would increase from a gross misdemeanor to a three-year felony the crime of fleeing a police officer by means of a motor vehicle.

This year a loophole was discovered in the law regarding harboring a fugitive: It didn't cover the abettor if the fugitive happened to be on probation. The bill makes it clear that

you can't harbor fugitives from the law — probationers or otherwise.

Crime costs society in a myriad of ways: lost possessions, decreased property values, high-cost security systems, and high insurance payments. It also costs in terms of quality of life: neighborhood degeneration and loss of a personal sense of security. The bill would request the legislative auditor to study the direct and indirect costs of crime on the state and local communities. The study will include the costs of "responding to, prosecuting, and punishing criminal offenders, but also the indirect economic and social costs" of crime. The report would be due to the Legislature by February 1998.

Stalking and harassment

A 1993 law to protect victims of stalking and harassment had the wind pulled out of its sails in a recent Supreme Court decision. For that reason, the Legislature has rewritten the law to restore and clarify the protection. The bill states that if a person "knows or should know [the behavior] would cause the victim . . . to feel frightened, threatened, oppressed, persecuted, or intimidated," it constitutes harassment. Importantly, the bill says that prosecutors do not have to prove the intent of the harasser or stalker — only that the behavior caused the victim to feel threatened or harassed. It also adds certain behaviors to those constituting stalking: sending messages or telephoning the victim, regardless of the destination of the communications.

Getting the final word

In many states, including Minnesota, the defense in criminal cases gets the final word on the courtroom floor. Some lawmakers believe this provides an unfair advantage to the defense side. Under current law, the court can allow the prosecution to rebut, but only if it determines that the defense's closing argument contained misstatements. The prosecution's rebuttal must pertain only to the misstatements.

The bill would change the rule so that prosecutors could have a right of rebuttal to any issues raised in the defendant's closing arguments. The defense could, in turn, respond to the rebuttal. Both sides would be limited to five minutes in these final arguments.

Controlled substances/needle sales

In addition to adding certain drugs to the list of controlled substances, the bill would change the law pertaining to illegal drugs by permitting the sale of hypodermic needles

and syringes without a prescription. The intent of the measure is to decrease the rate of HIV infection among drug users. Registered pharmacists could sell the products in quantities of 10 or less.

Sex offenders

The bill would require sex offenders leaving federal prisons to register under the sex offender registration law. The current law covers offenders leaving correctional facilities and halfway houses other than those in the federal system. (The sex offender registration law enables law enforcement agencies to notify communities when a released offender moves in.) The bill also would add offenders who commit indecent exposure to those subject to the registration law.

Also, the bill would also make it mandatory for local law enforcement agencies to disclose the information to the public. The current law only authorizes them to do so.

Young people would get greater protection against window peeping and other invasions of privacy. Current law makes it a misdemeanor to surreptitiously gaze, stare, or peep in the window of a place "where reasonable persons would have an expectation of privacy." Under the bill, if the victim is a minor under the age of 16, the crime would constitute a gross misdemeanor, subject to increased penalties.

The bill would also provide five-year felony penalties for indecent exposure if the crime involved confining or restricting the victim. The offender would also be required to submit to DNA testing upon sentencing.

Crime victims

The Alex and Brandon Frank Child Safety Act

Alex and Brandon Frank were two Minnesota boys, aged four and five, murdered by their father last July. The crime occurred during their parents' divorce proceedings. Many people feel the system failed to respond to warning signs that could have helped prevent the tragedy.

The bill would tighten the rules regarding visitation when a restraining order has been filed against one or the other parent.

A petition for marriage dissolution would have to state whether a restraining order is in effect. If so, a judge would have to consider the restraining order before making a decision regarding visitation. In deciding custody issues, the judge would have to consider any finding of domestic abuse.

The act also would award grants to create or maintain a family visitation center to safely facilitate visitation decisions.

Victims of juveniles

The bill would create an exception to the rule that all information regarding juvenile court matters are closed to the public. People who are victimized by youthful offenders would be allowed to learn the offender's name upon request. The names would not be released if doing so would interfere with the trial or if the victim's motives are suspect.

Vehicle theft

People who have had their cars stolen would be notified within 48 hours after the police have recovered the car.

Confidentiality

Prosecutors could opt to withhold information pertaining to victim addresses or places of employment for the sake of victim safety.

Keeping victims posted

In addition to other measures that would inform victims of the status of certain cases, the bill would require that they be notified if a sentence for a felony might be modified or appealed. The bill also would add vehicular homicide to the list of offenses that require notification.

Inmate employment, computer access

Earlier this year, the public learned that an inmate with a history of sex offenses was keeping a list of names of Minnesota children. The list was compiled through access to the Internet. Prisoners use computers for work and educational purposes.

The crime prevention bill would forbid inmates from participating in such work activities unless adequate security is provided by the facility. Access to the Internet would be prohibited except for work, educational, and vocational purposes. Regular monitoring of inmate computer use would be required.

A related provision would restrict access by probationers and parolees to the Internet.

Other controls on inmate work, not related to security, require that inmates be compensated at a rate similar to that paid to non-inmates for the same work, and that the work not displace other workers. A related bill provision says that work performed in sentence to serve programs, in which offenders provide work services in lieu of confinement, must not result in displacements.

Nuisances

Finally, in a measure intended to help neighborhoods, the bill strengthens tenant and nuisance laws. Prostitution and fire arms violations would be added to prohibited behaviors in landlord-tenant covenants. A per-

son filing a complaint against a tenant for nuisance or other illegal behavior could request an expedited hearing. If granted, the hearing would be held in five to seven days after a summons is issued. Further, a nuisance abatement action would not be brought if a property owner improves the problem or agrees to a plan to abate the problem within 30 days of receiving notice.



DEVELOPMENT

Economic development, housing

A bill that spends \$381 million on economic development throughout Minnesota and another \$63 million on housing programs passed the House April 22 by a vote of 79-52.

The measure (HF2158) merges omnibus bills from the Economic Development Finance Division and the Housing and Housing Finance Division.

For economic development, the bill sets aside money over the 1998-1999 state budgeting period for a diverse group of state agencies, from the Minnesota Historical Society to the Department of Economic Security.

For housing, the bill appropriates money to aid the homeless, disabled, and first-time home buyers through programs administered by the Minnesota Housing Finance Agency. (See *Session Weekly*, April 18, 1997, page 6 and page 12).

Among the bill's provisions is a \$10 million appropriation to help Minnesota's welfare families train for jobs. Federal law now requires families to work to receive public assistance.

The bill also sets aside \$10 million to help redevelop vacated, contaminated industrial land, known as brownfields, so new businesses can move in and create jobs. The money would not be used for the cleanup of the contaminated land (a separate fund does that). Instead, the predevelopment and job creation grant program would pay costs such as land acquisition, demolition of existing structures, and relocation of individuals or businesses.

Minnesota's film industry also would get a \$1 million boost. The money would go to the Minnesota Film Board to establish a film production jobs program. It would pay producers of long-form and narrative films who directly create film jobs in Minnesota. The Department of Trade and Economic Development would oversee and authorize the payments.

Projects not receiving funding include the Minneapolis Convention Center and the St. Paul Civic Center. The Minneapolis Convention Center had asked for \$37.5 million to help expand its facilities and make it more competitive nationally. The St. Paul Civic Center had asked for \$51 million in state bonds to help renovate the Civic Center in the hopes of attracting a professional ice hockey franchise. Gov. Arne Carlson had recommended \$4 million in funds for the Civic Center.

HF2158 now travels to the Senate.

In the area of housing, a variety of programs were funded.

The bill includes several programs to aid the homeless and prevent homelessness. The largest such appropriation would mark \$5.7 million for grants to organizations providing case management to help low-income people with poor rental histories rehabilitate their rental records and find housing. Part of the funding would also go to innovative approaches for housing people with poor rental histories.

According to Department of Economic Security figures, the number of people using emergency shelters and transitional housing in the state has tripled over the past 11 years. Of the 4,981 Minnesotans needing services in 1996, 44 percent were children. Any increase in homelessness triggered by federal and state welfare reforms going into effect this year could strain an already overburdened support system.

In other housing provisions, the Afford-

able Rental Investment Fund would get \$16.4 million for the biennium to provide no-interest first mortgages or deferred loans for low-income rental housing. Households earning 80 percent of the state median income and in need of affordable housing are the target of this program.

Home ownership and rental opportunities for low- and moderate-income American Indians would be provided by two programs. The Urban Indian Housing Program would receive \$187,000 per year to assist Indians living in urban areas. The Tribal Indian Housing Program would get \$1.7 million to help Indians living in Greater Minnesota.

The Minnesota Urban and Rural Homesteading Program would get \$186,000 per year to acquire vacant, condemned, or abandoned single family homes for rehabilitation and sale. The properties are offered to first-time homeowners on a contract-for-deed basis.

A program that provides deferred payment loans to low-income homeowners for improvements directly related to the basic housing needs of physically disabled people would receive \$4.3 million per year. The program is operated by local agencies and is limited to households in which one or more people have a long-term disability that substantially affects functioning in the home.

A \$1 million appropriation requested by House Speaker Phil Carruthers (DFL Brooklyn Center) would pay for the acquisition, demolition, and removal of substandard multi-

Daughters' Day



Caritza Taina Mariani, accompanied her father, Rep. Carlos Mariani, on the House floor. Daughters were seen throughout the Capitol complex April 24, the fifth annual National Take Our Daughters To Work Day.

unit rental property. The measure was added to the bill even though some members questioned whether it would run counter to existing state housing policy and lead to an actual decrease in available low-income housing.



EDUCATION

K-12 bill clears House

All public school students would spend an extra three days in school, and those who fail the state's graduation tests would get three weeks of additional classroom time, under a \$6.7 billion education funding bill passed April 24 by the House. The vote was 96-38.

The omnibus K-12 education finance bill (HF1684), sponsored by Rep. Becky Kelso (DFL-Shakopee), would increase state aid for education by 13.5 percent over the next two years and provide a variety of new measures to improve student achievement.

House members voted to delete a provision in the bill that would have provided \$500,000 in grants to help school districts that establish school start times of 8 a.m. or later. The funds would have been earmarked for increased transportation costs expected to accompany the move to later start times.

Advocates of later start times claim adolescent students benefit greatly when they are allowed to get a bit more sleep before the school day begins. Better rested students are more prepared to learn and less likely to be disruptive in school, proponents claim.

Critics argue that changing start times for adolescents can have costly repercussions and that the problem may be more easily solved by having students get to bed a little earlier in the evening.

Rep. Marty Seifert (R-Marshall) offered the amendment to delete the grant funding for later start times. It was approved by a margin of 69-64.

Kelso's bill would spend about \$225.4 million more than Gov. Arne Carlson proposed for the 1998-1999 biennium. Some of the governor's major education initiatives — including his plan to provide increased tax deductions and new tax credits for parents who send their children to private schools — are absent from the bill.

However, the bill does include provisions that would target funds to assist struggling students, improve school bus safety, and allow for the creation of more charter schools and new laboratory schools.

The Senate also passed its version of the education funding legislation April 24, but

the upper chamber's bill (SF1003), sponsored by Sen. Lawrence Pogemiller (DFL-Mpls), has significant provisions not found in the House bill.

The Senate bill would spend \$6.9 billion and would provide \$100 million to allow low-income students to receive funds to attend "common schools of excellence," which would include public or private schools that meet certain academic standards and other requirements.

Differences between the House and Senate bills will be reconciled in conference committee.

Here's a look at some of the major provisions of the House bill.

- A total of \$5 billion would be devoted to general education funding for school districts during the two-year budget cycle. The bill would provide increases in the per pupil funding that districts receive for each year of the biennium.

Districts currently receive \$3,505 per pupil. The bill would add \$75 in 1998, bringing the sum to \$3,580 per pupil. In 1999, another \$8 would be added, and other changes would impact the per pupil formula during that year. District cooperation funds that districts now receive separately would be rolled into the per pupil funding, but revenue for transportation and teacher training would be rolled out. The result is that the per pupil amount would be \$3,355, but districts would show a net gain.

- The bill includes a total of \$86.8 million to improve technology in schools and public libraries. A total of \$30 million for one-time grants to help all school districts pursue improvements, and another \$20 million in grant funding would be available on a competitive basis according to demonstrated needs of individual districts. The bill also would provide another \$19 million for telecommunication access grants to help school districts and regional public libraries get connected to the Internet.

- A total of \$52 million would be earmarked to provide the equivalent of three weeks additional classroom time for students who fail the basic skills tests or are likely to fail. The additional hours could be logged after school, during weekends, or during the summer.

- All students would spend three more days in the classroom during the 1997-1998 school year. Under current law, the state sets no minimum for the number of days in a school year, but most districts schedule about 170 days of instruction.

- A total of \$6.9 million would be provided to districts for transportation safety funding.

That would more than double the amount currently dispersed to districts on a per student basis. A total of \$4 million would be for designated purposes, including adding seat belts on buses, providing adult safety monitors, installing video cameras, installing crossing arms, or adding exterior strobe lights.

- The bill includes the governor's recommendation to remove a provision in current state law capping the number of charter schools allowed in Minnesota at 40. The bill also would make it easier for existing schools to convert to charter school status.
- The bill includes \$5 million for laboratory schools that would be distributed in grants to at least three postsecondary institutions for the establishment of schools to foster innovative teaching techniques. Funding for laboratory schools would be available to public or private postsecondary institutions.
- A number of provisions crafted to boost accountability in the schools are included in the bill. For example, a new state office of educational accountability would be established. The office would monitor the performance of Minnesota schools and students and report results directly to the public. Also, \$5 million would be earmarked for implementation of a statewide testing system (as yet to be determined this session by lawmakers) designed to measure educational outcomes in public schools.
- Larger school districts would be allowed to exceed the salary cap in current law for school superintendents. State law now caps the salary of school superintendents at 95 percent of the governor's salary of \$114,506 a year. Some school districts have complained that the cap hurts their ability to compete with districts in other states for top superintendent candidates. The bill would allow districts with more than 5,000 students to exceed the current salary cap as long as the superintendents achieve performance incentives included in their contracts.

(See April 18, 1997, *Session Weekly*, page 3.)

If you will be visiting the Capitol in the near future, call the Capitol Historic Site Program at (612) 296-2881 to schedule a tour.



ENVIRONMENT

Recognizing Earth Day

The Legislature went on record April 22 in support of Earth Day.

HF1692/SF1342* memorializes the U.S. Congress to recognize Earth Day on April 22 of each year as a national day of service and education. The bill also establishes Earth Day as a state day of service and education.

Both the House and Senate passed the bill April 22. The House voted 115-11 and the Senate voted 56-0. Rep. Willard Munger (DFL-Duluth) sponsored the bill in the House and Sen. Jane Krentz (DFL-May Township) was the Senate sponsor.

Earth Day has been celebrated informally by environmentally concerned citizens since the spring of 1970 when environmental leaders staged a nationwide teach-in. The day is often marked with volunteer environmental cleanup efforts and public education programs. Earth Day has now gone international with programs planned in several countries.

The bill, which is on its way to the governor's desk, directs the secretary of state to transmit the state's wishes to the president of the United States and leaders of the U.S. Congress.

Environmental spending bill

Following several hours of debate and 18 amendment attempts, the omnibus environment, natural resources, and agriculture finance bill (HF2150) passed the House April 21. The vote was 110 to 23.

State spending for environment and agriculture programs will total almost \$624 million over the next two-year budget cycle, under the omnibus bill. Included are funds for the Department of Natural Resources (DNR), the Minnesota Pollution Control Agency (MPCA), the Minnesota Zoo, the Department of Agriculture, and several other state agencies.

A little more than 62 percent of the state spending in the bill — almost \$388 million — goes to the DNR. The MPCA, the next largest recipient under the bill, will receive about \$83 million. The Department of Agriculture gets \$52.4 million.

The spending bill also includes nearly \$37 million for 89 environmental and recreational programs selected by the Legislative Commission on Minnesota Resources (LCMR), which is funded from a 2-cent-per-pack cigarette tax and limited state lottery proceeds.

House Minority Leader Steve Sviggum (R-Kenyon) unsuccessfully attempted to re-insert a provision abolishing the LCMR. (The House Ways and Means Committee had removed the LCMR provision from the bill April 18.)

Sviggum's amendment would have replaced the LCMR membership with the House Environment, Natural Resources and Agriculture Finance Committee and the Senate Environment and Agriculture Budget Division. The LCMR recommends funding for projects to enhance and protect the state's natural resources after an extensive public review process. LCMR recommendations must be approved by the Legislature.

State parks and recreation areas will get more than \$57.5 million, a spending increase of \$3.5 million over the previous two-year budget. Agriculture programs will receive \$52.4 million — \$27.4 million in fiscal year 1998 and \$25 million in fiscal year 1999. Of that amount, \$44.6 million will subsidize ethanol producers over the two-year period. An amendment to increase the ethanol spending to \$49.6 million, offered by Rep. Elaine Harder (R-Jackson), failed.

There are currently eight ethanol plants in Minnesota that produce a total of 92 million gallons of ethanol per year — short of the 120 million gallons needed for Minnesota to become ethanol self-sufficient. Since October 1995, automobiles in the 10-county metropolitan area have been required to burn "oxygenated fuel" year round. Beginning Oct. 1, 1997, all gasoline sold in the state will have to be oxygenated.

The bill appropriates \$5.1 million each year for snowmobile trails and enforcement. Most of the money will go to local snowmobile clubs to pay for trail grooming under the state grants-in-aid program.

More than \$86.5 million will be spent in fiscal years 1998 and 1999 on programs for lake, stream, and wildlife area management.

Nearly \$2 million is marked for non-game wildlife management programs. Another \$2.7 million will fund game and fish critical habitat programs and wetlands protection under the Reinvest in Minnesota (RIM) program.

The MPCA will continue existing programs to clean up Minnesota lakes and rivers with \$23.3 million in state funds, under the bill. It would receive another \$15.4 million for air pollution programs, and almost \$31.2 million for protection of groundwater and management of solid waste.

The Senate amended HF2150 and passed it April 22. The bill now goes to a conference committee.



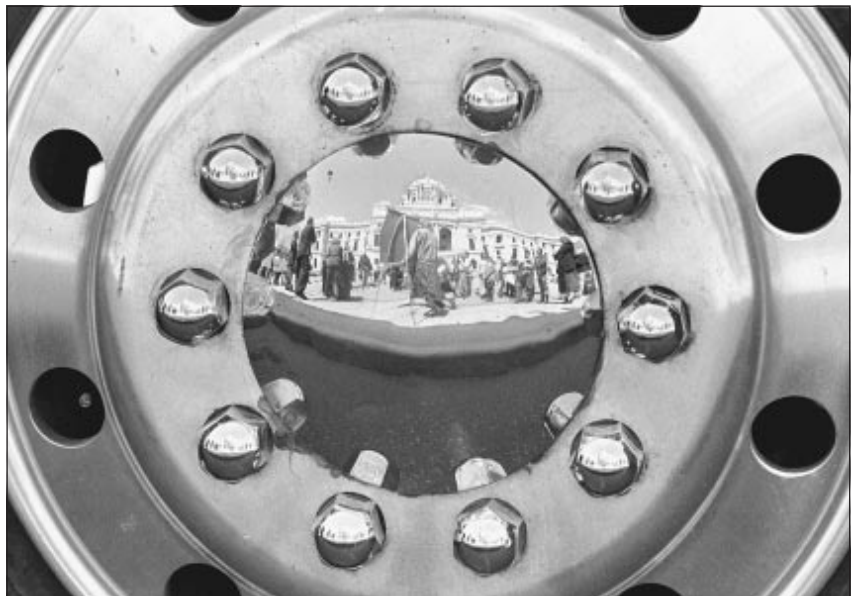
GOVERNMENT

Omnibus data practices bill

On April 14, the House unanimously passed the data practices omnibus bill. The vote was 125-0.

"The bill allows greater access to some information and less to other information in ways that I think are appropriate," said Rep. Mary Jo McGuire (DFL-Falcon Heights), sponsor of the bill and chair of the Judiciary

Rally reflection



A rally in support of legislation to clean up and redevelop polluted industrial properties, known as brownfields, is reflected in the hub cap of a dump truck that hauled in polluted dirt for the event, which was held near the Capitol April 22.

Committee's Data Practices Subcommittee.

Bills confined to data practices have been introduced in the House since 1984, and the data practices subcommittee has met since 1987. Each year the committee considers new alterations to the state's Data Practices Act. "The Legislature is handling the issues in a deliberative way," said Don Gemberling of the Public Information Policy Analysis Division of the Department of Administration. "This year's bill is a little smaller, but deals with a lot of separate issues."

That's because living in the Information Age poses a multitude of questions regarding the collection and dissemination of data, and the classification of data as either public or private, he said. "Lots and lots of bills came up this time. I think it's interesting that we've gone back to where the discussion started, which isn't [concern about] the public finding out information as much as it is the collection of information by the government," Gemberling said.

This year's omnibus bill (SF1460) primarily affects three areas of law: access to and dissemination of records by law enforcement agencies; the treatment of student health records; and the treatment of juvenile offender records.

The bill next will be taken up a House-Senate conference committee.

Access by law enforcement

The bill would make it easier for law enforcement agencies to collect data on fugitives from the law if a fugitive happens to be collecting welfare benefits, or if the local social service agency has reason to believe another individual on welfare could provide information about the fugitive.

The bill says that certain welfare and housing data may be disclosed to law enforcement officers regarding felons who are fleeing to avoid prosecution, custody or confinement, or are violating a condition of probation or parole. The social service agency also would provide information on other individuals if it is necessary to help catch the fugitive. The agency would be required to provide the address, social security number, and photographs of the individual or other household members receiving food stamps. The bill also eliminates a requirement that the police provide the individual's social security number. Housing agencies would be required to provide that same information.

No information was available regarding how many cases these new provisions would affect each year.

The bill also would require the Bureau of Criminal Apprehension (BCA) to put cer-

tain criminal history data on the Internet, including a convicted criminal's identity and offense record, which already are considered public. The BCA is currently required to provide that information at no charge through a computer monitor at its central office.

Student health records

Current law requires elementary and secondary schools to maintain student health records—mostly immunizations—forever. The bill would change the requirement so that schools keep those records until a student turns 23. Further, schools no longer would be required to transfer a child's health records to the health department when the student leaves the school. (This section of the bill was amended on the floor to prohibit those records from being used in an immunization registry. But because schools do not submit them for that purpose and the registry bill would not require them to, it is not clear what effect, if any, this provision will have.)

The bill also would loosen provisions regarding required tetanus and diphtheria (DPT) immunizations. A student who has received three doses, with the last having been received between the ages of six and 11, is not required to have additional immunizations for another 10 years. The law currently requires that students in later grades must have had an immunization at 11 years of age or older.

A third provision regarding student records would make it clear that school districts or school boards have the authority to enforce immunization requirements. Current law specifies that students must submit those records within 30 days after enrolling in a new school, but does not say who has enforcement authority. The bill also would exempt crisis nurseries from the immunization requirements.

Juvenile records

The bill would help the BCA collect some information on juveniles and authorize the agency to disclose other information.

The computerized information the bureau currently keeps on juvenile criminal histories is considered private. Some of it can, however, be disclosed to other law enforcement agencies and the court system. Under the bill, that information also could be disclosed to agencies in other states. It also would clarify that the information released for background checks must pertain to the juvenile's adjudication—or court—history.

The bill also would require the BCA to keep juvenile records "for the longest time

period applicable to any item in the individual juvenile history record." That could mean permanently if the juvenile goes on to commit crimes as an adult.

Conversely, the bill would require that the records be disposed of quickly should the charges fail to stick. The bill provides that in a dismissal, the records would be destroyed immediately. If the juvenile is not referred to a program or no petition has been filed within six months after the arrest, the files must be destroyed.

If the juvenile is referred to a diversion program—an alternative to jail, after which the record is cleared—the files are destroyed after he or she reaches age 21. If the juvenile is guilty of a gross misdemeanor or felony, the files are maintained until the juvenile reaches age 28. The bill says that an agency that receives juvenile data from the BCA must destroy it according to the same schedule.

Other juvenile data provisions would require that other law enforcement agencies to provide the BCA with records on juveniles who commit gross misdemeanors or felonies. Targeted misdemeanors include DWI and order for protection violations; fifth degree assaults interference with privacy; harassment or restraining order violations; and indecent exposure.

The bill also would require the BCA to give any other relevant information—not necessarily included in the official juvenile records—to police departments to help in investigations.

Finally, the bill would provide the public defender's office with electronic access to public criminal and juvenile justice data.

Other provisions

The bill also makes changes to laws regarding access to information on people in some professions. Judges and police officers could request to have their names omitted from lists naming registered voters; and people in health care professions would be allowed to use addresses other than their home address for public purposes. Advocates for those provisions said they were necessary to maintain the individuals' security. "It raises an interesting question," Gemberling said. "If it's good for some people, maybe it's good for others."

The law would change regarding the records of the deceased. Health care providers could destroy records seven years after a patient's death, and survivors and other interested parties would have fewer obstacles in obtaining access to tax returns filed by or on behalf of someone who has died.

The bill would eliminate the requirement

that government entities pay \$200 to the Department of Administration for opinions related to data practices law.

Other bill provisions deal with tax law. For instance, the IRS could disclose to the lottery the amount of a winner's delinquent state taxes if the individual won \$600 or more. Currently, the minimum winnings before disclosure is \$1,000.

Rap vs. Rachmaninoff

It came down to rap vs. Rachmaninoff, said Rep. Dee Long (DFL-Mpls) at the April 23 House Ways and Means Committee meeting.

Rachmaninoff won when the committee voted to delete a section of the omnibus state government finance bill that would have required Minnesota Public Radio (MPR) to sell its classical music station — KSJN-FM 99.5 — to a minority-owned group with a rap music format before MPR could receive any additional public funding.

The MPR must-sell provision was backed by Rep. Mike Osskopp (R-Lake City) who maintained that MPR misused tax dollars to outbid a minority-owned private group when the station came up for sale. That private buyer, Osskopp said, would have created a station that played an urban/contemporary format and served the Twin Cities' African-American community.

Overall, the Ways and Means Committee eliminated many controversial provisions and passed out a bill (SF1905) that appropriates \$629 million to fund state government activity such as the Legislature, courts, administrative agencies, and numerous offices, boards, and commissions.

The committee also deleted a section that contained pay raises for elected officials, judges, and administrative executives, along with a provision that would have required a state agency — including Minnesota state colleges and universities — to obtain state permission before contracting out consultant services worth more than \$25,000.

Members also deleted a provision that would raise the minimum wage for Minnesota's workers. Effective Sept. 1, 1997, the wage would raise to at least \$5.40 per hour for employees of larger companies and \$5.15 per hour for employees of smaller companies. The provision will be considered as a separate bill.

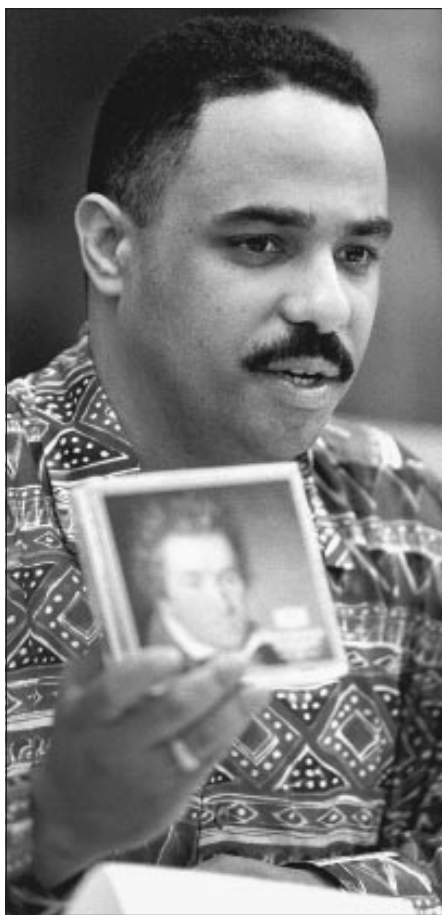
"These are things that should be dealt with separately, and not in the state department finance bill," said House Speaker Phil Caruthers (DFL-Brooklyn Park).

Committee members added a provision that would establish a new juvenile court aimed at keeping low-level offenders out of the criminal justice system.

SF1905 provides a one-time \$250,000 appropriation to the Office of Strategic and Long-Range Planning to help establish "teen courts" to be set up by a group of two or more adult sponsors approved by the agency. As a participant in a teen court, juvenile offenders accused of a minor offense would go before a jury of their peers. If convicted, sentences would range from community service and mandatory counseling to paying fines and restitution.

The House Rules and Legislative Administration Committee also approved the bill, as amended by Ways and Means, April 23. It now goes to the House floor.

(See *Session Weekly*, April 18, 1997, page 10)



Thomas Ross, of Minneapolis, held up a classical compact disc and told the House Ways and Means Committee April 23 that he has nothing against classical music but would like to see Minnesota Public Radio (MPR) sell their classical FM radio station. A provision in the omnibus state government finance bill would have made an \$809,000 state appropriation to MPR contingent upon their sale of the station, which was purchased, in part, with public funds. It was later deleted from the bill.



HUMAN SERVICES

Omnibus bill advances

Same sex marriages would be prohibited, drug addicts could buy clean needles at their local pharmacy, and state hospital patients buried years ago in unmarked graves would be recognized, under the omnibus health and human services spending bill.

The \$5.4 billion bill pays for state health and social service programs over the next two years and includes a hodgepodge of projects and policy changes in its 365 pages.

A large chunk of the bill's price tag — \$1.7 billion — would pay to cover the health care needs of poor Minnesotans under two separate programs: Medical Assistance and General Assistance Medical Care.

Another \$2.2 billion would pay for certain nursing home, disability, mental health, group housing, chemical dependency, and other long term care services.

About \$422 million would fund the state's welfare program which was overhauled this session after the federal government scrapped the old system, cut benefits to legal immigrants, and required welfare recipients to work.

The bill (SF1908), sponsored by Rep. Lee Greenfield (DFL-Mpls), passed the House Ways and Means Committee April 24. It heads next to the floor.

Below are some of the highlights in the bill.

Same-sex marriages

The bill prohibits marriages between people of the same gender and prohibits the recognition of such marriages in Minnesota even if the marriage occurred in a state that allows people of the same gender to marry.

The proposal began as an attempt to respond to the possibility that Hawaii may recognize same-sex marriages and prepare for people who might move to Minnesota from that state. Hawaii had passed a law prohibiting same sex marriages, but a lower court ruled the law unconstitutional. The state has appealed to its state Supreme Court.

Clean needles

To help prevent the spread of HIV and AIDS among drug addicts, the bill would allow pharmacies to sell, without prescription, new hypodermic needles and syringes. They could only be sold from behind the counter and not readily available on store shelves.

Naming the dead

The bill would spend \$200,000 to replace the unmarked or numbered graves of thousands of mentally retarded people who died decades ago while patients in Minnesota's state hospitals. The state dollars, however, would be withheld until private money raised to replace the grave sites has been exhausted.

Child care licensing

With the federal welfare changes requiring parents on public assistance to work if they want a monthly helping hand, officials anticipate a huge increase in the demand for child care. The bill sets aside \$200,000 to add two more fire marshal positions to the Department of Human Services' licensing division to speed up the licensing of child care programs. A separate House bill deals with many other licensing requirements for child care programs.

Assistance dogs

Minnesota nonprofit groups that train dogs to help people with disabilities would receive \$50,000 over the 1998-1999 two-year state budgeting period. The dogs are often rescued from animal shelters and help their owners to lead independent lives at home and at work.

Teen gambling

Lottery money in the amount of \$250,000 over the biennium would fund a compulsive gambling prevention and education project for adolescents in St. Louis County.

Women's mental health crisis center

Hennepin County would become home to a one-year experimental center for women who are experiencing a mental health crisis as a result of childhood physical or sexual abuse. The bill spends \$250,000 in fiscal year 1998 and instructs the county to contract with a four-bed adult foster care facility.

Women, Infants and Children

To make up for recent federal cuts to the Women, Infants and Children nutritional program, the bill spends \$650,000 in 1998 to maintain the current caseload level of about 95,500 monthly cases. Otherwise, some 1,900 women and children would have been cut off. In addition to the \$650,000, the bill appropriates another \$1.5 million to the program which provides supplemental food, nutritional counseling, and health screenings for low-income, high-risk pregnant, breast feeding, and postpartum women, infants, and children under the age of five.

Father adoption registry

The bill appropriates \$286,000 over the 1998-1999 budgeting period to pay for the Department of Health to register the names of fathers — or potential fathers — with the state.

A separate bill carries the specifics of the registry where men who want to be a part of their children's lives can be assured of notification if their child is put up for adoption. The registry is a way to protect a birth father's rights in the event his child is put up for

adoption, and to protect children from having adoptions unduly disrupted.



INSURANCE

No insurance rate hikes

A bill headed for the governor's desk would prevent insurance rate hikes for people who are passengers on city buses involved in traffic accidents.

The bill, sponsored by Rep. Jim Farrell (DFL-St. Paul), passed the House April 21 by a margin of 131-0. The Senate passed the bill April 16 by a margin of 67-0. Sen. Randy Kelly (DFL-St. Paul) sponsored the bill in that body.

The impetus for the legislation came from an 86-year-old resident of Farrell's legislative district in St. Paul.

The woman was injured in January 1997 after she boarded a city bus to return to her East Side home from a doctor's office in downtown St. Paul. As the woman walked toward an open seat, the bus slammed to a stop to avoid a collision.

The sudden stop sent the woman toppling backwards, bouncing off the windshield, and landing at the bottom of the steps inside the bus door. She wound up spending five days in the hospital with a variety of injuries and has since gone through weeks of physical therapy.

Unfortunately, the woman had to absorb another blow when she returned from the hospital and called the bus company to discuss the accident. She was informed that the bus company would not pay for any medical expenses she incurred. That, she was told, was the responsibility of her own insurance company.

The state's no-fault insurance law requires that the woman's coverage come under her own automobile insurance policy.

Farrell's bill (HF1045*/SF759) would provide a remedy for people in such a situation without taking on the highly controversial area of no-fault law.

The bill would prohibit insurance companies from increasing a policyholder's premium if the person is involved in an accident while a passenger in a bus, taxi, or commuter van.

Farrell said his constituent did not see an increase in auto insurance rates after the incident on the city bus, but that he hopes to prevent anyone else in similar circumstances from seeing a rate hike.

Prescription prices



Minnesota Senior Federation members, right to left, Jim Stahl, St. Paul, Charles Spooner, Minneapolis, Gene Taylor, Minneapolis, and Janis Ray, West Concord, each wear a prescription bottle and a badge that reads "Vote for Fair Rx Prices for All" as they listen to the House debate SF1905 April 24. A discount prescription drug program is contained in the bill.

Diabetes management

Health plans would be required to provide coverage for training and education to assist diabetics in managing their disease, under a bill headed for the governor's desk.

The bill (HF653/SF495*) was passed by the House April 18 by a margin of 124-5. The Senate voted 62-2 to pass the bill April 21.

The bill would expand a 1994 law requiring medical insurance companies and health maintenance organizations to provide coverage for syringes, blood-testing devices, and other equipment diabetics need.

The aim of the proposal is to ensure diabetics are properly trained to use the medical equipment and to monitor their own condition. Medical nutrition therapy also would be required to be included in health coverage, under the bill.

The bill was sponsored by Rep. Tom Pugh (DFL-South St. Paul) and Sen. Steve Novak (DFL-New Brighton).



TRANSPORTATION

Omnibus transportation bill

The omnibus transportation finance bill was adopted by the House April 23. The proposal (SF1881), which appropriates \$3 billion in state dollars for roads, bridges, aviation, and public safety over the next two years, passed on a 102-30 vote.

The state's authority to build toll roads also would be repealed by the bill. The Legislature created that authority only four years ago as a possible means to pay for the ever-rising cost of highway construction. "People have told us that they don't like tolls," said Rep. Tom Workman (R-Chanhassen), sponsor of the amendment. Workman is concerned that Highway 212 in his district would be converted to a pay-to-drive road.

The bill also was amended to require that motorists on freeways use the left lane only for passing. A ticket would be issued and a fine imposed for improper use of the left lane.

Another amendment sponsored by Rep. Charlie Weaver (R-Anoka) would allow trailers carrying dirt bikes, all-terrain vehicles, or snowmobiles to be attached to a fifth-wheel style camper trailer towed by a pickup truck. Towing of boat trailers in this configuration is already allowed under current law.

A conference committee will soon be appointed to resolve differences between the House and Senate proposals.

(See April 18, 1997, *Session Weekly*, page 15.)

Transit

The Metropolitan Council, which runs the metropolitan area's public transportation system, would receive \$130.1 million over the next biennium, \$32 million more than Gov. Arne Carlson recommended. Of that money, \$34.6 million would go to Metro Mobility, which provides rides to approximately 25,000 metropolitan-area people with disabilities. The bill also authorizes and funds a \$100,000 study of coordinating public transit and school transportation in the cities of Minneapolis and St. Paul.

An additional \$29.6 million would go to assist transit programs in Greater Minnesota.

Road and bridge construction

State road construction projects would receive \$893 million for the next two years. Local roads would get \$841.6 million in state aid, local bridges, \$39.8 million.

Public safety

The bill calls for \$111.6 million in spending for the Minnesota State Patrol. Included is \$3.5 million to fund an additional 29 state troopers — not the full complement requested by the governor, but 29 more than the Legislature authorized last year. The governor refused to enact a speed limit increase called for by lawmakers in 1996 because the trooper funding was missing.

Also included is \$2 million for computer-aided dispatching and records management and \$1.7 million to install video cameras in state patrol vehicles. Another \$69.5 million would go to the department's Driver and Vehicle Services Division over the next biennium. Also, \$2.6 million would go to the Department of Public Safety and the Minnesota Safety Council for various public safety programs.

The bill includes \$652,000 to provide survivor benefits to the families of state patrol officers who have died or been disabled in the line of duty. Though they are eligible for pensions, many of these officers and their families have lost their health care benefits once they could no longer serve as peace officers. An average of three officers per year lose their lives in the line of duty in Minnesota.

Aviation

The bill appropriates \$36.3 million for air transportation programs, including \$26 million for airport development and assistance. Other funds support the Civil Air Patrol and provide general support for aviation in the state.

Railroads and waterways

A total of \$6.9 million would go to fund rail and water transportation. This includes a \$1 million study to look at utilizing existing freight railroad corridors for a commuter rail service in the metropolitan area.



Q: How are bills amended?

A: Bills going through the Legislature are often amended, which can greatly change the thrust of a bill.

Most often legislators make amendments to bills when they are being considered in committee. Committee members are usually well-versed in the subjects of the bills, and they have the time at this point to consider making changes. Legislators can also amend bills when they reach the House floor. In both cases, amendments are adopted by a majority vote.

Generally, the legislator offering the amendment will have the proposal drafted by legislative staff before offering it for discussion.

Q: When do new laws go into effect?

A: Most new laws go into effect on Aug. 1 following a legislative session unless a bill specifies another date. Exceptions are bills that contain an appropriation, which become effective July 1, the same date the fiscal year begins.



With the close of this year's session rapidly approaching, and a passel of omnibus bills still on the table, legislators aren't the only ones to feel an increased sense of urgency. Lobbyists are also working harder to get their points across — some, apparently, a little too hard.

"I've been asked by some members to ask lobbyists not to follow them into the washroom," House Taxes Committee chair Rep. Dee Long (DFL-Mpls) announced at an April 21 meeting.

Some things are, after all, not subject to debate.

Press freedom ruling stems from 1925 state gag law

A bill that attracted little controversy as it sailed through the Minnesota Legislature in 1925 later became the subject of an uproar that touched the lives of prominent public officials and the center of a landmark ruling in constitutional law.



Jay M. Near

The 1925 law — perhaps the most direct effort to allow suppression of the press since the passage of the Alien and Sedition Acts in 1798 — declared certain types of newspapers and other publications a nuisance and allowed for injunctions to halt their circulation.

The circumstances that prompted passage of the law are somewhat uncertain. Apparently, it was backed by a legislator intent on silencing a newspaper editor who was attacking him. But the editor died before the law could be applied to his work, according to an analysis of the case by John Hartmann published in the December 1960 edition of *Minnesota History*.

State Sen. Freling H. Stevens, a Progressive-Republican from Minneapolis, sponsored the bill in upper chamber, where the measure moved quickly through committee and passed easily on the Senate floor. Similarly strong support greeted the bill in the House, and Gov. Theodore Christianson signed the legislation into law at the close of the 1925 session.

Specifically, the law declared it a nuisance to publish “an obscene, lewd, and lascivious newspaper, magazine or other periodical, or a malicious, scandalous, and defamatory newspaper, magazine, or other periodical.”

The law set up procedures allowing a county attorney to bring action in district court to receive a temporary restraining order blocking circulation of a publication and allowing the court to grant a permanent injunction to prevent future circulation of a publication.

In the 1920s world of “yellow journalism,” it was only a matter of time before a county attorney somewhere in the state would use the new law to silence one of that day’s many purveyors of newspaper sensationalism.

As it turned out, the 1925 gag law would be put to the test when Hennepin County Attorney Floyd B. Olson — soon to be governor of Minnesota — brought action in 1927 to stop distribution of the *Saturday Press*, a

weekly Minneapolis scandal sheet published by Howard A. Guilford and Jay M. Near.

Guilford and Near were old hands in the wild world of newspaper publishing. In earlier days, both had served as editor of the *Twin City Reporter*, a sensational weekly published from 1915 to 1927. Each issue of the paper followed a prescription calling for steady doses of sex, sexual perversion, and attacks on public officials and prominent citizens.

When Guilford and Near began publishing the *Saturday Press* in September 1927, they announced a crusade to clean up Minneapolis by exposing corruption among public officials. The paper’s first target was Chief of Police Frank W. Brunskill, whom the publishers claimed was aligned with powerful gangsters who were “practically ruling Minneapolis.”

Soon the publishers extended their criticism to the mayor and to Olson, whom Near and Guilford attacked for failing to replace the police chief or to charge him for wrongdoing.

Olson quickly responded by asking a Hennepin County District Court judge to grant an injunction to block circulation of the *Saturday Press*.

The lawyers for Guilford and Near did not challenge Olson’s claim that the newspaper fit the description of a nuisance under the “gag law.” They based their defense on the claim that the law was unconstitutional — setting off a lengthy legal battle that would end in the U.S. Supreme Court.

The district court ruled against Guilford and Near, as did the Minnesota Supreme Court in 1928. A permanent injunction was issued, and the publishers were out of business.

However, the case had by then attracted the attention of publishers of major newspapers around the country. *Chicago Tribune*, *New York Times*, and *Cleveland Plain Dealer* editorialists weighed in on behalf of Guilford and Near and ripped the Minnesota law.

Colonel Robert R. McCormick, publisher of the *Chicago Tribune*, took up the cause of the Minneapolis publishers and provided financial backing to appeal the case to the nation’s highest court. (The case would carry only Near’s name because Guilford withdrew from the litigation.)

In the meantime, attempts were made in the Legislature to repeal the “gag law,” but all

were unsuccessful. In 1931, while the case was pending before the U.S. Supreme Court, Olson began his first term as governor by calling for the repeal of the law he had embraced four years earlier.

“The cases in which the law was used were proper exercises of the operation of the law, but I believe that the possibilities for abuse make it an unwise law,” Olson said, according to *Minnesota History*. “The freedoms of speech and the press should remain inviolate . . .”

Members of the House voted that year to repeal the law, but a powerful minority in the Senate used a procedural move to block the effort during the final days of the session.

Later in 1931, the U.S. Supreme Court issued a decision in the case of *Near v. Minnesota*. Although the justices were split by a 5-4 margin, the court’s ruling would become a significant milepost in the history of constitutional law.

The majority opinion effectively “nationalized” the freedoms of speech and press by wiping out a state law limiting such liberties, according to *Minnesota History*. And the ruling provided a powerful precedent forbidding prior restraint of the press.

However, Justice Pierce Butler — the first Minnesotan appointed to the Supreme Court and the leader of the dissenters — argued that a ruling in favor of Near would render the states powerless.

With the injunction finally lifted, Near resumed publishing the *Saturday Press* later that year, but the newspaper took on a decidedly less inflammatory tone.

Guilford soon started a new publication called the *Pink Sheet*, but the paper was short-lived. He returned to the *Saturday Press* within a year.

In 1934, Guilford was shot and killed as he drove toward his Minneapolis home. Some claimed the gangsters and corrupt officials Guilford had tried to expose were responsible for his death, but no solid evidence was found to support such claims. The case went unsolved.

— Nick Healy

Photo courtesy Minnesota Historical Society

Minnesota hemp: a new financial high for farmers?

There's a booming worldwide agricultural industry that would seem to be a natural for Minnesota's fertile soil. It centers on a crop that has no disease problems, requires no pesticides, grows quickly and densely and the entire plant can be used to make commercial products. Unfortunately, the plant is hemp, a close cousin of mind-altering marijuana, and outlawed in the United States under the 1972 Controlled Substances Act.

Senate Majority Leader Roger Moe (DFL-Ada) has sponsored a bill (SF1182) that would make Minnesota the first state to authorize the farming of hemp. The proposal is now awaiting action before the full Senate. The House version of the bill (HF349), sponsored by Rep. Phyllis Kahn (DFL-Mpls), calls for the state to study the issue of commercial hemp farming. It's pending before the House.

Proponents say the state could reap huge economic benefits with an early entry into the hemp business. Opponents — largely law enforcement agencies — make no distinction between industrial hemp, which scientists say is not mind-altering, and its intoxicating relative. They say hemp's legalization would undermine current anti-drug efforts.

The business of hemp

What cannot be argued is that hemp production is a booming business. The number of retail stores nationwide selling hemp products, according to David Morris, of the Minneapolis-based Local Institute for Self-Reliance, has risen from 2 in 1988 to over 1,200 today. In 1993, worldwide hemp sales were \$5 million. By 1995, sales stood at \$75 million, according to Hemptech, a California company that tracks the industry. It estimates the amount will top \$200 million in 1997, and \$600 million by 2001. In the last few years, industrialized hemp has been legalized in Germany, Canada, the United Kingdom, and Australia.

Once cultivated by both George Washington and Thomas Jefferson, hemp is now used in a variety of products, including pa-



An unknown farmer harvests Minnesota hemp in October 1937.

Photo courtesy Minnesota Historical Society

per, clothing, cosmetics, and cleaning supplies. A draft of the Declaration of Independence was written on hemp paper and the U.S. flag sewn by Betsy Ross was made of hemp. (The newest byproduct, Hempen Ale, made with sterilized hemp seeds, will hit liquor stores April 28.) Hemp products have always been legal, and many of them are imported. Others are manufactured in the United States — since hemp commerce is protected by the General Agreement on Tariffs and Trade — with hemp brought from Asia or Europe, where the plant has been farmed for thousands of years.

History of hemp use

Hemp is believed to have been first used by the Chinese for its stem fiber around 5000 B.C. It was growing in Chile by 1545 and in the American colony at Jamestown in 1619. It was here the first law regarding marijuana

was passed: Farmers were ordered to grow hemp. Massachusetts passed a "compulsory grow" law in 1631. Connecticut followed in 1632. The reason? Hemp's major use was as a heavy cord fiber, or rope. Its natural resistance to rot was perfect — and in great demand — for maritime uses, including sails. As European seafaring expanded, so did the importance of hemp.

The crop moved west with the pioneers, with Kentucky being the principal producer of hemp fiber until the Civil War. At about this time, in 1860, the first small crops came to Minnesota.

Thirty years later, state business executives and government officials were touting the virtues of hemp.

"[T]his fibrous plant ought to be raised to advantage in this state. The soil is favorable and nearly every vacant lot in Minneapolis and St. Paul, shows a luxuriant crop of the plant growing wild, without cultivation, and I have personally cut a stem fifteen feet high, in Minneapolis," wrote J. Carmichael Allen, a director of Minneapolis Linen Mills, in 1891.

A report the same year from the Minnesota House Committee to Investigate Flax and Hemp said

"to each farmer in this state, grow flax; grow hemp; study flax; study hemp." It cited the success of J.T. Smith, a farmer from Heron Lake, Minn., who grew 500 acres of hemp in 1890. Smith's argument for widespread hemp farming is similar to that used by proponents today.

"A market is found in all the large cities of this country for hemp fiber," he said.

(One of Smith's likely customers was the Stillwater State Prison, where inmates made twine and rope from hemp from the late 1800s until 1957.)

A bill to subsidize the production of hemp in Minnesota "of a quality suitable for the making of binder twine," was introduced in the 1891 House. It called for a \$2 payment for every 100 pounds of fiber.

But despite calls for its increased produc-

Continued on page 18

Continued from page 17

tion, large-scale processing facilities wouldn't appear until the 1930s.

Hemp processing plants

The first plant, National Cellulose Corporation (later renamed the Hemp Chemical Corporation) appeared in Mankato in 1933, followed by two additional plants in Winona in 1937.

The *Winona Republican-Herald* trumpeted the industry as one "which promoters see a good future development bringing an increase in jobs . . . and a new and profitable cash crop for Winona area farmers."

The larger of the two Winona plants, Chempeco, Inc., which removed fiber from raw hemp, had 40 employees and took hemp from local farmers grown on about 950 acres. The smaller operation, Cannabis, Inc., had 12 employees and spun hemp fiber to make rugs, mops, and "cloth used in upholstering furniture," the *Republican-Herald* said.

But despite local optimism, the federal Marijuana Tax Act of 1937 and anti-drug sentiment brought the fledgling industry to a quick halt. During World War II, the industry was briefly resurrected, when President Franklin D. Roosevelt initiated the "Hemp for Victory" campaign.

"With Philippine and East Indian sources of hemp in the hands of the Japanese . . . American hemp must meet the needs of our Army and Navy as well as our industry," the narrator read in a 1942 U.S. Department of Agriculture film. "Just as in the days when Old Ironsides sailed the seas victorious with her hempen shrouds and hempen sails," the film concludes. "Hemp for victory."

The arguments

Today, industrial hemp is permitted in 26 countries and nearly a dozen states are discussing the issue. Most recently, North Dakota Gov. Edward Schafer signed into law March 23 a bill mandating North Dakota State University's agricultural experiment station to "study the feasibility and desirability of industrial hemp production." Pro-hemp forces include big business giants like International Paper Co., the world's largest paper firm, as well as the American Farm Bureau. The latter passed a resolution in 1996 calling for research into the "viability and economic potential" of hemp.

Locally, both the Minnesota Agri-Growth Council and the Minnesota Farmers Union support hemp growth, as did the *Fargo Forum* in a March 30 editorial. Chris Leifeld, director of legislative affairs for the farmers union, has said industrial hemp would have several benefits for farmers.

"It's a good opportunity for our farmers to have access to a new market" and the crop could be easily integrated into rotation, Leifeld said.

But hemp opponents — both locally and nationally — say legalizing hemp growth is a step back in the war on drugs. The federal Drug Enforcement Agency (DEA) lobbied against a 1996 Colorado proposal to authorize a hemp pilot project, saying it was impossible to distinguish legal from illegal crops when doing air searches. While industrial hemp won't produce the "high" when smoked, as marijuana does, the DEA doesn't distinguish between the two. "Hemp is a controlled substance," DEA spokesman James McGivney recently told the *Washington Post*.

Likewise, a Minnesota Bureau of Criminal Apprehension (BCA) official opposed industrial hemp at an April 9 House Agriculture Committee hearing.

"There are plenty of scoundrels out there who will divert this product into the illegal drug market," said Michael Campion, assistant superintendent of the BCA.

A memo distributed at the same hearing from Captain B.C. Baker, of the Missouri State Highway Patrol, also cited a "desensitizing of the concerns about the harm of marijuana" in opposing similar legislation. Wisconsin's attorney general has cited similar concerns.

Minnesota lawmakers supporting the bill are quick to voice their support of continued anti-drug efforts. Moe also has said the crop could do wonders for rural Minnesota. Kahn has sought to further educate members on the benefits of hemp — and the differences between the industrial and high-octane varieties. Gov. Arne Carlson, according to spokesman Brian Dietz, has yet to take a position on the matter.

Whether the state allows the commercial farming of hemp, Tari Sullivan, owner of The Third Stone, which sells hemp-based products, expects her retail business to continue to grow. Since moving her store from Albert Lea to Minneapolis in 1994, the number of hemp products has exploded, she said. Prices aren't necessarily down, she said but availability is up. Sullivan sells everything from kids clothes to women's business suits. She stocks t-shirts from three United States clothing companies that have begun manufacturing hemp-blends with cotton or rayon. Demand, she said, is increasing. While she has no immediate plans to open new stores, she has been encouraged by customers to do so. "My business," she said, "is doing very well."

— John Tschida

Minnesota State Agencies

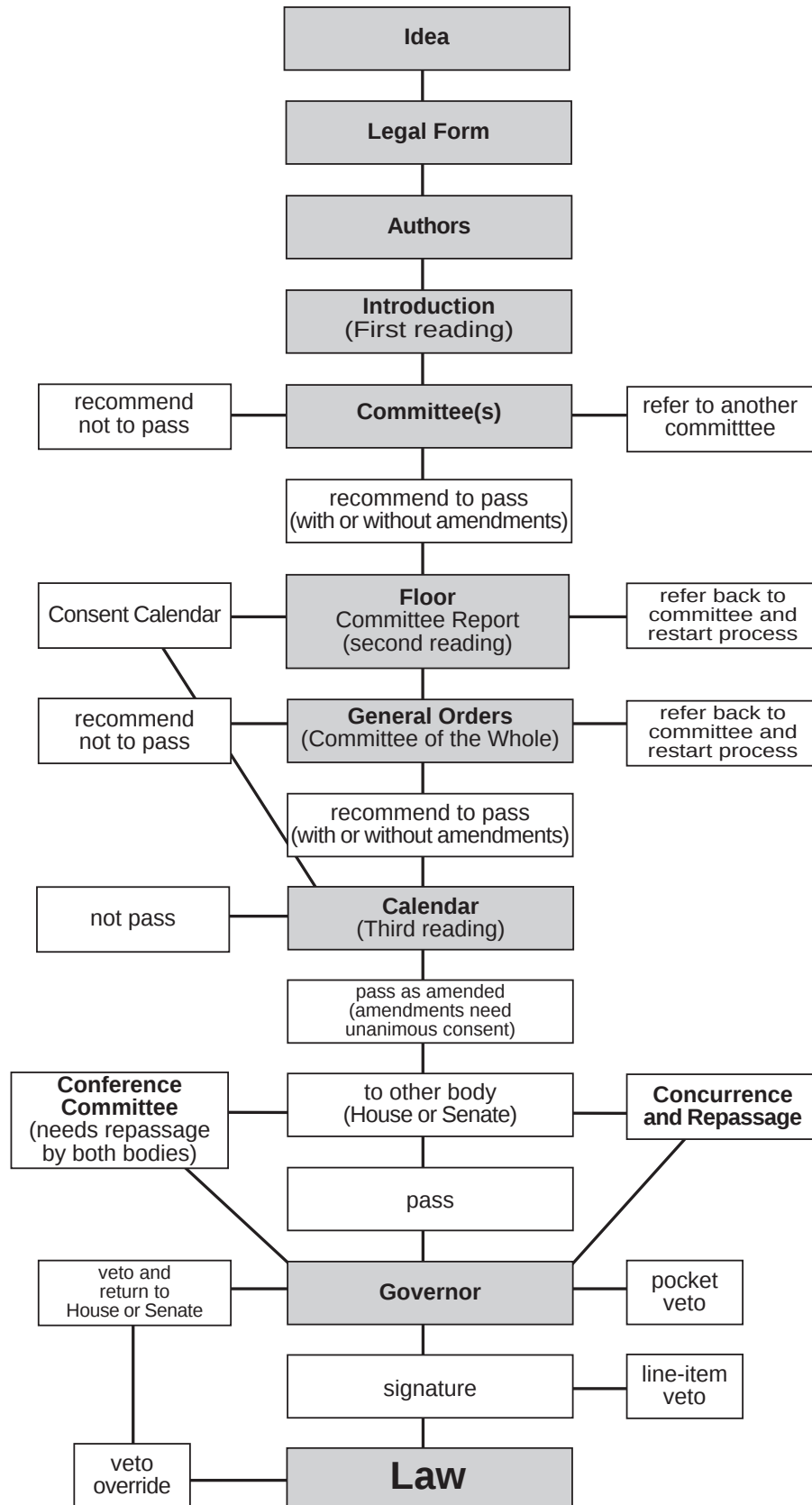
Agriculture	297-2200
Commerce	296-4026
Corrections	642-0200
Children, Families and Learning	296-6104
Employee Relations	297-1184
Job Information	296-2616
Finance	296-5900
Gaming Gambling Control Division	639-4000
MN State Lottery Division	635-8100
Toll Free	1-800-475-4000
MN Racing Commission ..	496-7950
Health	623-5000
Human Rights	296-5663
Toll Free	1-800-657-3704
Human Services	296-6117
Economic Security	296-3711
Labor and Industry	296-6107
Military Affairs	282-4662
Natural Resources	296-6157
Public Safety	296-6642
Driver and Vehicle Services	296-6911
Fire Marshal	215-0500
Liquor Control	296-6159
State Patrol	297-3935
Pollution Control	296-6300
Public Service	296-7107
Revenue Taxpayer Assistance	296-3781
Toll Free	1-800-652-9094
Trade and Economic Development	
297-1291 Office of Tourism	296-5029
Transportation	296-3000
Veterans Affairs	296-2562
State Information	296-6013
House Information	296-2146
	1-800-657-3550
Senate Information	296-0504
	1-888-2341112

Clarification

The "State Government Funding" story contained on page 10 of the April 18, 1997, *Session Weekly* should have said that HF1389, sponsored by Rep. Loren Jennings (DFL-Harris), also proposes salary increases for legislators, constitutional officers, judges, and state agency heads. The article also should have named Rep. Tom Rukavina (DFL-Virginia) as the chief House sponsor of SF1905, the omnibus state government finance bill. We regret the errors.

How a Bill Becomes a Law in Minnesota

The lawmaking process is a technical one, filled with many arcane rules and procedures that can determine whether a bill will or will not become law. While this chart shows how most bills become law, it does not account for all possibilities.



Governor's Desk

CH39-CH66

Bills await governor's action

Once a bill has passed both the House and the Senate in identical form, it's ready to be sent to the governor for consideration. The governor has several options when considering a bill. The governor can:

- sign the bill and it will become law;
 - veto the bill;
 - line-item veto individual items within an appropriations bill; or
 - do nothing, which results in the bill becoming law in the first year of the biennium.
- The timing of these actions is as significant as the actions themselves.

In the first year of the biennium, the im-

portant thing to remember is that the governor has three days from the time of "presentment" to veto a bill. If the governor doesn't sign the bill within this time frame, it will become law with or without his signature. (Sundays are not counted in the three-day time limit, but holidays are.)

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he objects. As with all vetoes, the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is within three days after the governor receives the bill.

A two-thirds vote of the members in each house is needed to override a veto. But because only the governor can call a special session of the Legislature, anything vetoed after the Legislature adjourns is history — at least until the next year.

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

Internet access to this information is available at:
<http://www.governor.state.mn.us> (select "legislative issues" folder)

Key:

CH=Chapter; SF=Senate File; HF=House File

CH	HF	SF	Description	Signed	Vetoed
39	2009	227*	Federal payments in lieu of taxes on entitlement land distributed.	4/21/97	
40	972	424*	Ramsey County eligibles certification under county rules.	4/21/97	
41	1187*	1306	Buffalo Lake wastewater treatment facility contract bid requirements.	4/21/97	
42	566*	434	Itasca County government innovation and cooperation board law.	4/21/97	
43	1257	1071*	Luverne Maplewood Cemetery bodies removal and reinterment.	4/21/97	
44	1884	1356*	State House District 9A description modification.	4/21/97	
45	436	127*	Environmental advisory councils and committees provisions modifications.	4/21/97	
46	718	137*	Conservation Corps youth advisory committee modifications.	4/21/97	
47	429	458*	Fire insurance escrow account requirements.	4/21/97	
48	768	475*	Farm worker driver's license exemptions.	4/23/97	
49	645*	622	Health insurance plans care definition.	4/23/97	
50	108*	56	Range technical employees retirement benefits protection.	4/23/97	
51	385	539*	Trunk Highway 19 designated memorial highway.	4/23/97	
52	1005	1527*	Minnesota Insurance Guaranty Act modifications.	4/23/97	

*The legislative bill marked with an asterisk denotes the file submitted to the governor.

CH	HF	SF	Description	Signed	Vetoed
53	255*	354	Environmental Quality Board membership increase.	4/23/97	
54	763*	696	Zion Lutheran Church historic place designation.	4/23/97	
55	1861*	1663	Farm animal facilities entry restriction.	4/23/97	
56	356*	284	Local government units official newspapers designation cost consideration.	4/23/97	
57	653	495*	Diabetes outpatient self-management training and education health insurance coverage required.		
58	971	1116*	Hennepin County radio system facility lease authorized.		
59	211*	201	School district extended area telecommunications service.		
60	179*	178	Driver's license health care directives designation.		
61	889*	786	Mobile home park owners rights modified.		
62	949*	885	Mercury devices disposal prohibition expansion.		
63	1301*	884	St. Paul Ramsey County Public Health Department classified service definition.		
64	1045*	759	Automobile insurance surcharge prohibitions.		
65	626	432*	Designated caregiver agreement execution and consent agreements modified.		
66	312	145*	Re-employment insurance technical and administrative changes.	4/23/97	

One of thousands of 19th century Americans who chose to go west, Lucius F. Hubbard made the best of the opportunity promised to await them on the frontier.

From New York orphan to Civil War general to Minnesota's ninth governor, Hubbard built an impressive list of achievements despite his lowly beginnings.

After being raised by his aunt in Chester, Vt., Hubbard was an 18-year-old apprentice to a tinsmith in Salem, N.Y., when he decided to head west in 1854.

He practiced his trade in Chicago for three years before he picked up and moved again. This time he landed in Red Wing, Minn.

"The newcomer at once became infected with the hopefulness and enthusiasm that was in the air . . ." Hubbard said in a 1905 speech to the Minnesota Historical Society. There was adversity "but the pioneer is always hopeful, ever determined, and never daunted by obstacles that might discourage the average man."

He promptly founded the *Red Wing Re-*

It's a fact!

publican, installed himself as editor, and began working to drum up readership.

"The new editor was no printer, but he soon became more or less of an expert in 'sticking type,' working the press, and writing boom editorials in exploitation of the locality," Hubbard later said.

The paper (which still exists as the *Republican Eagle*) was a success, but Hubbard left it behind during the Civil War to begin an Army career that saw him rise to the rank of general in less than four years.

He fought in major Civil War battles at Corinth, Vicksburg, and Nashville, and tales of Hubbard's battlefield exploits include twice having his horse shot from underneath him.

After the war, Hubbard returned to Minnesota and started grain and milling business ventures, and he built two railroad lines in the state.

He was elected governor as a Republican

in 1881 and two years later was re-elected for a three-year term. (The three-year term was necessary to get state elections in tune with national elections and to begin biennial legislative sessions.)

Hubbard's tenure as governor was relatively unremarkable. The significant advancements attributed to his administration include the creation of the state Railroad and Warehouse Commission and initiation of state grading and weighing of grain.

Perhaps most significantly, the Civil War veteran signed the first state law prohibiting racial discrimination in public places.

Hubbard, for whom Hubbard County in northern Minnesota was named, returned to Red Wing after his second term in office. He was later called on by President William McKinley to serve as a brigadier general in the Spanish-American War.

The former governor lived out his final years in St. Paul and Minneapolis, where he died in 1913 at the age of 77.

Bill Introductions

HF2160-HF2173

Monday, April 21

HF2160—Greiling (DFL)

Taxes

Property tax reform provided, general education levy reduced, first tier homestead bracket extended, class rate reduction provided for certain properties, and business activities tax established.

HF2161—Skoglund (DFL)

Judiciary

Violent crime penalties and mandatory minimum sentences increased.

HF2162—McCollum (DFL)

Education

School building handicap access and fire safety requirements modified, and disabled access revenue, aid, and levy established.

Wednesday, April 23

HF2163—Long (DFL)

Ways & Means

Omnibus tax bill and money appropriated.

HF2164—Olson, E. (DFL)

Environment & Natural Resources

Forest resources council membership modified.

HF2165—Tunheim (DFL)

Ways & Means

Flood related disaster relief provided for property damage grants and loans, and money appropriated.

HF2166—Anderson, I. (DFL)

Ways & Means

Flood related disaster relief provided for property damage grants and loans, and money appropriated.

HF2167—Mulder (R)

General Legislation, Veterans Affairs & Elections

Sandy Lake Band of Mississippi Chippewa provided state Indian tribe recognition.

HF2168—Mulder (R)

Local Government & Metro Affairs

Local government, school, and business cost increases caused by state mandates reports provided, grants authorized, and money appropriated.

Thursday, April 24

HF2169—Skare (DFL)

Local Government & Metropolitan Affairs

Flood disaster relief assistance provision by nonaffected cities and counties allowed.

HF2170—Luther (DFL)

Education

Public postsecondary educational institution tuition reduction intent stated, and money appropriated.

HF2171—Luther (DFL)

Education

Higher education financial aid asset consideration provisions modified, and state grant formula provided.

HF2172—Luther (DFL)

Education

Student loan interest accrual provisions modified, higher education tuition income tax credit provided, and money appropriated.

HF2173—Anderson, I. (DFL)

Ways & Means

Real estate default and contract for deed termination notice requirements provided.

Minnesota House and Senate Membership

1	A • Rep. Jim Tunheim-(DFL) B • Rep. Tim Finseth-(R) Sen. LeRoy A. Stumpf-DFL	15	A • Rep. Al Juhnke-(DFL) B • Rep. Gary W. Kubly-(DFL) Sen. Dean E. Johnson-R	29	A • Rep. Jerry Dempsey-(R) B • Rep. Mike Osskopp-(R) Sen. Steve Murphy-DFL	43	A • Rep. Tom Workman-(R) B • Rep. Barb Sykora-(R) Sen. Edward C. Oliver-R	57	A • Rep. Nora Slawik-(DFL) B • Rep. Sharon Marko-(DFL) Sen. Leonard R. Price-DFL
2	A • Rep. Bernie L. Lieder-(DFL) B • Rep. Edgar Olson-(DFL) Sen. Roger D. Moe-DFL	16	A • Rep. Joe Opatz-(DFL) B • Rep. Jim Knoblich-(R) Sen. Dave Kleis-R	30	A • Rep. Fran Bradley-(R) B • Rep. Dave Bishop-(R) Sen. Sheila M. Kiscaden-R	44	A • Rep. Betty Follard-(DFL) B • Rep. Jim Rhodes-(R) Sen. Steve Kelley-DFL	58	A • Rep. Joe Mullery-(DFL) B • Rep. Richard Jefferson-(DFL) Sen. Linda I. Higgins-DFL
3	A • Rep. Irv Anderson-(DFL) B • Rep. Loren A. Solberg-(DFL) Sen. Bob Lessard-DFL	17	A • Rep. LeRoy Koppendrayner-(R) B • Rep. Leslie J. Schumacher-(DFL) Sen. Dan Stevens-R	31	A • Rep. William Kuisle-(R) B • Rep. Gregory M. Davids-(R) Sen. Kenric J. Scheevel-R	45	A • Rep. Ron Abrams-(R) B • Rep. Peggy Leppik-(R) Sen. Martha R. Robertson-R	59	A • Rep. Len Biernat-(DFL) B • Rep. Phyllis Kahn-(DFL) Sen. Lawrence J. Pogemiller-DFL
4	A • Rep. Gail Skare-(DFL) B • Rep. Anthony G. (Tony) Kinkel-(DFL) Sen. David J. Ten Eyck-DFL	18	A • Rep. Jim Rostberg-(R) B • Rep. Loren Geo Jennings-(DFL) Sen. Janet B. Johnson-DFL	32	A • Rep. Gene Pelowski Jr.-(DFL) B • Rep. Michelle Rifenberg-(R) Sen. Steven Morse-DFL	46	A • Rep. Ann H. Rest-(DFL) B • Rep. Lyndon R. Carlson-(DFL) Sen. Ember R. Junge-DFL	60	A • Rep. Dee Long-(DFL) B • Rep. Myron Orfield-(DFL) Sen. Allan H. Spear-DFL
5	A • Rep. Tom Rukavina-(DFL) B • Rep. David J. Tomassoni-(DFL) Sen. Jerry R. Janezich-DFL	19	A • Rep. Mark Olson-(R) B • Rep. Bruce Anderson-(R) Sen. Mark Ourada-R	33	A • Rep. Arlon Lindner-(R) B • Rep. Rich Stanek-(R) Sen. Warren Limmer-R	47	A • Rep. Darlene Luther-(DFL) B • Rep. Phil Carruthers-(DFL) Sen. Linda Scheid-DFL	61	A • Rep. Karen Clark-(DFL) B • Rep. Linda Wejman-(DFL) Sen. Linda Berglin-DFL
6	A • Rep. Thomas (Tom) Bakke-(DFL) B • Rep. Thomas Huntley-(DFL) Sen. Douglas J. Johnson-DFL	20	A • Rep. Robert "Bob" Ness-(R) B • Rep. Tony Kielucki-(R) Sen. Steve Dille-R	34	A • Rep. Steve Smith-(R) B • Rep. Todd Van Dellen-(R) Sen. Gen Olson-R	48	A • Rep. Bill Haas-(R) B • Rep. Alice M. Johnson-(DFL) Sen. Don Betzold-DFL	62	A • Rep. Lee Greenfield-(DFL) B • Rep. Wes Skoglund-(DFL) Sen. Carol Flynn-DFL
7	A • Rep. Willard Munger-(DFL) B • Rep. Mike Jaros-(DFL) Sen. Sam G. Solon-DFL	21	A • Rep. Marty Seifert-(R) B • Rep. Richard Mulder-(R) Sen. Arlene J. Lesewski-R	35	A • Rep. Carol L. Molnau-(R) B • Rep. Becky Kelo-(DFL) Sen. Claire A. Robling-R	49	A • Rep. Charlie Weaver-(R) B • Rep. Luanne Koskinen-(DFL) Sen. Leo Foley-DFL	63	A • Rep. Jean Wagenius-(DFL) B • Rep. Edwin Garcia-(DFL) Sen. Jane B. Ranum-DFL
8	A • Rep. Mary Murphy-(DFL) B • Rep. Bill Hilty-(DFL) Sen. Becky Lourey-DFL	22	A • Rep. Ted Winter-(DFL) B • Rep. Elaine Harder-(R) Sen. Jim Vickerman-DFL	36	A • Rep. Eileen Tompkins-(R) B • Rep. Dan McLroy-(R) Sen. David L. Knutson-R	50	A • Rep. Kathleen Sekhon-(DFL) B • Rep. Kathy Tingelstad-(R) Sen. Paula E. Hanson-DFL	64	A • Rep. Matt Entenza-(DFL) B • Rep. Michael Paymar-(DFL) Sen. Richard J. Cohen-DFL
9	A • Rep. Kevin Goodno-(R) B • Rep. Robert L. (Bob) Westfall-(R) Sen. Keith Langseth-DFL	23	A • Rep. Barb Vickerman-(R) B • Rep. Howard Swenson-(R) Sen. Dennis R. Frederickson-R	37	A • Rep. Dennis Ozment-(R) B • Rep. Bill Macklin-(R) Sen. Pat Parisseau-R	51	A • Rep. Mike Delmont-(DFL) B • Rep. Doug Swenson-(R) Sen. Jane Krentz-DFL	65	A • Rep. Andy Dawkins-(DFL) B • Rep. Carlos Marianini-(DFL) Sen. Sandra L. Pappas-DFL
10	A • Rep. Bud Nornes-(R) B • Rep. Hilda Bertermann-(R) Sen. Cal Larson-R	24	A • Rep. John Dorn-(DFL) B • Rep. Ruth Johnson-(DFL) Sen. John C. Hottinger-DFL	38	A • Rep. Tim Commers-(R) B • Rep. Tim Pawlenty-(R) Sen. Deanna L. Wiener-DFL	52	A • Rep. Satveer Chaudhary-(DFL) B • Rep. Geri Evans-(DFL) Sen. Steven G. Novak-DFL	66	A • Rep. Tom Osthoff-(DFL) B • Rep. Alice Hausman-(DFL) Sen. Ellen R. Anderson-DFL
11	A • Rep. Roxann Daggett-(R) B • Rep. Ken Otremba-(DFL) Sen. Dallas C. Sams-DFL	25	A • Rep. John Tuma-(R) B • Rep. Lynda Boudreau-(R) Sen. Thomas M. Neuville-R	39	A • Rep. Thomas W. Pugh-(DFL) B • Rep. Bob Milbert-(DFL) Sen. James P. Metzner-DFL	53	A • Rep. Phil Krinkie-(R) B • Rep. Sherry Broecker-(R) Sen. Linda Runbeck-R	67	A • Rep. Jim Farrell-(DFL) B • Rep. Steve Trimble-(DFL) Sen. Randy C. Kelly-DFL
12	A • Rep. Kris Hasskamp-(DFL) B • Rep. Stephen G. Wenzel-(DFL) Sen. Don Samuelson-DFL	26	A • Rep. Bob Gunther-(R) B • Rep. Henry J. Kalis-(DFL) Sen. Tracy L. Beckman-DFL	40	A • Rep. Mark P. Mahon-(DFL) B • Rep. Kevin Knight-(R) Sen. Dave Johnson-DFL	54	A • Rep. Mary Jo McGuire-(DFL) B • Rep. Mindy Greiling-(DFL) Sen. John Marty-DFL	List as of April 24, 1997	
13	A • Rep. Torrey Westrom-(R) B • Rep. Doug Peterson-(DFL) Sen. Charles A. Berg-JND.	27	A • Rep. Ron Kraus-(R) B • Rep. Rob Leighton-(DFL) Sen. Pat Piper-DFL	41	A • Rep. Alice Seagren-(R) B • Rep. Ken Wolf-(R) Sen. William V. Belanger Jr.-R	55	A • Rep. Harry Mares-(R) B • Rep. Betty McCollum-(DFL) Sen. Charles W. Wiger-DFL		
14	A • Rep. Steve Dehler-(R) B • Rep. Doug Stang-(R) Sen. Michelle L. Fischbach-R	28	A • Rep. Doug Reuter-(R) B • Rep. Doug Sviggung-(R) Sen. Dick Day-R	42	A • Rep. Ron Erhardt-(R) B • Rep. Erik Paulsen-(R) Sen. Roy Terwilliger-R	56	A • Rep. Mark Holsten-(R) B • Rep. Peg Larsen-(R) Sen. Gary W. Laidig-R		

Committee Schedule

Schedule is subject to change.
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MONDAY, April 28

8 a.m.

FINANCIAL INSTITUTIONS & INSURANCE

10 State Office Building
Chr. Rep. Irv Anderson

Agenda: HFXXXX (Anderson, I.) Relating to real estate; requiring 60 days notice of termination of a real estate contract for deed and eight weeks notice of commencement of a sale and foreclosure proceedings.

TAXES

200 State Office Building
Chr. Rep. Dee Long

Agenda: MinnesotaCare.
Additional bills may be added.

10 a.m.

The House meets in session.

4 p.m.

The House and Senate meet in joint session.

TUESDAY, April 29

8 a.m.

WAYS & MEANS

5 State Office Building
Chr. Rep. Loren Solberg

Agenda: HF632 (Solberg) Environmental learning centers previous appropriation provisions modified.
HF113 (Munger) State lottery proceeds

dedication to environment and natural resources trust fund duration extended, and constitutional amendment proposed.

HF296 (Wejcman) Father registry created and adoption notice and consent provisions modified.

HF361 (Solberg) Wholesale food processor and manufacturer fees modified.

HF1542 (Solberg) Public employment labor agreements ratified, technical modifications provided, and definitions modified.

HF435 (Long) Environmental response and liability act provisions modified, and money appropriated.

HF1646 (Trimble) Milk marketing competition and economic fairness provided, and milk and milk product retail price flexibility allowed.

10 a.m.

The House meets in session.

4:30 p.m.

Conference Committee

Secretary of State housekeeping bill/ HF156/SF269

125 State Capitol
Chrs. Rep. Nora Slawik,
Sen. David Ten Eyck.

WEDNESDAY, April 30

8 a.m.

TAXES

15 State Capitol
Chr. Rep. Dee Long

Agenda: Presentation of stadium proposals (informational hearing).

11 a.m.

The House meets in session.

4 p.m.

TAXES

15 State Capitol
Chr. Rep. Dee Long

Agenda: Public testimony on stadium bills. (Call 296-5388 to testify.)

THURSDAY, May 1

8 a.m.

WAYS & MEANS

5 State Office Building
Chr. Rep. Loren Solberg

Agenda: HF1750 (Bakk) Timber sale permit extension provided.

SF94 (Moe); HF551 (Sekhon) State land boundary line and trust sale provisions modified, property tax payment by natural resources commissioner provided, and public land sales authorized.

HF707 (Wagenius) Toxics in products requirements and enforcement provisions modified.

SF164 (Wiger); HF535 (Juhnke) Bison designated as livestock, and federal food rule conformity provided.

HF2157 (Jennings) State agency heads, judges, and legislators compensation regulated.

HF1004 (Entenza) Omnibus DWI Bill.
Additional bills may be added.

10 a.m.

The House meets in session.

FRIDAY, May 2

10 a.m.

The House meets in session.

Where to find information

Chief Clerk's Office

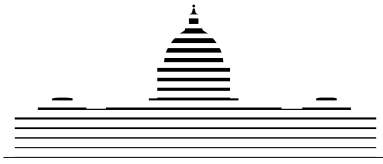
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Speaker of the House: Phil Carruthers
Majority Leader: Ted Winter
Minority Leader: Steve Sviggum

MINNESOTA INDEX

Ethanol and Minnesota

Millions of gallons of ethanol that can be produced by current Minnesota facilities, per year	92
Ethanol plants in operation in Minnesota, Sept. 1996	8
Annual revenues from sales of ethanol and its animal feed coproducts, in millions	\$150
Percent of ethanol, in Minnesota and the nation, produced from corn	95
States that produced more corn than Minnesota, 1995	3
Percent of the nation's annual average corn production used to make ethanol, 1995	7
In millions of bushels of corn	532
Amount that ethanol producers are paid, in cents per gallon, to make ethanol	20
Maximum state subsidy per plant under the producer payment program, in millions	\$3
Statewide limit under the program, in millions	\$30
Per gallon tax credit, or "blender's credit," for distributors of "gasohol," or ethanol-blended gasoline, in cents	5
Foregone tax revenue due to the credit, fiscal years 1994-1996, in millions	\$61.2
Date that all gasoline sold in Minnesota must be "oxygenated," or an ethanol blend	Oct. 1, 1997
Percent of oxygen that must be contained in the fuel	2.7
Estimated amount that gasohol will exceed conventional gasoline over the next several years, in cents per gallon	2-3
Percent of the gasoline for highway use in Minnesota that was mixed with ethanol, 1994	66
States with a higher percentage	0
Millions of gallons of ethanol used, 1994	125
States that do not use ethanol	14
Millions of gallons of ethanol produced by Archer Daniels Midland at its four plants, per year	750
Percent of ethanol produced annually in the United States by Archer Daniels Midland	50

Source: *Ethanol Programs*, Office of the Legislative Auditor, Feb. 1997

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