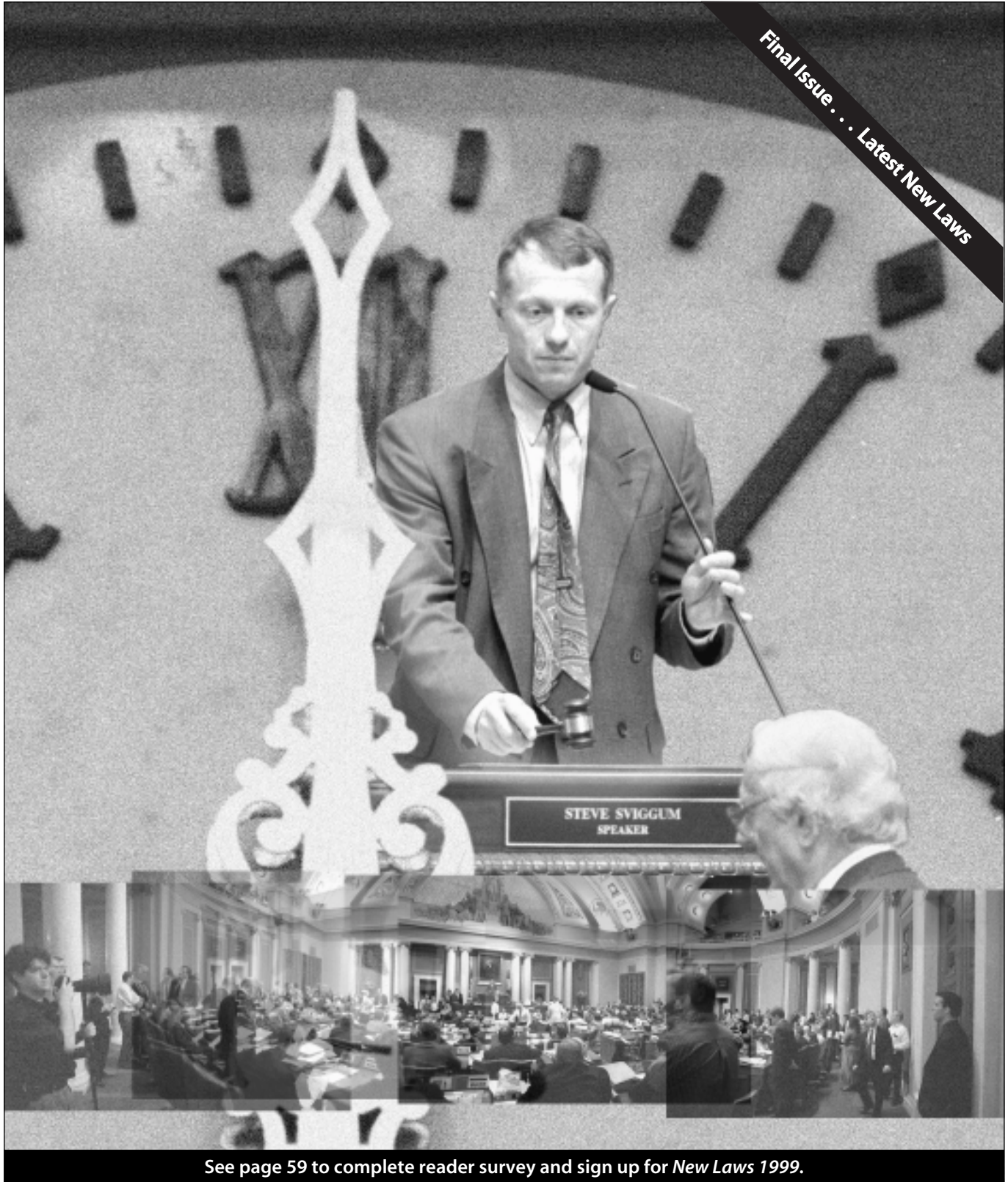


SESSION WEEKLY

A Nonpartisan Publication of the Minnesota House of Representatives ♦ May 21, 1999 ♦ Volume 16, Number 20

Final Issue . . . Latest New Laws



See page 59 to complete reader survey and sign up for *New Laws 1999*.

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Office. During the 1999-2000 Legislative Session, each issue reports daily House action between Thursdays of each week, lists bill introductions and upcoming committee meeting schedules, and provides other information. The publication is a service of the Minnesota House. No fee.

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SESSION WEEKLY

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Reflections

While the Minnesota Legislature was completing its final days of the 1999 session, here and across the country a major concern for people was, could they get tickets for the latest Stars Wars movie. But at the State Capitol, the most important interest for lawmakers, staff, and lobbyists was the passage of funding bills that would provide the state's largest tax cuts and rebates ever; money for K-12 education; funds for health care; a go-ahead to construct light rail in Minneapolis; and other important bills.

As movie fans lined up outside theaters for days to see what "Episode I" of Star Wars would convey, everyone at the Capitol was anxiously waiting inside and outside each chamber to know what would be the final outcome of the first year of the 81st Legislature.

For Capitol inhabitants during this time, the only connection to the movie industry's latest hype was a "Phantom Menace" known as sleep deprivation.

Certainly, no legislator or staff member could be found waiting in line for tickets to the new George Lucas phenomenon on May 17, the last day of session, or even two weeks ago. For that matter, nor were they seen at the governor's annual fishing opener on May 15 for the first time in years.

In the last few days of the legislative session, most lawmakers and key staff got little or no sleep, as House and Senate members attempted to reach some kinds of funding compromises agreeable to both legislative bodies. Some lawmakers did sneak brief opportunities to relax as they often waited during many recesses, but not enough to catch up on sleep.

Also, sergeants were seen running across the complex to pull lawmakers out of committee to make a crucial vote in the chamber, while clerk's staff from the House and Senate broke track records as they delivered messages from chamber desk to chamber desk for immediate floor action in each body.

Behind the scenes, the revisors who ensure legal accuracy of bills and House Research staff who continue to provide expert advice on the content of bill, often accumulated no-sleep records of over 24 hours at a time. Even those in Duplicating worked in the wee hours of the morning to print hundreds of new bills for placement on chamber desks before lawmakers reconvened.

But it is not unusual for the Chief Clerk's main desk staff and others in the office to spend hours at work long after a daily session ended.

To the legislators, who have now gone back home to a normal, well-rested routine, and to the staff, who never catch up on sleep:

May the force be with you!

— LeClair Grier Lambert

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On the cover: Speaker Steve Sviggum adjourns the House at midnight May 17.

—Photos by Tom Olmscheid and Andrew Von Bank

—Photo illustration by Tom Olmscheid

First Reading

Tripartisan government . . .

Historic session ends with action on tax cuts, major bills

By Grant Martin & Sarah Tellijohn

The 1999 legislative session — the state's first under tripartisan control — ended at midnight May 17 with lawmakers approving several significant pieces of legislation, including the largest tax cut in the state's history, a commitment for the use of the one-time tobacco settlement funds, and a record K-12 education funding plan.

But right up to the last minute, it looked like the three-legged stool of state government — Republicans in the House, DFLers in the Senate, and a Reform Party governor — might topple to the floor.

"Tripartisan government works," Gov. Jesse Ventura announced at a May 11 press conference after signing off on a preliminary budget agreement with House Speaker Steve Sviggum (R-Kenyon) and Senate Majority Leader Roger Moe (DFL-Erskine). The deal was expected to tie up the loose ends and bring the session to a close by the constitutional deadline.

But with less than nine hours to go before adjournment, it looked as though the "global agreement," as Sviggum called it, might break down on the House floor.

Sviggum was forced to keep the voting board open for nearly two hours to get the votes needed to pass the bonding bill — a measure that required 81 votes to pass. That bill was a key piece of the agreement because it includes a \$400 million cash-to-bonding proposal and the governor's light-rail transit plan.

And after Rep. Kevin Goodno (R-Moorhead) presented the health and human services funding bill without the abortion provisions early approved by the House, a motion to send it back to conference committee failed by just three votes.

But the 1999 session will be remembered more for the tripartisan compromises than for the stumbling blocks that came close to tripping up the process.

In his opening address after being elected the new speaker Jan. 5, Sviggum set the priority for House.

"You have my word that this body will permanently and significantly cut your taxes," Sviggum said, addressing the television cameras in the House chamber.

True to his word, House Republicans successfully achieved the income tax cut they had been fighting for all session. Effective July 1, all three income tax brackets will be reduced by



After the final gavel, House Speaker Steve Sviggum takes a few moments to discuss the Legislature's achievements this session with the Capitol press corps.

0.5 percent, and the middle-income bracket will get an extra 0.25-percent reduction.

In total, all tax cuts would amount to about \$1.3 billion annually. The marriage penalty, which forces married joint filers to pay more than they would if they filed individually, would also be eliminated under the tax plan.

And in August, most Minnesotans should see a sales tax rebate check in the mail. The sales tax rebate — advocated by both the governor and DFL lawmakers — was eventually accepted by House Republicans, who had originally argued for a rebate based on income tax.

The rebate, based on 1997 income tax records, could total \$1.3 billion once officials are finished processing it. Checks would range from \$100 to \$5,000 for married joint filers and to a maximum of \$2,500 for single filers.

Lawmakers also came to an agreement on the use of the state's one-time tobacco settlement funds. Almost \$1 billion would be used to set up endowments for medical education and research, smoking prevention, and public health initiatives.

House Republicans battled most of the session to use some of that money to eliminate the state's health care provider tax, but eventually agreed to the endowments as a condition of income tax cuts.

However, the House did succeed in preventing a scheduled increase in the so-called

sick tax, which is used to support MinnesotaCare, the state's health insurance program for low- and moderate-income residents.

Lawmakers also passed a \$7.9 billion K-12 education funding bill. The bill would provide a 4.7-percent increase in the basic school funding formula for 2000 and a 3.2-percent increase for 2001, partly contingent upon the next state budget forecast. The bill would provide the largest boost to the general formula in the last 10 years.

The plan would include \$86 million targeted for class-size reduction and \$6 million for school breakfast programs.

It also looks like Gov. Jesse Ventura might get his wish to ride mass-transit rail in 2002. After suffering a defeat in the House, it appeared that continued funding for light-rail transit would not become a reality this session. But House and Senate leaders compromised on the issue and included \$60 million in the bonding bill that will be used to leverage \$250 million in federal funds.

The money would be dedicated to the planned light-rail line along the Hiawatha corridor in Minneapolis and would run from the Mall of America in Bloomington, past Minneapolis-St. Paul International Airport, and into downtown Minneapolis.

Lawmakers also succeeded in their attempt



House Minority Leader Tom Pugh greets members of the press after wrapping up the legislative session.

to put an end to the 8-year-old motor vehicle inspection program. The repeal effort, led by Rep. Barb Haake (R-Mounds View), was signed into law May 18 and sets March 1, 2000, as a final end-date for the program. There is one catch, however. The Twin Cities air quality must pass muster with the federal Environmental Protection Agency before emissions testing can cease, but officials expect that approval to be forthcoming.

Lawmakers also approved \$70 million in aid for Minnesota farmers. The new law seeks to provide relief to farmers who are currently struggling due to low commodity prices. The relief payments will provide most farmers between \$2,000 and \$3,000 in aid.

Other issues weren't resolved before the May 17 deadline and will have to wait until next year for possible legislative action.

Lawmakers on a House-Senate conference committee failed to reach a compromise this year on the controversial Profile of Learning, which makes up one-half of the state's Graduation Standards.

The House voted to get rid of the Profile of Learning earlier in the session, but the Senate chose only to change some of its provisions, allowing schools the choice to opt out of the profile's requirements. Both proposals could be revived again next year.

Christine Jax, the state's education commissioner, has said she will look at administrative ways to make the Profile more flexible for teachers, students, and school districts.

Lawmakers also failed to reach an agreement on several abortion provisions approved by the House.

One such provision would have banned a late-term abortion procedure called partial-birth abortion. The House also backed a plan that would have required making certain information available to women seeking an abortion and mandated a 24-hour waiting period.

A third provision would have required more detailed reporting by judges who approve a

Continued on page 49

Portraits range from mournful to modern



Although the sequence of 35 gubernatorial portraits adorning the first and ground floors of the Minnesota Capitol may seem like an integral part of the building's character, the tradition of honoring each former governor with a portrait was not initiated by architect Cass Gilbert.

When the Capitol was completed in 1905, free-standing electric lamp posts stood in front of wall panels where the portraits now hang. And a few portraits, such as former Gov. Knute Nelson's likeness, hung in the governor's private office.

In 1944, Gov. Edward J. Thye commissioned all the portraits to be hung in the public areas of the Capitol building so that visitors could enjoy them. Plaques now accompany the portraits, telling stories about each governor's political personality and achievements.

However, visitors taking an independent tour of the small gallery of portraits can learn and imagine much more about the statesmen than what appears on the plaques. Many of the earlier paintings show traditional head-and-shoulders only likenesses. It is not until the later nineteenth century that other images or styles appear in the portraits. One governor is shown in an office with a law book, and some are depicted standing.

Former Gov. John A. Johnson (1905-1909) is depicted in an original Capitol armchair and does not make eye contact with the viewer. Instead, the portrait has a quality that some have termed somber or withdrawn, evoking a sense of loss because the beloved governor died during his third term. The frame around Johnson's portrait was carved by his son and contains Minnesota's state symbols, such as the lady slipper and gopher.

Johnson's portrait was painted by Nicholas Brewer, whose son and granddaughter also painted other gubernatorial portraits.

In the 1930s the works became more personalized, with the portrait of former governor Floyd B. Olson. St. Paul artist

Carl Bohnen showed Olson, who was known for his charisma and media savvy, in a crisp gray suit holding a radio microphone.

"It's a portrait that fits with the public image (of Olson)," said Thomas O'Sullivan, curator of art for the Minnesota Historical Society.

In the 1960s, Frances Cranmer Greenman painted Gov. Karl F. Rolvaag in her signature, unusual style. Broad, sketchy brush strokes roughly outline Rolvaag's figure, creating a sense of spontaneity.

"She captured that sense of a living person," said O'Sullivan, who noted that he has received calls from people complaining that the portrait appears unfinished.



A portrait of former Gov. John A. Johnson, adorned with a hand-carved frame, hangs in the Capitol.

Despite the tradition, there has never been a straightforward or simple process of commissioning a governor's portrait once he leaves office. Some are not finished until several years after a term ends, and others have been ready to hang months into a governor's retirement. The cost of a portrait can range from \$5,000 to \$50,000 depending on the

prominence of the artist.

Former Gov. Arne Carlson's portrait, which is being done by artist Stephen Gjertson, is expected to be completed sometime this summer.

Often a ceremony will mark the unveiling of the portrait, an event coordinated by the Minnesota Historical Society and the governor's family.

The only guidelines that exist stipulate that the portrait should keep up with the tradition. While the standards are not in law, the Minnesota Historical Society and the Capitol Area Architectural and Planning Board suggest that oil paints on a long-lasting linen be used by the artist the governor chooses. Current portraits — not including the frame — measure from 46 inches by 36 inches to 55 inches by 38 inches, a range the guidelines suggest artists stay within.

With the exception of those guidelines, a retiring governor is free to direct the

Continued on page 49

Highlights



AGRICULTURE

Sweet smell of compromise

The House passed a bill May 14 that would ease restrictions on feedlot operators. The vote was 73-59.

The compromise measure approved by a House-Senate conference committee added significantly to the original House version but omitted at least one major provision.

The original House bill contained a specific exemption from state-mandated ambient hydrogen sulfide emission levels. That provision remains in the final version, although it was broadened to include an exemption only for larger feedlot operations.

The compromise was viewed by most as a way of helping feedlot operators work through other mandates and save money at a time when the farm economy is weak.

Gone from the final version of the bill (HF1235/SF692*) is a House-backed requirement to notify neighbors when feedlot operators are going to begin stirring and extraction from manure pits.

Although the manure-containing basins found at most feedlots are covered with a thick odor-reducing crust most of the time, that crust occasionally must be removed so the manure solids can be extracted. The byproduct is often spread on nearby land as a natural fertilizer.

Bill sponsor Rep. Howard Swenson (R-Nicollet) said the neighbor notification language came out as part of the overall compromise.

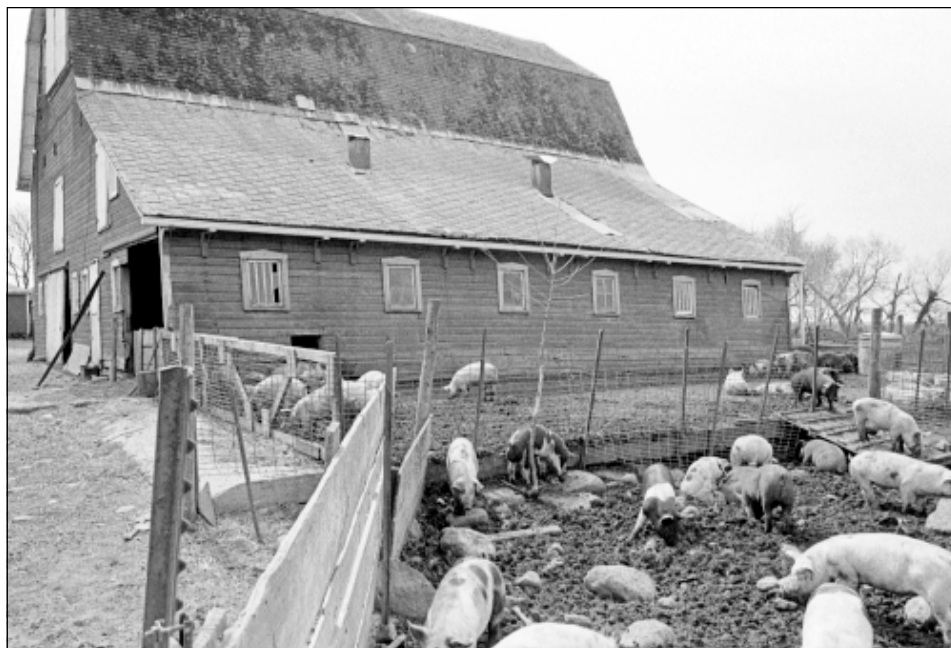
He said the Senate version contained no notification provisions, while the House version required neighbors and the Minnesota Pollution Control Agency (MPCA) or the county environmental officer be notified.

Requiring only the MPCA or county to be notified represented a compromise, Swenson said. That's what the final bill would require.

Rep. Al Juhnke (DFL-Willmar) said the neighbor notification has been implemented in Kandiyohi County and it works well.

But Rep. Bill Kuisle (R-Rochester) pointed out that under the bill as it's drafted, counties would not be prohibited from requiring neighbor notification. It simply would not be part of state law.

Critics also charged that the compromise language gave too much leeway to large feed-



The House and Senate agreed to a compromise on a bill easing restrictions for feedlot operators. Instead of notifying their neighbors, feedlot owners would only have to let county or state pollution control officials know when they will be extracting or stirring manure pits.

lot operators, who they believe cause the bulk of the problems.

The final version of the bill would also undo "connected action" in reference to feedlots.

In rural Minnesota today, a group of neighboring farmers will often band together to develop a "farrow to finish" operation — they pool their money to purchase baby pigs and raise them for the early weeks of their lives at one site.

Later, when the pigs begin to grow, they're sent to neighboring feedlot operations until they're ready for market.

Under existing law, all of the operation sites connected by farmer agreements are considered one large feedlot, no matter the distance apart, for the purposes of regulation. The bill specifies that although the pigs have a common ownership, the sites on which they are raised would be considered separate operations.

Rep. Bob Gunther (R-Fairmont) said similar practices are already legal when out-of-state companies ship pigs to finishing sites in Minnesota, often to a group of neighbors.

"That's legal," he said. "If we can do it with some guy from Omaha, why can't we do it with Minnesota farmers?"

The bill also spells out a process under which feedlot operators could obtain air-quality easements from neighbors. Under that

plan, the monitoring would shift away from the feedlot boundaries to the boundaries of the land contained in the easement.

Conditions under which the MPCA could assess a penalty against a feedlot operator and require a face-to-face meeting between owners and regulators to address issues are also contained in the final version of the bill.

The debate over animal feedlot regulation has confronted the Legislature in each of the past three sessions, fueled by concerns over potential health hazards of air and water quality affected by the facilities and their manure lagoons.

Last year a House-approved moratorium on new or expanding feedlots was rejected by the Senate, but a two-year moratorium on construction of certain swine waste lagoons did make it into law.

And lawmakers directed the Office of the Legislative Auditor to study the issue, resulting in a report released in January that criticized the MPCA for not acting quickly enough to produce rules for feedlot operation.

The bill moves to the governor.

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Financial relief for farmers



A new law effective April 24 provides \$70 million to help Minnesota's farmers.

The measure became law without Gov. Jesse Ventura's signature. In a letter filed with the new law, Ventura said he knows "there is hurt" among the state's farmers.

"However, I also know that there are many farms, especially large corporate farms, that are posting profits," Ventura wrote. "My objections to this farm relief package remain threefold: There is no means-testing to ensure that relief is targeted; the money is spent in one lump sum, leaving no funds for future problems; and the farm package was split away from the original rebate when it was entirely unnecessary to do so."

The governor also suggested that something ought to be done to address the conditions that created the current farm crisis.

"The economics of the agricultural industry are such that no reasonable person believes that next year will be dramatically better," Ventura wrote. "A long-term commitment to market and innovative product development will do more than any cash relief."

The new law provides payments to farmers under one of two plans.

Crop farmers are eligible to receive a payment equal to \$4 per acre with a \$5,600 maximum per farm. Livestock producers on operations less than 160 acres are eligible to receive a payment equal to the first half of their 1999 property taxes.

The law also provides for payments to farmers who rent farmland, as well as owner-operators. Payments must be prorated among partners — according to the percentage of risk — when multiple parties are involved in the operation of the farm.

The law is expected to provide most farmers between \$2,000 and \$3,000 in aid. The money should be in the hands of farmers by July.

Under the plan, the Department of Revenue must send forms and instructions to the county Farm Service Administrations offices, which are to contact farmers.

Rep. Ron Abrams (R-Minnetonka) and Sen. Doug Johnson (DFL-Tower) sponsored the measure.

HF1*/SF106/CH112

If you have Internet access, visit the
Legislature's Web page at:
<http://www.leg.state.mn.us>

Funds vetoed, vaccine OK'd



More than \$1.25 million in state funding for pseudorabies vaccine goes to swine producers in Minnesota whose herds are infected, under a new law effective April 13.

The vaccine is being provided to quell an outbreak of the highly contagious disease, which is not harmful to humans but causes hogs to have reproductive problems and to gain weight more slowly.

Gov. Jesse Ventura line-time vetoed \$245,000 from the measure that was intended to help farmers with financial management. The money was to go to the Center for Farm Financial Management at University of Minnesota.

In his veto message, Ventura said that the state must do everything it can to eradicate pseudorabies and help hog farmers. But he said he believes the appropriation to provide about 500 farmers with assistance to apply for spring operating loans had no place in the bill.

"In my view, all such relief proposals belong in an omnibus bill, especially now that the legislative process has already taken too long to ensure adequate and timely financing application assistance to farmers for this planting season," Ventura said.

Supporters of the measure to provide the vaccine said farmers had done a good job over the years working to decrease incidences of pseudorabies, but in recent months, there has been a resurgence of infected herds.

Bill opponents claimed pseudorabies flared



Hog farmers will receive more than \$1.25 million for pseudorabies vaccine. Pseudorabies is a highly contagious disease that can cause reproductive problems in hogs.

because farmers facing declining pork prices decided to gamble and not vaccinate.

Rep. Bob Gunther (R-Fairmont) and Sen. Paula Hanson (DFL-Ham Lake) sponsored the measure.

HF414*/SF428/CH45

Crops as collateral



A new law will change the way the state regards security interests in agricultural crops.

Under existing law, when a crop is used as security for a loan, the legal description of the field where the crop is grown has to be included in the filing statement.

The new law, effective Aug. 1, will remove that provision and make other small changes in how crops used for security interest are handled.

Historically, the security derived from an agricultural crop was linked to the field so a creditor could determine the location of the crop in which the creditor had an interest. Critics of that practice argued that the crop must be in the bin before it can be sold and that the value of the crop is what matters, not the value of the parcel of land.

Rep. Carol Molnau (R-Chaska) and Sen. Jim Vickerman (DFL-Tracy) sponsored the measure.

HF1052/SF451*/CH105

Regaining their Balance



Minnesota's agricultural supply dealers are now allowed to sell Balance — a new pesticide compound — to customers outside the state, under a new law.

State law prohibits use or distribution of restricted-use pesticides not registered with the state commissioner of agriculture. Balance has received "conditional use" registration by the U.S. Environmental Protection Agency, which makes it legal for use in many neighboring states.

The compound isn't available for use in Minnesota; however, under the new law, dealers may sell it to farmers in other states where its use is legal.

The effective date of the authorization is retroactive to Jan. 1, 1999, to allow out-of-state customers who made a pre-payment on their 1999 agricultural chemical needs to select Balance as their product of choice later in the spring.

The measure was sponsored by Rep. Elaine Harder (R-Jackson) and Sen. Jim Vickerman (DFL-Tracy).

HF370/SF424*/CH6



BANKING

Banking in Outing



A new law effective March 16 allows a bank to open a branch office in the small community of Outing, located in southern Cass County.

The law provides an exception to existing state law that prohibits banks from operating in townships. Outing is an unincorporated city in Crooked Lake Township.

Minnesota's "home office protection law" allows banks to establish branch offices in cities with a population less than 10,000 only with consent from all the banks that have their home office in that city. Banks are also prohibited from getting around that law by opening in townships just outside city limits.

Rep. Kris Hasskamp (DFL-Crosby), House sponsor of the new measure, said First National Bank of Crosby had planned to open an office in Outing, assuming it was an incorporated city. Because Outing has its own post office and zip code, many people don't realize that it has never been incorporated, she said.

Sen. David Ten Eyck (DFL-East Gull Lake) sponsored the proposal in the Senate.

HF248*/SF324/CH7



BONDING

Bonding for light rail

A \$154.2 million emergency bonding bill — a key element in the tripartisan budget agreement — awaits the governor's signature after a close call in the House.

The bonding bill — which requires 81 votes to pass under the Minnesota Constitution — squeaked by the House on an 81-52 vote.

The bill, sponsored by Rep. Jim Knoblach (R-St. Cloud), would authorize the state to borrow money to fund several capital improvement projects considered to be high-priority statewide.

The Legislature typically produces its main bonding bill in the second year of the session, which is the even-numbered year. But smaller bills for emergency needs are usually passed in the first year.

Following a recommendation in the governor's budget, the emergency bonding bill includes a cash-to-bonding provision.



Lawmakers agreed to target \$60 million in bonds for the planned light-rail transit line running from the Mall of America to downtown Minneapolis. The money, which is dedicated for design and construction, would be used to attract federal funds for the project.

That provision would repeal a section in the 1998 tax law requiring that \$400 million of the projected budget surplus be used to pay for projects in last year's capital projects law.

Last year's \$999 million capital projects law authorized the state to both issue bonds and pay cash for capital improvements statewide. Under the law, the state was to bond for approximately half of the projects and pay cash for the other half.

But a tax law provision directed the Department of Finance to replace \$400 million of the bonded sum with a \$400 million cash payment if a sufficient budget surplus was projected for the remainder of the 1998-1999 biennium. That makes last year's bonding package 90 percent cash.

In November 1998, the Department of Finance announced a \$1.56 billion projected surplus. Of that amount, \$400 million is scheduled to pay for the 1998 capital projects.

If this year's bonding bill becomes law, the \$400 scheduled to pay for bonding projects would go back into the general fund — a transfer that is necessary to fund the budget agreement between the House, Senate, and governor.

This provision faced criticism from DFLers on the House floor and seemed to be a sticking point in getting the votes necessary to pass the bill. DFLers said that last year's decision to pay for the projects with cash was based on the fact that the state would save interest payments in the long run.

They also said that the move to repeal last year's law would mean that the state was, in effect, borrowing money to pay for this year's budget agreement, including the proposed tax cuts and rebates.

House Republicans said that it makes more sense to bond for these projects and that using bonding funds over cash for long-term projects is an issue of fairness.

They argued that the bonding projects approved last year will be used by future generations and that a cash payment would mean that this generation would be shouldering too much of the financial burden for the projects.

Here are some other highlights of the bill (HF2205).

Light-rail transit

The bonding bill would provide \$60 million to build a light-rail transit line along the Hiawatha Avenue corridor.

Beginning in downtown Minneapolis and ending at the Mall of America in Bloomington, the proposed 12.2-mile rail line would have 18 stops along its route, including ones at the Minneapolis-St. Paul International Airport and the University of Minnesota.

In 1998, the Legislature appropriated \$40 million for the light-rail proposal. That same year, the U.S. Congress allotted \$120 million in federal funds for the project, which could be completed as early as 2003.

The new state funding would be contingent on receipt of a federal grant, and the bill would require that the project receive an additional \$223 million in funding from federal and local sources.

The bill would require that if the federal government doesn't approve the project by certain deadlines, the funds must be returned, including any remaining funds from the 1998 appropriation.

And the bill would require the transportation commissioner and the chair of the

Metropolitan Council to submit a report to the Legislature outlining a financial plan for ongoing operation of the transit line.

The governor recommended the \$60 million in state funding for light-rail transit in his proposed biennial budget. The Senate had originally sought to fund the project with cash from the state's general fund, but earlier in the session, the House had rejected the Hiawatha project.

The bonding bill also would give \$10 million to the transportation department for grants to go to local bridge replacement and rehabilitation. And the bill would provide \$10 million to the transportation revolving loan fund also for local projects. Public transit and light rail would be excluded from these grants.

Brooklyn bridge

The bill would provide a \$440,000 loan to the city of Brooklyn Park to help finance the building of a pedestrian bridge and related costs. That financing would be contingent upon the receipt of additional funding from the federal government.

The pedestrian bridge project comes as a result of the tragic death of 11-year-old Kara Kavanagh. In March, Kavanagh was hit by a car while attempting to cross Minnesota Highway 252 in Brooklyn Park.

The proposed bridge would cross the highway a few blocks from where the accident took place.

Wastewater treatment

The bonding bill would also give \$20 million to fund the state's wastewater infrastructure program. The existing program provides assistance to local governments for the construction and improvements to wastewater treatment systems.

Flood prevention

Also in the bill, \$19 million would go to the Department of Natural Resources to be used for flood mitigation projects statewide, including projects in Ada, Breckenridge, Crookston, East Grand Forks, Oakport, St. Paul, and Warren.

MnSCU projects

A total of \$11.1 million would go to the Minnesota State Colleges and University (MnSCU) system. The bulk of that amount would go to Winona State University for a new boiler system and emergency generators.

Moorhead State University would receive \$3.7 million to demolish blighted structures and build new parking facilities on recently acquired land, and Ridgewater Community and Technical College in Hutchinson would

get \$1.3 million for improvements to its heating and cooling system.

State government

The Department of Administration would get \$4.2 million. Of that amount, \$1 million would go for planning and design of infrastructure projects for a possible steel mill that may be constructed in Itasca County. A separate omnibus tax bill (HF2420) also contains a \$20 million appropriation for this project.

Under the bonding bill, the department's appropriation also would include \$190,000 for improvements at the state veterans' home in Hastings. The department also would get \$150,000 for planning and design of a monument to honor World War II veterans.

The Department of Corrections would get \$1.8 million for renovations to the sewer system at a correctional facility in Faribault.

The bill would also direct the Legislative Audit Commission to investigate a mold problem at the state veterans' home in Luverne. The Department of Administration is in the middle of a \$6 million project to remove the mold from the facility.

And the education department would get \$5.3 million to provide two integrated education grants to the Southwest Metropolitan Integration and Interdistrict Arts and Science Middle School, two magnet schools located in the metropolitan area.

The bonding bill also would transfer an additional \$20 million from the general fund to a Minnesota minerals 21st century fund created by the omnibus jobs and economic development funding bill (HF2390), if that bill becomes law. The fund would be used to provide financial assistance for mineral processing facilities.



BUSINESS

New warehouse regulations



A new law will update Minnesota statutes dealing with warehouses, which were written originally in 1915.

Effective Aug. 1, warehouse operators will no longer be required to provide paper receipts for items in storage. Many warehouses deal with multi-national companies and conduct business electronically, making it impossible to fulfill the letter of the old law.

Warehouse operators will also be able to choose which accounting practices they wish to use in running their business, rather than having them mandated by the state.

Also, the new law will separate household

goods warehouse owners, who usually deal with the public, from general operators, who usually deal only with companies and corporations. That provision also will change bonding practice, making it less onerous for certain warehouse operators.

Rep. Dan Dorman (R-Albert Lea) and Sen. Paula Hanson (DFL-Ham Lake) sponsored the measure.

HF893/SF1041*/CH110

Stock sale changes



A new law makes it easier for companies to issue and sell small stocks to investors.

The law, effective April 28, makes technical changes in state law regarding stock holdings of smaller companies. Of those changes, the required value for such stocks is lowered from \$5 to \$1 per share.

Another change requires the commissioner of commerce to approve the sale of stock no more than 20 days after the securities registration form is filed. Under the old law, there was no such deadline.

Rep. Bill Haas (R-Champlin) and Sen. Don Betzold (DFL-Fridley) sponsored the legislation.

HF661/SF832*/CH103



CHILDREN

Child care, family programs

A bill sent to Gov. Jesse Ventura would authorize \$462.1 million in state funding for child care, temporary housing, and family education programs.

Lawmakers in the House passed the omnibus family and early childhood education finance bill May 14 on a 68-65 vote, and the Senate approved it May 15 on a 57-4 vote.

Rep. Barb Sykora (R-Excelsior) and Sen. Pat Piper (DFL-Austin) are the sponsors of the legislation.

In addition to state funding, the measure would transfer \$80.4 million in federal funds from the Temporary Assistance for Needy Families (TANF) block grant to the state.

That money would be used for child-care initiatives. It would mostly go to shorten long waiting lists for the Basic Sliding Fee program, which is a state initiative to help low- and moderate-income working families pay for child care using an income-based, sliding-fee scale.

Here's a look at some of the key provisions in the bill (HF1467*/SF1621).

Children and Families

Programs that provide care and development for children would receive \$406.9 million in state and federal funds over the next two years.

That money, which accounts for the bulk of the spending proposed in the bill, would be divided among welfare child-care programs, the Basic Sliding Fee program, early childhood education, and Head Start.

The boost in funding would shorten county waiting lists for the Basic Sliding Fee program. The increase would remove about 3,000 of the 7,000 parents on the current lists. However, the bill would raise family co-payment fees to help pay for the increased aid.

The state's at-home infant care program, which pays subsidies to working parents who want to stay home to care for their babies, would be expanded. Currently, parents who apply for the program are placed on the same waiting list as applicants for the Basic Sliding Fee program. Because of long waiting lists, parents often find that their children have outgrown the need for the infant program when their names finally come up.

The bill would separate the programs on the waiting list, allowing parents to opt for the at-home program right away. That provision was part of a separate bill (HF1362) originally brought forward by Rep. Richard Mulder (R-Ivanhoe).

Another plan to shorten waiting lists would require counties to pre-determine a family's eligibility for child-care assistance before putting them on a waiting list. Counties would also have to update their waiting lists at least every six months to keep them current.

Also in the bill is a proposal that would investigate child-care assistance fraud. As part of that plan, a new universal application form would be created and used by county and state officials to help keep track of families receiving child-care assistance.

The fraud prevention initiative includes penalties for families who wrongfully obtain child-care assistance. Those penalties include temporary and permanent disqualification from state-subsidized child-care programs.

Starting in fiscal year 2002, school districts would see a per-pupil funding boost in early childhood family education aid from \$113.50 per child to \$120 per child. In fiscal year 2000, those programs would receive additional aid of \$2.46 per child. The bill also would require districts to set up reasonable sliding-fee scales for those programs.

Self-sufficiency programs

The bill would allot \$42.6 million for adult basic education, and nearly \$2 million in additional money would go to support programs

in rural Minnesota. A total of \$150,000 would fund GED on TV, an initiative that provides instruction for high school equivalency degrees on public television stations in rural areas.

In a provision that originated in a bill (HF819) sponsored by Rep. Bob Ness (R-Dassel), teachers of English as a second language in adult basic education programs would no longer be required to earn a teacher's license. Instead, they could have a four-year degree in English or another approved subject area.

Transitional housing programs would see \$4.2 million and emergency shelters would receive about \$700,000. A portion of the transitional housing funds would go toward programs to help homeless veterans and two St. Louis Park family housing projects.

A lead abatement program that was not included in Ventura's budget recommendations would be funded at \$500,000. State funding would not be continued for energy assistance and weatherization grants.

And \$500,000 in state funds would go toward a program to promote saving money among low-income families. The program, called Family Assets for Independence is a measure brought forward by House Majority Leader Tim Pawlenty (R-Eagan).

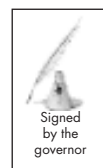
Prevention and Intervention

Many smaller programs that focus on preventing chemical abuse, violence, and juvenile delinquency would also be funded under the bill.

Adolescent parenting grants would total \$1 million, and \$300,000 would go to Native American youth programs. Another \$400,000 would support youth activities hosted by state armories, and \$500,000 would be targeted for organizations that educate young fathers.

After-school enrichment grant programs would receive \$10.5 million, and \$50,000 would help support First Call Minnesota, a statewide information and referral system for families who need to locate organizations that provide social services.

Juvenile law re-organization



A new law will make structural changes to state law dealing with juveniles.

Rep. Kevin Goodno (R-Moorhead), the measure's House sponsor, said the law will separate the two very different issues of juvenile delinquency and child protection services.

"By separating them out, it will make the law more user-friendly," he said.

The measure rewrites the state's juvenile law — currently a mishmash of policy relating to children — without changing any of the substantive policy.

The new law, effective Aug. 1, divides it into four sections — general organization, truancy, delinquency, and children in need of protective services.

In 1997, lawmakers directed the Office of the Revisor of Statutes to review the state's juvenile law and offer a plan for its reorganization. The new law comes as a result of the office's work.

Sen. Jane Ranum (DFL-Mpls) sponsored the measure in the Senate.

HF1310/SF184*/CH139



CRIME

Anti-crime finance bill

A \$1.1 billion crime bill seeks to reduce accidents that result from high-speed chases, build a database of DNA samples from dangerous criminals, and provide civil penalties for people who claim responsibility for releasing lab animals.

The House passed the bill May 15 on a 98–35 vote. The bill now goes to the governor.

The spending bill, sponsored by Rep. Sherry Broecker (R-Vadnais Heights), would fund the state court and correctional systems, law enforcement and public safety agencies, and agencies such as the human rights department and the crime victim services center.

The measure also contains several policy provisions that have an impact on the state's criminal justice budget.

Here are some highlights of the omnibus bill (HF2404/SF2221*).

Police pursuit

The omnibus bill addresses several issues involving police chases. The provisions were originally sponsored by Rep. Rich Stanek (R-Maple Grove), who is a police officer.

The bill would mandate additional training time for officers, create a statewide pursuit policy, provide new technology for training and pursuit, and strengthen the current laws against fleeing an officer.

Under the bill, the Peace Officer Standards and Training (POST) Board would establish a pursuit training course for police officer cadets. The bill would mandate that each cadet receive at least seven hours of training and that all current officers receive at least eight hours of training every three years. And the bill would provide \$300,000 in grants to local law enforcement agencies to assist with the new training requirements.



This year's crime bill contains several provisions that would step up efforts to safely train officers for police chases. The measure also calls for officials to develop a model policy for such pursuits.

The bill also would require the POST Board to develop a statewide model pursuit policy. The policy would be used to develop guidelines for each local law enforcement agency. Under current law, local agencies are given wide latitude to establish their own procedures for pursuit.

And the bill would provide funding for technologies that would both train officers and, supporters hope, end pursuits more quickly, including \$400,000 to pay for so-called "stop-stick" tire deflators to be distributed to local agencies.

The measure also would direct the commissioner of public safety to create a process for distributing these devices.

DNA database

The omnibus bill also includes provisions, originally sponsored by Rep. Doug Fuller (R-Bemidji), that would increase the state's database of DNA samples.

Current law requires only sex offenders to submit DNA samples to a statewide database kept by the Minnesota Bureau of Criminal Apprehension.

The bill would add several crimes not considered sex offenses to the list of crimes for which offenders must submit samples. Those crimes would include murder, assault, kidnapping, and burglary.

The bureau would get \$125,000 to update its facilities to handle the new data, under the bill.

Unauthorized release animals

The bill would also expand possible civil penalties for releasing lawfully confined animals, such as animals in a research lab.

The bill states that people or organizations that claim responsibility for the act are

presumed by the law to be legally liable for damages, even if they weren't directly responsible for the action. It would then be the responsibility of the person or group to prove that they aren't actually liable for damages.

The bill also would set a minimum level of damages — \$5,000 or three times the actual damages, whichever is greater — that can be recovered by plaintiffs.

These provisions come as a response to a break-in at a University of Minnesota laboratory earlier this year in which numerous animals were released. The Animal Liberation Front, an animal rights group, took credit for the break-in, but authorities couldn't take any legal actions against the group.

Sex offenders

The bill would require that agencies responsible for supervising level III sex offenders — those deemed most likely to re-offend — must consider concentrations of sex offenders in certain areas when working with these offenders.

An earlier amendment offered would have prevented these offenders from living within 1,500 feet from another offender or within a block of schools, parks, or licensed day-care centers.

Proponents of that amendment said that certain low-income areas are forced to house a disproportionate share of these offenders.

The final wording in the bill would require the agencies to work to keep this from happening to the "greatest extent feasible."

Post-traumatic stress benefits

The omnibus bill also would require local law enforcement agencies to provide benefits to any officer suffering from post-traumatic

stress disorder if the officer legally took another life or caused great bodily harm.

The bill would require that a licensed psychologist determine that the officer cannot perform official duties due to the incident.

The benefits would include payment of wages for up to one year if the officer can't work due to the stress and payments for medical and psychological treatment.

Last year, lawmakers paid about \$24,000 in the claims bill to a Benton County deputy. In 1996, the deputy shot and killed a suspect in the murder of a St. Joseph police officer. The deputy later suffered from post-traumatic stress syndrome and was unable to work for eight months, but she was refused lost-wage payment by Benton County.

Three strikes

The conference committee removed the so-called three strikes sentencing provisions, originally sponsored by Rep. Jim Seifert (R-Woodbury).

Those provisions would have required courts to sentence a person who is convicted of a third violent felony to a life sentence. Under current law, offenders serving a life sentence cannot be released into a supervised release program until they have served a minimum of 30 years in prison.

For second-offense violent felons, the bill would have lowered the threshold necessary to use increased sentences already in place in current law.

Seifert's proposal would have limited the scope of crimes that could be counted toward the mandatory sentence. The measure would have exempted several felony-level crimes from consideration, including certain drug crimes, third-degree assault, second-degree arson, and burglary.

The measure also would have given judges the power to waive the mandatory life sentence if the court found substantial and compelling reasons to do so.

Public safety spending

The Department of Public Safety would get \$86.4 million over the next two years, under the bill.

Of that amount, the Bureau of Criminal Apprehension would get \$50.8 million. A total of \$15,000 would pay for an in-depth study of the Capitol complex's security system, including an analysis of the strengths and weaknesses of current procedures.

Also in the department appropriation, the Division of Alcohol and Gambling Enforcement would receive \$3.6 million, and the state Fire Marshall would get \$6.4 million.

And the public safety department's appropriation would include \$7.7 million for the

Emergency Management Division. Of that amount, \$120,000 would go to an existing program that allows police departments to seek reimbursements for costs incurred from using one of the state's few bomb disposal units.

Currently, local law enforcement agencies must call on one of four police departments in Minnesota with bomb disposal units when dealing with bombs or other hazardous explosives.

The department's funding also would include \$17.8 million for law enforcement grants to be awarded to individual communities.

Included in that amount is \$1.5 million to assist the courts in Minneapolis now dealing with the influx of cases as a result of that city's CODEFOR police strategy.

CODEFOR, which stands for Computer Optimized Deployment-Focus on Results, uses computer analysis to deploy police resources based on daily reports of crime. The management plan also seeks to actively involve the community in policing, holds precincts and divisions accountable for results, and focuses on crime reduction as the overall police mission.

Under the bill's community grant provisions, \$5.1 million would go to the state criminal gang oversight council and strike force, and \$1 million would go to assist in the development of a statewide, integrated criminal justice computer system.

The bill would provide a \$500,000 community grant to the Ramsey County Attorney's Office to implement a domestic assault and child abuse prosecution pilot project. The project would combine city and county prosecutors into one unit to deal with the crimes.

And \$1 million would be provided for Asian-American juvenile crime intervention and prevention grants. This program is currently overseen by the Department of Human Services; the bill would move it under the public safety department.

Courts and public defense

The state court system would receive \$222.6 million over the two years, under the bill.

Of that amount, the state Supreme Court would get \$51.8 million, the state Court of Appeals would get \$13 million, and the trial courts would get \$156 million.

Included in the trial court appropriation, the bill would provide 13 additional district court judges. The proposal would increase the number of judges in five of the state's 10 judicial districts, and it would provide \$4.7 million for these new positions and related costs.

The original request called for 18 new



Mary and Larry Antonich of Two Harbors have been awaiting the trial of their son's alleged killer for two and a half years. Lawmakers approved more than \$46 million to help crime victims and their families over the next two years.

judgeships in the state. Court officials say that their original proposal would have provided a 6.5 percent increase in judgeships since the last time new judges were approved in 1995. Meanwhile, caseloads have increased by 10 percent over the same period.

The Board of Public Defense would receive \$91.9 million over the two-year budget period. Of that amount, the state public defender would get \$6.5 million, and district public defenders would receive \$83 million.

Funds for corrections

The bill would provide \$669.7 million to the Department of Corrections for operation of the state's correctional system over the next two years. Minnesota's correctional system currently houses 5,500 inmates.

Included in that amount, the Community Service Division would receive \$192.7 million. A total of \$6 million would go for probation caseload reductions and intensive supervisions programs. Currently, more than 115,000 offenders are in probation or community services programs across the state.

The bill would close the Camp Ripley work program, providing a \$2.7 million savings. The work program was established by the Legislature in 1997 to provide a sentencing alternative for nonviolent offenders. The program was seen as a way to relieve pressure on county jails.

But the program hasn't been used by counties to its full potential, and lawmakers are proposing to discontinue the program.

The bill would give the corrections department the statutory authority to open the planned Rush City prison facility, but it would only allow the facility to operate until July 1, 2001, without the Legislature's approval. The facility will open in January 2000 and will house over 950 inmates.

Crime victims

The bill would provide \$793,000 to fund the state's Ombudsman for Crime Victims. The ombudsman investigates complaints of unfair treatment of crime victims and witnesses by criminal justice agencies and reviews the state's victim assistance programs.

And the bill would appropriate \$45.2 million to the Minnesota Center for Crime Victims Services. The center administers the crime victim reparations program. Created in 1974, the program provides financial assistance to victims of crime. The program also receives funding from restitution paid by offenders and state and federal inmate wage deductions.

Included in the center's appropriation, the bill would provide \$100,000 to an existing emergency fund. This fund would be available to crime victims with immediate needs. For example, victims who may be forced to travel long distances to attend trials could seek reimbursements from this fund to pay the additional lodging and travel expenses.

Last word for prosecutors



A new law will make Minnesota like the other 49 states that give prosecutors the final word in criminal trials.

Current Minnesota law states that the prosecutor goes first in final arguments and is followed by the defense attorney. Judges are allowed to give the prosecutor a response to the defense's final arguments only to address misstatements of fact or law, or if the defense's argument is prejudicial or inflammatory.

The new law, effective Aug. 1, will guarantee the prosecutors an absolute right to respond following the defense's final arguments. The response can only address issues brought up by the defense's argument.

Majority Leader Tim Pawlenty (R-Eagan), the new law's sponsor in the House, said it is only fair that prosecutors — who have the heavy burden of proving the case — be allowed to go last. He pointed out that Minnesota is the only criminal system in the nation that allows the defense to go last.

Pawlenty also said that crime victims and victims' families suffer under the current system. He said sometimes the last thing that victims' families hear in the courtroom are disparaging remarks from the defense about the victim, and the prosecution doesn't get a chance to challenge the claims.

Critics argued that the measure violates the separation of powers clause in the state constitution and that the Legislature shouldn't

interfere in court procedures, an area that should be overseen by the courts themselves.

Sen. Randy Kelly (DFL-St. Paul) sponsored the measure in the Senate.

HF197/SF198*/CH72

Drug banned



Gamma hydroxybutyrate — a drug commonly known as GHB — will become a controlled substance in Minnesota, under a new law signed by the governor May 13.

GHB is a central nervous system depressant with effects similar to alcohol. Overdoses of GHB can lead to seizures, respiratory problems, or coma. It has also been reported that GHB is being used as a date-rape drug.

The drug can easily be manufactured from chemicals available from mail-order supply houses and recipes can be found on the Internet.

The new law, effective Aug. 1, will classify GHB as a schedule III controlled substance. Doctors will be able to prescribe GHB if the federal Food and Drug Administration (FDA) approves the drug, under the measure.

Schedule III drugs are classified under the law as serious controlled substances, although not as serious as schedule I and II drugs — such as heroin, cocaine, and marijuana. To be classified as a schedule III drug, the substance must also have an accepted medical use.

In 1987, the FDA classified GHB as an orphan drug, meaning that it may provide treatment for people with rare diseases or disorders. The FDA approved GHB for investigational research, but has yet to approve the drug for medical use in the United States.

Minnetonka-based Orphan Medical, Inc. — a company that specializes in orphan drugs — is currently researching a GHB-based drug for people who suffer from narcolepsy. The company hopes to eventually get FDA approval to market the drug nationwide. The new law will allow the company to continue its research.

The FDA recently went after several companies making dietary supplements containing Gamma Butyrolactone (GBL). When taken orally, the body converts GBL into GHB.

Companies that manufactured the dietary supplements claimed that the products improved physical performance, restored hair, reduced stress, enhanced sex, increased life expectancy, and helped with sleeping problems.

Most companies ceased manufacturing the dietary supplements and recalled their products.

Rep. Wes Skoglund (DFL-Mpls) and Sen. Dave Johnson (DFL-Bloomington) sponsored the measure.

HF1255/SF2120*/CH163

Guns for sale



Local sheriffs and police chiefs will soon be allowed to sell confiscated firearms.

Current law requires those agencies to destroy all forfeited weapons that they cannot use, including firearms, ammunition, and firearm accessories.

The new measure, effective Aug. 1, will give agencies the authority to either destroy those weapons or to sell them to federally authorized dealers.

The new law also will require local agencies to sell any antique guns they seize. But semi-automatic, military-style assault weapons will continue to be destroyed, under the law.

And the measure will allow the Hennepin and Ramsey county boards to prohibit their respective sheriffs from selling confiscated firearms.

Under existing law, local law enforcement agencies keep 70 percent of the proceeds from the sale of any forfeited property, county attorneys and other prosecutors get 20 percent of the proceeds, and the state receives the remaining 10 percent.

Critics of the plan say that the measure will just put guns back on the streets to be used illegally.

Rep. Roxann Daggett (R-Frazee) and Sen. Pat Pariseau (R-Farmington) sponsored the measure.

HF70*/SF197/CH148

Tribal police forces



A new law effective May 19 allows tribal law enforcement agencies to share authority with local sheriffs on tribal land.

The law outlines the conditions under which a tribal law enforcement agency can exercise concurrent jurisdictional authority over criminal violations with the local sheriff.

The measure also allows tribal police officers to become certified by the state's officer licensing board.

Supporters of the law say the plan will help ensure public safety on reservations and that the certification provisions will help the tribal governments recruit and retain qualified police officers.

Some tribes have recently established police agencies or beefed up existing police forces in response both to an increase in crime and a 1997 Minnesota Supreme Court decision.

In that decision, the court ruled that non-tribal state and local law enforcement agencies don't have jurisdiction over civil and regulatory violations — such as traffic violations — on tribal lands.

Prior law authorized the Mille Lacs Band, the Lower Sioux Indian Community, and the Fond du Lac Band to exercise concurrent jurisdictional authority. The new measure expands the law to include the other eight tribes in Minnesota.

Rep. Steve Smith (R-Mound) and Senate Majority Leader Roger Moe (DFL-Erskine) sponsored the legislation.

HF1607*/SF1674/CH175

Protecting callers in crisis



A measure signed by the governor clarifies an existing law frequently used to prosecute domestic assault offenders.

Under a 1997 law, prosecutors can charge a person who interferes with a phone call to a 911 dispatcher with a gross misdemeanor crime. The law is often used against domestic assault offenders who try to prevent their victims from calling the police for help.

The new law, effective March 30, expands the existing law to include all emergency calls to police, ambulance services, or fire departments, not just calls placed through 911.

Rep. Michael Paymar (DFL-St. Paul) and Sen. Jane Ranum (DFL-Mpls) sponsored the measure.

HF193/SF255*/CH24

Countering counterfeiters



There will be new criminal penalties for people who trade in counterfeit products.

The measure, effective Aug. 1, will create a new crime of counterfeiting intellectual property. The law will prohibit the manufacture, possession, or sale of counterfeited property.

Current Minnesota law has no criminal penalty for counterfeiting property. Counterfeit claims must be brought forward by the person or company owning the rights to the property, and must go through the civil court process.

Rep. Chris Gerlach (R-Apple Valley), the measure's House sponsor, said that the

practice of attaching registered trademarks or trade names to unauthorized products is growing. He said counterfeiters can see big profits from the sale of the fake goods and face no risk of prosecution.

Gerlach said tougher penalties are needed because counterfeiters take business away from legitimate companies, and defective and inferior goods produced and distributed by counterfeiters can pose a danger to consumers.

The new law also outlines penalties for the counterfeiting crime based on number and value of the items counterfeited. The maximum penalty will be a five-year prison sentence and a \$100,000 fine.

And the law will include the new crime under a list of crimes that can apply to racketeering charges. Increased penalties can be applied if the counterfeiting crime is proven to show a pattern of organized crime.

Sen. Dave Johnson (DFL-Bloomington) sponsored the measure in the Senate.

HF263/SF411*/CH142

Payback for crime victims



A new law will make several changes to the ways crime victims can seek financial relief.

The law, effective Aug. 1, will allow courts to deposit any unclaimed restitution payments collected from offenders into the state's reparations account for crime victims. The court will be required to forward the victim's name and last known address along with the amount being deposited to the Crime Victims Reparation Board.

The measure will also expand the time limit to file a claim from the reparations account from two years to three years, and will make changes to requirements involving child abuse claims.

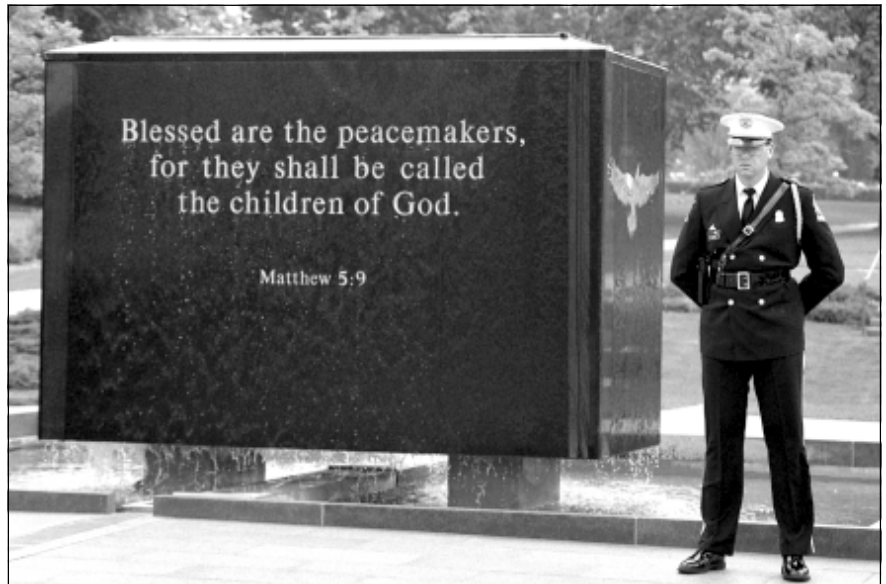
And the new law will allow crime victims to make claims for moving expenses and other related costs due to the crime. It will cap those payments at \$1,000.

The reparations account was established in 1974 to provide financial assistance to victims of crime. In addition to receiving a state appropriation, the program receives funding from restitution paid by offenders and state and federal inmate wage deductions.

Rep. Tim Mahoney (DFL-St. Paul) and Sen. Richard Cohen (DFL-St. Paul) sponsored the measure.

HF1359*/SF1023/CH136

Silent vigil



A lone officer guards the Peace Officers Memorial on the Capitol mall. The vigil was part of the annual Police Officers Memorial Day service on May 15, which drew police officers from all over the state.

Strict line on poisoning



A new law aims to get tough on the crime of poisoning.

Specifically, the new measure will expand the law against adulteration, which is the crime of intentionally adding a dangerous or poisonous substance to another person's food, drink, or medication.

Under current law, the person committing the crime must know that the dangerous substance will cause harm. The new law will require only a knowledge that the substance is capable of causing harm.

The measure, effective Aug. 1, also will increase penalties for the crime of adulteration. And the measure will create a penalty for cases in which actual physical harm does not occur.

Rep. Mike Osskopp (R-Lake City) and Sen. David Knutson (R-Burnsville) sponsored the new measure.

HF735*/SF495/CH64

Waiting in the workhouse



A new law will authorize county sheriffs to transfer prisoners waiting for trial from the county jail to the county workhouse.

Current law allows sheriffs to transfer only prisoners who have been sentenced. The new measure, effective Aug. 1, will allow sheriffs to do the same with pretrial prisoners.

Under the new law, sheriffs and workhouse administrators will be required to have an agreement in place on the conditions of the transfer, including how costs will be handled.

Rep. Rich Stanek (R-Maple Grove) and Sen. Dave Johnson (DFL-Bloomington) sponsored the measure.

HF216*/SF236/CH49

Drug law loophole closed



Gov. Jesse Ventura signed a new law that will close a loophole for people guilty of multiple drug crimes.

Current law allows courts to defer judgement for certain first-time drug offenders as long as the offender agrees to participate in diversion programs.

But if the same person commits another drug crime, the stay of adjudication doesn't apply as a prior conviction for the purposes of enhanced penalties for repeat offenders. As a result, the offender is only sentenced as if he or she has no prior convictions.

The new law, effective Aug. 1, will make such stays of adjudication the same as a prior drug conviction when courts consider if the enhanced penalty can apply.

House Majority Leader Tim Pawlenty (R-Eagan) and Sen. David Knutson (R-Burnsville) sponsored the measure.

HF142*/SF1634/CH98

Challenging court orders



There will be a time limit on when criminal defendants can challenge court-ordered restitution, under a new law effective Aug. 1.

Currently, courts can order that a person convicted of a crime pay the victim expenses resulting from the crime. Restitution can include medical bills, therapy costs, or the replacement of lost wages.

Current law also outlines a process whereby defendants can challenge the amount claimed by the victim.

The new law will give the defendant 30 days to challenge the amount of the restitution. The clock starts ticking when the defendant is informed of the amount requested or is sentenced to pay, whichever is later.

Rep. Mike Osskopp (R-Lake City) and Sen. David Knutson (R-Burnsville) sponsored the measure.

HF733/SF117*/CH38

Violating rental deals



A new law will target people who rent items and then fail to return them on time.

The measure, effective Aug. 1, will change the criminal theft law to apply to rental situations where the value of the property is \$100 or more.

Rep. Tom Hackbarth (R-Cedar), House sponsor of the new measure, said that people sometimes keep expensive rental property past when it is due and the business owners have little recourse.

He said that these people are denying the owners potential income from other rentals, and he said that should constitute theft, regardless of whether or not the property is eventually returned.

The new law, effective Aug. 1, outlines conduct in rental agreements that will qualify as a violation of that law, including failure to return the property and failure to pay the agreed-upon rental charges.

The measure will also change the definition of value in the current theft law to include damages to the rental property and the potential rental value that the owner could have received had the property been in his or her possession.

Sen. Paula Hanson (DFL-Ham Lake) sponsored the measure in the Senate.

HF868*/SF866/CH76

Protection for search dogs



Effective Aug. 1, state law will include criminal penalties for killing or harming search and rescue dogs.

Under current law, harming or killing a police dog is a crime that can be punished by up to two years imprisonment. The new measure will add search and rescue dogs to that law.

Search and rescue dogs often belong to private associations that offer volunteer services to police and fire departments. Those private associations sought the change in state law.

Rep. Darlene Luther (DFL-Brooklyn Park) and Sen. Dave Johnson (DFL-Bloomington) sponsored the new law.

HF67*/SF32/CH77

Making no-shows pay



Lawmakers passed a new law that will help prosecutors recoup costs when defendants don't show up for court appearances.

Under current law, criminal defendants who skip a court appearance can be charged with the additional crime of failure to appear in court. Judges can order jail time and fines for defendants found guilty of failing to appear.

The new law, effective Aug. 1, will allow judges to also order those defendants to pay any costs incurred by the county or city attorney.

Rep. Mike Osskopp (R-Lake City) and Sen. David Knutson (R-Burnsville) sponsored the measure.

HF732/SF99*/CH27

Paying for DWI enforcement



The governor signed a new law that will help county sheriffs pay for DWI investigations.

Under current law, sheriffs maintain a fund made up of fines collected for violations of controlled substance and liquor control laws. Sheriffs can use the money to finance investigations into violations of these laws.

The new law, effective Aug. 1, will expand the list of crimes the funds can be used to investigate to include DWI investigations.

Rep. Steve Smith (R-Mound) and Sen. Dave Johnson (DFL-Bloomington) sponsored the measure.

HF240*/SF236/CH49

Stopping child porn

Investigators say they are seeing a proliferation of child pornography on the Internet, and a plan to give them the tools to fight it is headed for the governor's desk.

The House passed the final version of the bill May 15. The vote was 133-0.

The bill, sponsored by Rep. Wes Skoglund (DFL-Mpls), would clarify the definition of these crimes to make it easier to prosecute Internet offenders.

The measure (HF1081/SF1404*) also would increase the crime level for possessing and distributing child pornography from a gross misdemeanor to a felony, and would increase penalties for those crimes.

Check bouncers

A measure that would create a diversion program for people who write bad checks just needs the endorsement of the governor to become law.

The bill, passed by the House on May 15, would allow prosecutors to establish a diversion program and to dismiss charges for offenders who complete the program.

Bill sponsor Rep. Rich Stanek (R-Maple Grove) said the measure would separate people who intentionally write bad checks from those who just have money management problems. He said his bill would get the unintentional offender out of the criminal justice system and into programs that could provide help.

The bill also provides a list of criteria that prosecutors would have to consider when accepting offenders into the program, including past dishonored check complaints, evidence of intent to defraud, and the victim's wishes.

Offenders in the program would be required to successfully complete a class on check writing and money management, pay restitution to the victim, and pay all service charges required.

The bill (HF624/SF441*) would also create a new five-year prison penalty for writing a dishonored check valued at more than \$500.



DEVELOPMENT

Funds for jobs, housing

A \$499 million jobs and economic development bill — with a heavy emphasis on affordable-housing initiatives — just needs the governor's signature to become law.

The House passed the bill May 15. The vote was 83-47.

The appropriations bill, sponsored by Rep. Dan McElroy (R-Burnsville), would provide

funding for two dozen state agencies over the next two years, including the departments of commerce, economic security, housing, labor, and trade and economic development.

The bill also includes several one-time funding initiatives designed to address short-term job and development issues.

Here are some highlights of the bill (HF2390).

Housing initiatives

The Minnesota Housing Finance Agency would get \$120.5 million — \$45 million more than was provided in the last two-year budget — to address a current shortage of affordable housing.

Included in that amount, \$30 million would go toward preserving federally subsidized rental housing. Some owners of federally subsidized properties are opting out of the program and charging market-rate rents. The funds would provide incentives for these owners to remain in the program.

The bill would direct the department to establish a “challenge grant” program. The grants and loans could be made available to developers, non-profits, and cities for housing development specifically targeted for job creation and economic development. Under the bill, a one-time appropriation of \$20 million would go for the challenge grants and loans.

The bill also would establish an “innovative and inclusionary housing” program. The program would finance housing developments that use innovative building techniques and are located in communities willing to waive housing regulations that might increase the costs of the new building practices.

The developments could be owner-occupied or rental units and would have to serve families with a broad range of incomes. The program would receive a one-time appropriation of \$8 million under the bill.

The omnibus bill also includes a housing proposal originally sponsored by Majority Leader Tim Pawlenty (R-Eagan). The plan seeks to provide stable housing for families with school-aged children.

Specifically, the measure would enable organizations to apply for grants through the Family Homeless Prevention and Assistance Program, which was established by the Legislature in 1993. That program provides grants to counties and nonprofit organizations for efforts to prevent homelessness.

Under Pawlenty’s plan, a new project aimed at providing stability for homeless children would be added to the existing program.

The program would combine the housing services with job training, social services, and

the schools. The bill would provide \$1 million for the project.

The bill would provide \$1.8 million for home ownership assistance programs and \$8.6 million housing rehabilitation programs. And it would give \$1.2 for a mortgage foreclosure prevention program and \$6.5 million for homelessness-prevention programs.

Change on Iron Range

The bill originally included a plan to replace lawmakers who serve on the Iron Range Resources and Rehabilitation Board (IRRRB) with appointed citizens.

House Speaker Steve Sviggum (R-Kenyon), sponsor of these provisions, argued that the IRRRB’s current makeup causes constitutional problems, because legislators are prohibited from holding other public offices.

Sviggum’s proposal would have required the governor to appoint 10 board members who were not legislators.

The IRRRB oversees six different accounts that appropriate money for environmental or economic development projects in northeastern Minnesota. The board administers funds received through a specific tax paid by mining companies in the area.

Under current law, the House speaker appoints five state representatives to serve on the board, and the Senate Subcommittee on Committees appoints five state senators. The 11th member is the commissioner of natural resources.

The final bill includes a compromise of the Sviggum plan. The board would be increased from 11 members to 13 members. Ten of the members would remain lawmakers, five from the House and five from the Senate.

The other three would be non-legislators who live in the Iron Range tax-relief area — one appointed by the speaker, one by the majority leader of the Senate, and one by the governor. The commissioner of natural resources would be dropped from the board.

Funding economic development

The Department of Trade and Economic Development would receive \$102.9 million over the next two years. Of that amount, \$10 million would go to the Office of Tourism to increase marketing and advertising.

The tourism office would provide \$1.6 million to the Minnesota Film Board to be matched with non-state resources. The funds would be used to partially reimburse film producers for wages paid to Minnesota film crews.

The economic development department would be required to come up with a comprehensive marketing plan to attract trade, tour-

ism, and economic development to Minnesota. The plan would be submitted to the Legislature next year.

The department would also be directed to establish a “Minnesota minerals 21st century” account for financing mineral processing facilities. Any financing in the Iron Range tax-relief area would have to be matched with IRRRB funds.

The Department of Economic Security would receive \$82.6 million over the next two years for job training and employment services.

Included in this appropriation, State Services for the Blind would receive \$10.9 million. The department is required under the bill to audit State Services for the Blind to find the cause for the deficit that occurred in the agency’s 1999 budget.

The bill would provide \$36.4 million to the Department of Commerce over the next two years. Of that amount, \$1.4 million would fund an upgrade of the database systems used by the department, and \$90,000 would go towards the development of an online licensing Web site.

The bill would also provide \$1.1 million to the Minnesota Indian Affairs Council, \$638,000 to the Chicano Latino Affairs Council, \$563,000 to the Council on Asian-Pacific Minnesotans, and \$649,000 to the Council on Black Minnesotans. Of the appropriation to the Council on Black Minnesotans, \$25,000 would go to the annual planning of the Martin Luther King, Jr. holiday.

Also under the bill, the Department of Labor and Industry would be appropriated \$49.6 million, and the Department of Public Service would receive \$19.4 million.

The Minnesota Historical Society would get \$52.7 million, including \$50,000 to be given to the city of Little Falls for the establishment of a fishing museum and environmental education center.

Several boards would also receive funding. The Board of Accountancy would get \$1.2 million, the architecture board would receive \$1.6 million, and the Board of Barber Examiners would get \$293,000.

But the state Board of Boxing would be eliminated next year, under the bill. This provision came as a result of recommendations made by the legislative auditor in a report on occupational regulation. The auditor suggested that the functions of the board could best be handled by a private organization.

HMO regulation

Earlier versions of the bill would have split the regulation of health maintenance organizations (HMOs) between the departments of

health and commerce. Under current law, the Department of Health is the agency responsible for regulating those organizations.

Under the plan, the Department of Commerce would have been responsible for the financial regulation of these entities, and the Department of Health would have regulated quality of care issues.

Other risk-bearing health organizations, such as community integrated service networks (CISNs), health care cooperatives, and community purchasing arrangements, would have also fallen under the change.

Instead, the bill would require that these departments study how HMOs can be better regulated in the state and provide a report to the Legislature next year.

Building code enforcement



Authority over the energy-related portions of the state building code will be transferred from the Department of Public Service to the Department of Administration.

The administration department currently oversees many provisions of the state building code. However, other parts of the code are developed and enforced under the departments of health, public safety, or public service. Several state agencies and boards also have input in inspecting and reviewing building plans for public buildings.

A new law effective July 1 is a step toward consolidating that authority.

Disagreements and poor coordination between the various state agencies and departments has caused unnecessary delays in construction, according to a January report by the Office of the Legislative Auditor.

The measure was sponsored by Rep. Lynda Boudreau (R-Faribault), and Sen. Deanna Wiener (DFL-Eagan).

HF1568/SF1209*/CH135

Bloomington land deal



A new law allows the Department of Human Services to sell a piece of property to the city of Bloomington. The law took effect April 21.

The 14,000 square-foot parcel currently contains a state-owned group home for the developmentally disabled. It is one of three parcels the city is amassing to accommodate construction of a 41-unit seniors housing facility at the corner of Beard Avenue and Old Shakopee Road.

The department hopes to build another

group home in the Bloomington area. Legislative action was required so that the proceeds from the sale could be used for purchasing a new site, rather than being channeled into the state's general fund.

Rep. Alice Seagren (R-Bloomington) and Sen. William Belanger (R-Bloomington) sponsored the measure.

HF960/SF829*/CH80



EDUCATION

Billions for education

A \$7.9 billion K-12 finance bill is on its way to the governor, with an emphasis on general aid to all schools rather than special programs.

"I think we're going out with a very strong bill," Rep. Alice Seagren (R-Bloomington), who sponsored the measure, told colleagues on the House floor May 17.

House Minority Leader Tom Pugh (DFL-South St. Paul) said he was "delighted and encouraged" by the bill, which passed the House on a 129-2 vote.

The school funding plan that emerged from a House-Senate conference committee represents a \$100 million increase from the House's original proposal — bringing it more in line with the Senate's plan but further away from the governor's recommendation. About one-half of that increase would only be spent if the state's November 1999 budget forecast shows a sufficient surplus.

The measure would provide the largest boost in a decade to the general formula, through which school districts receive the bulk of their funding.

And while it would provide about \$86 million over two years specifically for class-size reduction initiatives, the compromise plan represents a decrease in that category from both the earlier House bill and the governor's proposal.

Seagren said districts would be able to use the additional formula money for reducing class sizes, and they would benefit from being able to decide locally how to proceed.

The measure would also address funding disparities between districts and support special education, charter schools, and all-day kindergarten programs. Here's a look at highlights from the bill (HF2333).

Formula boost

School districts would get an extra \$167 per pupil unit next year, under the plan. That 4.7-percent increase would be followed with a 3.2-percent formula boost for the 2000-01 school year, bringing the annual per-pupil

funding from \$3,530 currently to \$3,925 in 2001. (That increase would include a shift of \$43 per pupil that now is in a separate component called graduation standards funding.)

Of the second-year spending hike, \$50 per pupil unit would be contingent upon the state's November 1999 budget forecast.

General formula funding is figured on weighted per-pupil units, with secondary students receiving more revenue than elementary students.

The proposed hike would cost the state more than \$400 million, which would be part of the \$6.1 billion sent to districts in general formula funding during the biennium.

Class-size reduction

The measure does not fund class-size reduction initiatives at the level proposed by the governor, but it does set aside about \$86 million for that purpose. Ventura, who advocated reducing all kindergarten through third-grade classes to 17 children per teacher, called for \$150 million in two-year funding for the initiative.

The original House plan called for spending about \$107 million over the biennium. But proponents of the compromise bill say districts would be able to use extra per-pupil formula money to help reduce class sizes, and they would have more discretion in the process because they won't be required to OK their plans with the state.

Earlier proposals by both the House and the governor would have required districts to submit a plan to the commissioner of the Department of Children, Families and Learning for approval.

Under the compromise bill, districts would have to reserve \$3 per pupil unit in 2000 and \$11 per pupil unit in 2001 of their general formula funding for class-size reduction, all-day kindergarten, or certain special education initiatives. School boards would be required to pass a resolution stating which program they plan to fund.

School breakfasts

The bill would establish a grant program aimed at ensuring that all children eat breakfast each school day. Almost \$6 million over two years would go to districts that have high percentages of students receiving free or reduced-price lunches.

The grants would expand the current Fast Break to Learning program, which provides money for in-school breakfast to 41 districts. Under the bill, districts would have to match every \$3 of state money with \$1 of local funding.

The programs in the pilot schools have been

shown to increase test scores and reduce discipline problems.

Charter schools

Fledgling charter schools would see more state money under the plan. Funding for building lease costs would jump to \$1,500 per pupil unit from the current level of about \$465 per student.

And \$3.7 billion would be targeted to help with charter school start-up costs over the biennium. That's the amount recommended by the governor, but it's \$1.7 billion less than proposed in the original House bill.

Other provisions are aimed at making it easier to create new charter schools. Cities, towns, and educational cooperative boards would be added to the list of entities that can sponsor charter schools, and districts would be required to convert existing schools to charter schools if 60 percent of full-time teachers at a school petition for the change. Under current law, 90 percent of those teachers must petition to force the conversion.

Also, a nine-member charter school appeals board would be created to approve charter school applications. Currently, those applications are handled by the State Board of Education, which will be abolished at the end of this year under a 1998 law that transfers most of the board's duties to the Department of Children, Families and Learning.

The bill would also require school districts that are considering sponsoring a charter school to make the decision in 90 days or less. And, if the district rejects the proposal, the measure would provide for an automatic appeal to the State Board of Education or the new appeals board.

And charter school teachers would be allowed to perform administrative duties even if they do not have an administrator's license. That provision comes in response to complaints that it is impossible for many small charter schools to find and pay administrators.

Funding disparities

The bill also includes provisions to address statewide funding disparities between districts. Currently, about 32 percent of school districts' budgets come from local levies, and districts that, for whatever reason, have trouble getting voter approval for levy hikes face recurring funding crunches.

The bill would direct almost \$42 million over the upcoming biennium to a new funding component called equity revenue. Equity revenue would provide additional money, on a sliding scale, to districts that have less than the state's average per-pupil funding based on combined state and local revenue.



Lawmakers passed a \$7.9 billion K-12 education funding bill that would direct \$86 million for reducing class sizes, a plan touted by Gov. Jesse Ventura. While the figure is not as high as Ventura wanted, districts could choose to use other funding increases in the bill for further class-size reductions.

And it would increase the level at which the state "equalizes" local referendum funding. Currently, additional state funds are provided for districts' first \$315 in per-pupil funding from local levies, based on the districts' property tax base. The bill would raise that level to \$350 for fiscal year 2000 and to \$415 the following year.

"We wanted to attempt to close the gap between the high-spending and low-spending districts, and we think this is fair," Seagren said.

She said districts such as Big Lake, Renville, Montevideo, and Pine City would benefit from the measure.

A new method of formula calculation would also help schools with declining enrollment — a common problem in rural schools where smaller classes mean less state money coming in but many of the same fixed costs faced by districts.

The bill calls for funding to be calculated 90 percent on the district's current year enrollment and 10 percent on the previous year's enrollment.

Technology in classrooms

The Telecommunications Access Grants program, set to expire this year, would see limited funding under the omnibus bill, a conference committee reduction that upset some lawmakers from rural districts.

The grant program provides money for districts to upgrade technology and to secure Internet access for students and staff, and is used most by greater Minnesota districts.

"That's the biggest issue with some of my rural districts," Rep. Ted Winter (DFL-Fulda)

said on the House floor. "We're already down to peanuts this year and probably nothing next year."

The original House plan would have funded the grants with \$20 million in one-time funds next year, but the final version of the bill would spend only \$5 million for the grants.

And the final bill does not include individual technology grants that would have been funded under the earlier House measure. The House bill called for nine grants to school districts across the state, ranging from \$50,000 to \$200,000 each, aimed at compensating districts that suffered losses when a prevailing wage law was passed. That law required districts to pay prevailing wage for construction contract work.

Some districts that had already bonded for certain projects had to re-bid and often cut technology plans out of their proposals. Several districts received similar technology grants last year, and Seagren said the nine grants this year would have helped the remaining districts with technology initiatives.

But Seagren said the intent of the bill is to provide as much money as possible, with limited restrictions, to all districts via the general formula increase. And most individual appropriations were stripped from the bill in conference committee.

Special education

Special education programs would see a funding increase of almost \$100 million over the two years, under the bill.

Seagren said that money would help alleviate much of the burden on districts that now spend much of their general formula

allowance on special education costs. Ventura pushed for the new spending in that area.

All-day kindergarten

The bill would provide \$14 million over two years to fund all-day kindergarten pilot programs around the state. The first-grade preparedness program was initiated in 1996, with \$5 million in spending, and it was given a \$1.5 million funding boost in the 1998 omnibus education law. Proponents of the program say that attending all-day kindergarten dramatically increases children's academic and social skills.

Profile of Learning intact

Lawmakers' attempts to abolish or retool the controversial Profile of Learning failed this session as members of a House-Senate conference committee did not agree to a compromise on the issue.

The Profile, one half of the state's two-pronged Graduation Standards program, has been criticized by lawmakers, teachers, and parents as a set of mandated curricula with burdensome record-keeping requirements. Basic skills tests in math, reading, and writing at various grade levels comprise the second part of the Graduation Standards.

Earlier in the session, the House voted to scrap the Profile in exchange for locally determined rigorous standards. But the Senate chose to keep the statewide program and change some of its rules, including a provision that would let schools opt out of some of the

Profile's requirements.

However, lawmakers were at an impasse after several meetings of the House-Senate conference committee, and ended the session without reaching a compromise.

Rep. Harry Mares (R-White Bear Lake), was co-chair of the conference committee for the Profile of Learning bill (HF15). He said that the Senate finished its version of the bill later than expected, which left little time to work out a compromise in the midst of many other complex bills.

That leaves the issue to next session or to the Department of Children, Families and Learning, where officials have said they will attempt some administrative changes within the mandated framework of the current Profile. Department Commissioner Christine Jax has said the Profile needs fixing but should not be abolished.

However, not much can be done to change the requirements of the graduation rule without a directive from the Legislature. And until then, Minnesota schools will become more and more familiar with the Profile because all districts began implementing it in the 1998-99 school year.

Rep. Tony Kielkucki (R-Lester Prairie) sponsored the bill to scrap the Profile.

Keeping classrooms safe

A bill awaiting action by Gov. Jesse Ventura would bar anyone convicted of criminal sexual conduct from teaching in Minnesota's classrooms.

The bill, sponsored by Rep. Doug Fuller (R-

Bemidji), would require the state Board of Teaching to revoke or refuse a teaching license to any person convicted of criminal sexual conduct in the first to fifth degrees.

Lawmakers in the House passed the bill May 14. The vote was 131-0.

Criminal sexual conduct can range from rape (first degree) to exposing genitals in the presence of a minor (fifth degree), as defined by state law. In addition to these offenses, those convicted of child abuse would also be ineligible for teaching licenses.

The measure would exempt individuals with non-felony convictions for fifth-degree offenses.

Under the bill, courts would be required to notify the Board of Teaching once they discover a convicted sex offender is a licensed teacher. The board would then revoke the teacher's license and notify the school board that employs the teacher.

The bill (HF14) also would allow the state board to refuse to issue or renew licenses to applicants convicted of criminal sexual conduct.

A similar measure already exists for school bus drivers.

Fuller said he sponsored the legislation because of recent publicized incidents in which teachers were found to have sexually abused their students or other children.

Offenders banned from boards

A new law will prohibit registered sex offenders from becoming school board members.

Any person who has been convicted of a sexual offense and is a registered predatory offender will be ineligible to run for election to a local school board, under the measure.

The law, effective Aug. 1, follows a New Ulm school board election that included a candidate who had served 41 months in prison for sexual abuse. The man's history was revealed shortly before the election, and he was not elected.

Sen. Dennis Frederickson (R-New Ulm), who sponsored the legislation in the Senate, said that incident prompted him to introduce the measure this year.

He said sex offenders should not have access to positions of authority over children, especially those that would allow them entrance to school facilities.

Rep. Marty Seifert (R-Marshall) sponsored the bill in the House.

HF1845/SF1527*/CH101



Richfield public school students visited the Capitol earlier this session to demonstrate what they learned under the Profile of Learning. Although lawmakers sought to make changes to the academic standards program, they did not reach an agreement this session.

Limits on special education



A new law will lower the age until which Minnesota schools are required to provide special education instruction.

In 1998, lawmakers approved a new set of laws concerning special education policies to make them consistent with federal law. The new law finishes that process by tying up some loose ends of certain state laws that exceed federal requirements. The 1998 law left those provisions to be examined by lawmakers and special education officials to determine which ones should still exceed federal law.

Under current law, Minnesota requires special education services to be provided until a student is 22 years old. Under federal law, that requirement is 21 years old.

Effective July 1, 2002, the state law will change to age 21 and school districts will be required to provide instruction only until July 1 after the student turns 21.

Other changes included in the measure deal with discipline procedures for special education students and state reimbursement for litigation costs incurred by school districts.

Many of the bill's provisions, except the age change, are effective July 1. Other provisions have various effective dates.

Rep. John Tuma (R-Northfield) and Sen. Martha Robertson (R-Minnetonka) sponsored the legislation.

HF483/SF296*/CH123

Grant to district cut



A new law effective May 5 reduces a 1998 grant to the Isle School District.

The grant, originally in the amount of \$1 million, was given to the school district to convert a school building into a community center.

The law decreases the grant to \$700,000 and eliminates school district kitchen facilities from the community center's description. Lower than expected bids and the change in kitchen plans brought the cost of the project down.

In addition, the law requires that the grant money will only be available as matching funds are committed on a dollar-for-dollar basis.

Rep. Sondra Erickson (R-Princeton) and Sen. Dan Stevens (R-Mora) sponsored the measure.

HF585*/SF595/CH119



ELECTIONS

Voting in the wrong place



A person who votes in the wrong precinct will no longer face the possibility of a felony charge on the first offense, under a new law that will also update other provisions of election law.

Effective Aug. 1, a person who votes in the wrong precinct will receive a letter from the Office of the Secretary of State citing the mistake and informing the person of the correct polling place.

The person will then have to provide proof of residency before voting in the next election. If the same person votes in the wrong precinct a second time, it will be considered a misdemeanor, and a third instance will be considered a felony.

Rep. Chris Gerlach (R-Apple Valley), House sponsor of the bill, said so many instances of voting in the wrong place are reported that county attorneys have rarely prosecuted them as felonies, as current law stipulates. Gerlach said the instances are most often misunderstandings, and the new law will make it easier to identify and prosecute instances of repeated violations.

Another provision in the law will drop the requirement that a person can only be a witness to vouch for another person to register to vote if both people live in the same county. The new law will allow any registered voter in Minnesota to vouch for another person to allow them to vote.

Sen. Linda Scheid (DFL-Brooklyn Park) was the Senate sponsor of the measure.

HF1168/SF1144*/CH132

Voting rights returned



A law effective April 17 repealed an election measure passed in 1998 that some say could have placed the entire civil commitment process for sex offenders in legal jeopardy.

The 1998 law took away the voting rights of any person who is civilly committed because of conduct that caused the person to be convicted of a crime. For the most part, the law applied to people committed as "sexually dangerous persons" or "persons with a sexual psychopathic personality."

The new law simply repeals those 1998 election provisions, returning the election law to its pre-1998 status.

Under that law, offenders who have

completed their sentence but are civilly committed are given the right to vote, unless they have been found incompetent to vote by a judge.

Proponents of the repeal argue that the 1998 law could have been legally troublesome to the current law allowing for civil commitment. They say it would have applied a different standard for sex offenders who are committed. And they suggest that courts might have ruled the 1998 law a denial of equal protection under the law for those offenders.

The civil commitment procedure for sex offenders has often been the source of legal controversy. The courts have, in some cases, ruled that the process is unconstitutional and is used to punish — not to treat — the offenders. In 1996, the Minnesota Supreme Court upheld the current Sexually Dangerous Persons Act, stating that the law allowing for commitment of sexually dangerous individuals did not violate the offenders' constitutional rights.

Rep. Dave Bishop (R-Rochester) and Sen. Don Betzold (DFL-Fridley) sponsored the 1999 measure.

HF643*/SF676/CH61



EMPLOYMENT

Tracking job training efforts



A new law aims to give lawmakers a better picture of the state's job training services.

The new law will require the Department of Economic Security and the Governor's Workforce Development Council to prepare a report evaluating all job training programs in Minnesota that receive state or federal funding.

Rep. Bob Gunther (R-Fairmont), the measure's House sponsor, said there are 62 job-training programs in the state and they are administered by 12 different agencies. He said policy-makers need better information to make funding decisions.

"We don't know if they're doing a good job or bad job or what," he said.

Effective Aug. 1, the new law will direct the department to provide a brief summary of each program, a statement describing its need, the number of participants, and the costs and funding sources of the program. The report also will detail the results, including job placement rates and wages of participants following completion of the program.

The report is due to the Legislature by Jan. 31, 2000.

Sen. Randy Kelly (DFL-St. Paul) sponsored the measure in the Senate.

HF1051*/SF971/CH138



ENERGY

Innovative heating systems



A new law will allow more contractors to excavate or install vertical heat exchangers.

Under current law, only licensed well contractors can drill or excavate wells to install vertical heat exchangers, which are energy efficient heating systems that draw heat from the ground. The demand for those systems is growing because they reduce heating and cooling costs.

The new law, effective Aug. 1, 2000, will allow some of the installation work to be done by licensed limited well/boring contractors or limited well sealing contractors. Proponents of the measure say allowing the other contractors to do the work will reduce the up front costs of those systems. Northern Municipal Power Agency is among the groups that supported the measure.

Rep. Dave Bishop (R-Rochester) and Sen. LeRoy Stumpf (DFL-Thief River Falls) sponsored the measure.

HF2021/SF1539*/CH153



ENVIRONMENT

Ag, environment funding

The House approved an omnibus spending bill for agriculture, environment, and natural resources projects May 15. The vote was 98-31.

The bill (HF2388/SF2226*) would fund the budgets of several state agencies for the 2000-2001 biennium.

The appropriations include \$517.1 million to the Department of Natural Resources (DNR), \$251 million to the Minnesota Pollution Control Agency (MPCA), \$168 million to the Department of Agriculture, \$46.8 million to the Office of Environmental Assistance (OEA), \$38.4 million to the Board of Water and Soil Resources (BOWSR), \$8.2 million to the Agriculture Utilization Research Institute, and \$6.3 million to the Animal Health Board.

Money for those budgets comes from several sources, including the state's general fund, permit or license fees, or other dedicated funds.

The bill would also appropriate \$42.3 million from the lottery-financed Environment and Natural Resources Trust Fund to the Legislative Commission on Minnesota Resources

(LCMR). The money would pay for 120 projects throughout the state, which are designed to provide environmental or recreational benefits in addition to programs that are administered through the state agencies. Many of the LCMR projects are funded through grants that require matching funds from local communities.

The bill also would set a \$12 fee for use of snowmobile studs.

Under an earlier House-approved version of the bill, the Minnesota-Wisconsin Boundary Commission would have been eliminated, but the Senate provision included in the final bill calls for keeping the commission and providing \$371,000 in funding.

Another House provision that was not included in the final bill would have required the city of Minneapolis and other state and local authorities to issue permits for a metal shredding facility, called a Kondrator, located along the Mississippi River.

Rep. Mark Holsten (R-Stillwater) sponsored the bill.

Pollution provisions

A \$901,000 increase to the MPCA budget would pay for enforcing feedlot regulations. Some of that money would help counties prevent pollution by requiring newly constructed feedlots to comply with codes.

Research on deformed frogs would continue in the state through a \$600,000 appropriation to the MPCA. The House had proposed eliminating that funding because that research is also being done at the federal level. Holsten, chair of the House Environment and Natural Resources Finance Committee, argued that the Legislature should try to spend more money on projects that clean up the environment instead of continually studying the issues without taking action. But the Senate version of the bill included the funding for the study, and the House accepted it in the conference committee.

Another study that would be funded under the bill is a \$200,000 appropriation to the University of Minnesota to develop a plan to allow cooperative wastewater treatment systems. The purpose of the provision is to allow groups in rural areas to build a wastewater treatment system, instead of having a septic system or connecting to a city system.

Cleanup efforts through the MPCA would include a \$2.75 million increase to supplement the Clean Water Partnership Grant Program, \$323,000 to implement a program for reducing pollution from mercury, and \$965,000 to allow additional solid waste disposal facilities to be included in the landfill cleanup program.

The bill would also appropriate \$250,000 from the petroleum tank cleanup fund to purchase equipment to clean up oil spills along the Mississippi River in rural areas. The equipment would be used by local fire and rescue departments in communities near the river.

A landfill trust fund would be created, which would be overseen by the State Board of Investment. The bill would put \$10.2 million in that fund, and future revenue from the fund would be spent on maintenance to landfills.

DNR funding

Some hunting and fishing advocates had supported fee increases for licenses, but the bill would keep license fees at the current levels.

The bill would increase funding for some projects to enhance hunting and fishing in the state, including a \$3.1 million increase to DNR's Division of Fish and Wildlife and \$1 million for walleye stocking programs.

The bill would also include a proposal to offer hunting and fishing licenses electronically. The DNR would receive \$800,000 in the year 2000 and \$1.9 million in 2001 to pay the costs of developing the new licensing system, some of which is projected to be offset by money that is saved from the costs of issuing paper licenses and stamps.

The DNR also would receive \$3 million for Red River flood mitigation, \$2 million for proposed recreational trails throughout the state, a \$1.7 million increase to State Park operations, and a \$1.2 million increase to enhance computer systems in the department.

Ag and Rural Development

Marketing initiatives were among the major agriculture provisions of the bill, including \$900,000 for the biennium to pay for collaborative efforts with the commissioner of agriculture, the Department of Trade and Economic Development, the World Trade Center Corporation, and other organizations with marketing expertise.

The goals of the provision are to promote, develop, expand, and enhance the marketing of agricultural products from Minnesota producers and processors. Under the bill, the commissioner would have to report to the agriculture committees in the Legislature by Oct. 1, 1999, on what the efforts have accomplished.

The bill also would add \$1.6 million to the Department of Agriculture's budget for information technology to equip office and field staff with computer equipment.

Some money would also be available under the bill to reimburse farmers for losses of crops or livestock to wild animals, including a

\$160,000 increase for reimbursement of live-stock losses due to timber wolf depredation and \$130,000 for damage caused by beavers.

The bill would also allocate \$750,000 to continue research on feedlot technology, including tests of chemicals that are designed to reduce the odor from manure pits.

Among the House provisions that were not included in the final bill were a plan to develop an urban agricultural high school and a proposal to allow farmed cervidae — the animal family that includes deer and elk — to be hunted.

New effort to halt milfoil



The governor signed a measure that modifies the state's policy for controlling the spread of Eurasian water milfoil and other exotic species.

The Minnesota Department of Natural Resources (DNR) developed the Exotic Species Program after Eurasian water milfoil was found in Lake Minnetonka in 1987 and zebra mussels were found in Duluth harbor. The program includes inspection of boats and trailers at launching sites of lakes that are known to be infested.

The new law, effective April 25, extends those inspections to lakes that are not infested, and it allows more time for those inspections. Under previous law, the DNR inspected boats from May 1 to Oct. 15 each year, but that period will now be extended to the entire open water season.

Previous law also prohibited people from harvesting bait from infested waters. The new law allows the DNR to grant permits for that purpose to people who have had training in handling exotic species.

Rep. Larry Howes (R-Hackensack) and Sen. Leonard Price (DFL-Woodbury) sponsored the measure.

HF1248/SF1528*/CH92

International fishing fight



A resolution urging the Office of the U.S. Trade Representative to resolve alleged violations of international law by the province of Ontario was signed by Gov. Jesse Ventura.

The resolution states that the provincial government of Ontario imposed restrictions on U.S. residents taking fish from Canadian waters of Rainy Lake in 1994. It also states that the province extended the restrictions to Rainy River and Lake of the Woods in 1998 and has

“threatened to extend” them to the entire Minnesota-Ontario border.

Minnesota resorts have suffered due to the restrictions because Canadian residents are allowed to fish in those areas. The resolution states the restrictions are a violation of the North American Free Trade Agreement and the General Agreement on Trade in Services under the World Trade Organization.

The resolution is sponsored by Rep. Irv Anderson (DFL-Int'l Falls) in the House and Sen. LeRoy Stumpf (DFL-Thief River Falls) in the Senate.

HF544*/SF638/Res. 1

Paul Bunyan trail route



A new law will alter the route of the Paul Bunyan State Trail.

Starting in the city of Baxter — near Paul Bunyan Land amusement park — the trail runs along an abandoned stretch of railroad right-of-way land and is used by walkers, bikers, and snowmobilers in Minnesota's popular resort areas.

The trail is nearly one-half completed, and when finished, the path will stretch 100 miles north to Bemidji.

Effective Aug. 1, the law will change the starting and ending points of the trail to state parks instead of cities. The Baxter starting point will be changed to Crow Wing State Park, and the Bemidji ending point will be moved to Lake Bemidji State Park.

The measure will also permit the use of motorized wheelchairs or carts used by those with physical disabilities on trails that otherwise restrict the use of motorized vehicles.

Rep. Steve Wenzel (DFL-Little Falls) and Sen. Don Samuelson (DFL-Brainerd) sponsored the legislation.

HF1944/SF1470*/CH95

State recycling initiative



Responsibility for part of the state's Waste Management Act will be transferred from the Minnesota Pollution Control Agency (MPCA) to the Office of Environmental Assistance (OEA), under a new law effective Aug. 1.

The Waste Management Act is a state law that requires the MPCA and the commissioner of public service to recommend policy changes to help the state reduce the amount of waste that is sent to landfills. Goals of the program include purchasing products that contain recycled material, conducting tests on

agencies' experiences using those products, and keeping other data related to recycling.

The OEA administers other programs that are designed to reduce waste generated in the state. The new law will transfer the MPCA's responsibility in the Waste Management Act to the OEA. That office, along with the commissioner of public service, will recommend waste management policy changes to the governor and the Environment and Natural Resources committees in the House and Senate.

Sen. Janet B. Johnson (DFL-North Branch) and Rep. Larry Howes (R-Hackensack) sponsored the legislation.

HF1151/SF1176*/CH73

Groundwater relief



A new law effective April 16 allows extended use of a permanent groundwater relief system at the Blue Lake Wastewater Treatment Plant in Scott County. The plant is located in the Minnesota River flood plain in Shakopee.

The new law allows the commissioner of natural resources to issue a permit to the Metropolitan Council to exceed the limit of 2 million gallons of water per day in a 30-day period.

A quarry located near the treatment plant currently pumps a high volume of water, which eases the demand at the Blue Lake treatment plant. However, that quarry is expected to close in the near future, and the treatment plant will have to make up the difference, especially in temporary flooding conditions.

Sen. Claire Robling (R-Prior Lake) and Rep. Mark Buesgens (R-Jordan) sponsored the measure.

HF1403/SF1173*/CH56

Honoring DNR leader



A new law will rename the visitor center at Gooseberry Falls State Park in honor of a former Department of Natural Resources (DNR) commissioner. The measure takes effect Aug. 1.

In addition to honoring Joseph N. Alexander, the new law will permit additions to several state parks and will allow land within another to be sold.

Alexander was the state's longest-serving commissioner. He began his 33-year DNR career as a game warden in 1957 and was promoted to regional enforcement supervisor in 1966. In 1971, he became assistant commissioner for administration. He was serving as special assistant to the commissioner in July 1978 when Gov. Rudy Perpich appointed him

commissioner, a position he held until January 1991. Alexander died Oct. 22, 1998.

The new law also will authorize additions to Banning, Camden, Charles A. Lindbergh, Forestville/Mystery Cave, Judge C.R. Magney, St. Croix Wild River, Scenic, Temperance River, Whitewater, and William O'Brien state parks.

It will approve a land exchange at Lake Bronson State Park and stipulate that Cross River State Wayside become part of Temperance River State Park. Another provision will delete a four-acre parcel from Blue Mounds State Park and allow it to be sold.

Rep. Ray Vandever (R-Forest Lake) and Sen. Leonard Price (DFL-Woodbury) sponsored the measure

HF1301/SF1449*/CH157



FAMILY

Child support in court

Lawmakers sent the governor a plan that would create a new process for child support hearings to replace an administrative law process recently struck down by the Minnesota Supreme Court.

The House passed the final version of the bill May 14. The vote was 133-0.

Under the previous system, child support cases involving public authorities were heard through an administrative law process. Because counties often enforce child support payments, such cases accounted for most child support cases.

The Legislature had moved the cases from the state district courts in an effort to provide a more expedient process and a more informal setting in which to decide child support issues.

But in a ruling released Jan. 28, the state Supreme Court found that the administrative hearing process for child support cases is unconstitutional.

The court stated that the process violates the separation of powers outlined in the Minnesota Constitution. And the court concluded that such decisions belong in the judicial branch and not in the executive branch.

The Supreme Court stayed the effect of the ruling until July 1 to give the Legislature time to modify the system.

The bill, sponsored by Rep. Len Biernat (DFL-Mpls), would repeal the unconstitutional administrative process and would create a new expedited process in the judicial branch.

The measure (HF510/SF23*) would establish child support magistrates to oversee the hearings, and the state courts would outline rules for this process.

The Office of Administrative Hearings had about 12,000 child support hearings last year. Officials said that 93 percent of all child support orders were issued within 30 days of the hearing.

Kids in treatment



Parents of teen-agers with chemical dependency problems often find their hands are tied when dealing with their children, but a new law aims to give them aid.

Under current law, children under the age of 16 can be admitted by their parents to a chemical dependency treatment program, provided that an independent evaluator confirms the need for treatment. But for minors ages 16 and 17 the treatment must be voluntary.

The new law, effective Aug. 1, will make 16- and 17-year-olds subject to the same requirements as children under the age of 16.

"It is highly questionable that a 16- or 17-year-old who is chemically dependent can make this choice by themselves," said Rep. Mark Buesgens (R-Jordan), who sponsored the measure in the House.

Sen. Claire Robling (R-Prior Lake) was the Senate sponsor.

HF183*/SF144/CH32

Child care terms



A new state law extends a temporary legal definition of day care terms including newborn, infant, toddler, preschooler, and school age. The measure took effect April 13.

The definitions were adopted in 1997 because of concerns regarding adequate day care options in light of welfare reform. They were part of new guidelines aimed at allowing day care operations to take a greater mix of children than was allowable under the prior definitions.

State law dictates how many children in a certain age group — newborns, for example — can be under the care of one day care provider at one time. The 1997 changes were designed to give greater flexibility and to make available more child care options.

Rep. Jim Abeler (R-Anoka) and Sen. Claire Robling (R-Prior Lake) sponsored the bill.

HF1126*/SF862/CH36



GAMBLING

Canterbury card club

A proposal to allow Canterbury Park in Shakopee to operate a card club was approved May 14 by the House. The vote was 73-60.

The House had earlier voted against the proposal, which was part of a bill (HF1825) that would make several minor changes in state gambling laws. The Senate had included the card club proposal in its version of the bill, and a House-Senate conference committee adopted the Senate position.

Under the bill, participants could play cards against each other and make wagers on each hand. Canterbury Park would receive a percentage of the total amount that is bet, and some of the proceeds would go toward increasing purses for horse races.

Rep. Mike Osskopp (R-Lake City), sponsor of the bill, had advocated the card club proposal in the House. Higher purses would help Canterbury Park attract more horses to its races and provide an overall benefit to the state's economy, he said. The nearest horse racing track is Prairie Meadows in Des Moines, Iowa, where annual purses are about \$15 million compared to Canterbury Park's \$4 million. Raising the purses in Minnesota would help prevent horse farms from moving to Iowa, Osskopp said.

Another provision in the bill would allow establishments that sell pull-tabs to use machines instead of having a staff person sell them over the counter.

The bill would also increase the maximum consolation prize for bingo games that allow carryover prizes, and set a maximum prize for tipboard games. Tipboard games are those that sell tickets for numbers on a board, and when all the numbers have been purchased, the winning numbers are revealed.

The bill now goes to governor's desk.

Bingo for seniors



Minnesota's nursing homes and senior citizen organizations will soon be able to conduct bingo for the pure enjoyment of those participating, with a minimum of regulatory intrusion by the state.

A new law effective Aug. 1 will assure that. The law will remove a provision from statute that requires the bingo manager to be registered with the state, and it will eliminate state-mandated record keeping.

To qualify for the exemption, the bingo operation must not be high-dollar, cannot be

offered more than twice a week, and the manager and others who operate the games cannot be paid.

Rep. Bob Ness (R-Dassel) and Sen. Steve Dille (R-Dassel) sponsored the measure.

HF132*/SF1138/CH128



GOVERNMENT

State government finance

The last legislation approved before the House adjourned at midnight May 17 was the omnibus state government finance bill, the second of two versions of the spending package sent to the governor's desk.

Each version would appropriate \$730 million to fund the budgets for Minnesota's constitutional offices, the Legislature, and the state agencies. The major difference in the two versions is the amounts of money spent on electronic government services initiatives that were proposed by Gov. Jesse Ventura.

The governor's budget called for \$30 million to be spent on those initiatives, which include providing business licenses over the Internet and coordinating technology upgrades in other departments. The initiatives are designed to help state agencies provide government services more efficiently.

The first version of the bill (HF2386/SF2223*), sponsored by Rep. Phil Krinkie (R-Shoreview), would appropriate only about \$15.7 million for those initiatives. The second version of the bill (HF878) would increase that amount to \$31.7 million. But that money would come from cutting another of the governor's initiatives, one that would establish a separate account for the repair and maintenance of state buildings. Rep. Dave Bishop (R-Rochester) sponsored the second bill.

Under current law, state agencies pay rent to the Department of Administration, and portions of that money go to the general fund to pay for depreciation costs of buildings. The first version of the bill contains Ventura's proposal to establish a dedicated revenue account for that purpose, which would include \$7.3 million from the rent payments.

But under Bishop's bill, that account would be eliminated. And additional money for the technology initiatives would come from the state employee self-insurance plan. Appropriations to the insurance plan, primarily for contingency reserves and rate stabilization, would be reduced by about \$10 million.

Krinkie, chair of the House State Government Finance Committee, said the passage of the two similar bills was "one of the most bizarre episodes of legislative process I've ever seen."

When Krinkie's bill first left the House, it included \$640 million, about \$90 million less than the Senate version. In a House-Senate conference committee, Krinkie and other House conferees agreed to accept the Senate version, with six House provisions attached. But the negotiations continued, he said, to try to find a way to fund the governor's technology initiatives without increasing the overall spending — about \$730 million — in the final bill.

Krinkie argued that the money could come from eliminating a small government board or office. Krinkie had advocated eliminating or reducing funding to several areas, such as the Office of Citizenship and Volunteer Services and the Government Innovation and Cooperation Board. Or, the money could have come from another popular target of Ventura's — public radio.

"The lesson I came away with is a lot of people talk about limiting the growth of government or making it more efficient," Krinkie said. "But when it comes down to the finish line about doing something, the knees buckle and the mind becomes confused, and somehow it doesn't happen. It didn't happen in either of these bills."

If Ventura signs both bills, the one he signs last will become law. Or he could veto one or both bills.

Both bills include similar major funding provisions for the 2000-01 biennium.

Funds for Legislature, agencies

The Department of Administration would receive \$76.9 million, plus an additional \$10 million to coordinate the technology initiatives under Bishop's bill. Both versions of the bill would appropriate \$6.8 million for public broadcasting within the administration department's budget.

The Department of Revenue would receive \$183.1 million, plus \$6.4 million under Bishop's bill for costs associated with upgrading the department's income-tax computer system.

The Department of Finance would receive \$40.3 million, plus \$2 million under Bishop's bill for costs associated with revamping the payroll system. The Department of Employee Relations would receive \$31.2 million under the first version of the bill and only \$20.9 million under Bishop's bill.

And many appropriations would be identical under either bill.

Base funding for the Legislature for the 2000-01 biennium would be \$53 million for the House, \$39.7 million for the Senate, and \$28.8 million for the Legislative Coordinating Commission. The Senate funding would

include \$40,000 to produce and distribute a videotape on the legislative process and to construct an Internet site.

Budgets for the constitutional offices for the biennium would be \$8.2 million for the governor and lieutenant governor, \$18.3 million for the state auditor, \$4.6 for the state treasurer, \$56 million for the attorney general, and \$17 million for the secretary of state. Under Bishop's bill, the treasurer's office would receive an additional \$278,000 to pay for some costs associated with issuing tax rebates, and the secretary of state would receive an additional \$1 million for upgrading its computer system.

Budgets for state agencies and boards would include \$26.1 million for the Board of the Arts, \$21.9 million for the Department of Military Affairs, \$13.9 million for the Office of Administrative Hearings, \$11.3 million for the Office of Strategic and Long-Range Planning, \$10.3 million for the Department of Veterans Affairs, and \$7.2 million to the Amateur Sports Commission, which would include \$4 million in grants for ice arenas.

State appropriations to pension funds would include \$12.5 million to the Minneapolis Employees Retirement Fund, \$8 million to the Minnesota State Retirement Association, and \$12.6 million to Police and Fire Amortization Aid.

Other provisions would fund budgets for smaller agencies, including \$4.4 million for the Gambling Control Board, \$2.8 million for the Minnesota Humanities Commission, \$2.7 million for the Investment Board, \$2 million for the Board of Government Innovation and Cooperation, \$1.4 million for the Campaign Finance and Disclosure Board, \$1.3 million

Legislature 2000

Both the House and Senate will next convene at noon on Feb. 1, 2000.

The Legislature's start date for odd-numbered years is mandated by state law, which says both bodies will meet for regular session on the first Tuesday following the first Monday of those years. The only exception is that if the first Monday falls on Jan. 1, the session will begin on the following Wednesday.

But in even-numbered years, which comprise the second year of the legislative biennium, the start dates are determined by the Legislature, and each body must pass a resolution setting the date for the following year. On the last day of session, the House passed its resolution for next year's start date.

for the Capitol Area Architectural and Planning Board, \$790,000 for the Racing Commission, \$82,000 for Veterans of Foreign Wars, \$40,000 for the Military Order of the Purple Heart, and \$26,000 for Disabled American Veterans.

Fields of hemp

The governor would be authorized to prepare and submit an application for federal permits to allow farmers to grow industrial hemp in experimental and demonstration plots. The bill would require the governor to consult with commissioners of agriculture, trade and economic development, public safety, and other appropriate commissioners to establish standards and forms for people who want to register for those experimental plots.

Honoring Stassen

The new Capitol complex building occupied by the Department of Revenue would be named after former Gov. Harold E. Stassen. The building opened in the fall of 1998, and members of the House State Government Finance Committee proposed naming it after Stassen during a committee meeting on Stassen's birthday, April 13.

Limit fee increases

State agencies would be prohibited from increasing a fee or imposing a new fee without legislative approval. Budget proposals for each state agency would have to list proposed fee changes or new fees, including admission fees to state facilities and fees for goods, services, regulations, or licensure.

Explaining legal costs

The attorney general's office would have to submit reports to the Legislature on some billing policies. The office would have to work with the commissioner of finance to ensure that money for legal services is spent as it is intended by the Legislature, and other policies regarding billing for legal services would have to be clarified.

Stop loan repayment

Another provision would prevent state funds from being used to repay a loan from the Minneapolis Community Development Agency to the Minneapolis Park and Recreation Board in 1986. The loan was made to acquire property for the Central Riverfront Regional Park. The bill would also prevent money for that purpose to be spent from political subdivisions of the state, such as the Metropolitan Council.

Telecommunication oversight

The administration commissioner's oversight of ongoing operation of information technology would be modified. The commissioner would be responsible for administering the state information infrastructure, which includes high-speed cables that provide telephone services, Internet access, and other information services.

The bill would remove the commissioner's responsibility for "operation of" the information infrastructure under current law.

Rep. Mike Osskopp (R-Lake City) had advocated the provision to help rural telephone cooperatives compete with the state in providing those services.

Analyzing major purchases

Proposals to purchase goods or services costing more than \$5 million would be subject to a cost-benefit analysis by the administration department. If the analysis demonstrates that a proposal would not provide the most effective way to provide a public benefit, the governor would be able to approve an alternate proposal.

Scrapping the primary

About \$3.5 million is expected to be saved by replacing the proposed presidential primary election with an informal ballot to be distributed at the precinct caucuses, which are held the first Tuesday in March. On that ballot, participants would indicate their preference for presidential or gubernatorial candidates, and the results would be reported to the Office of the Secretary of State.

Under current state law, a presidential primary is set to be held the first Tuesday in April 2000. Printed ballots will have to be prepared, and all of the state's precincts will have to go through the formal election process. The primary carries a price of \$3.5 million.

Secretary of State Mary Kiffmeyer estimated the costs of reporting the results of the informal preference ballots at about \$8,000, and she said it would accomplish the same goal as the more formal — and more expensive — voting process.

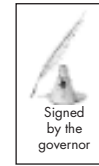
Y2K preparation

In anticipation of some computer systems failing to make the transition from the year 1999 to 2000, the bill would appropriate \$20 million from the general fund to allow school districts and other local units of government to apply for emergency grants.

The grants would be administered as loans and would be used to correct problems that are likely to affect public health and safety or cause "catastrophic loss to property or the environment." The loans would have to be

paid back by the end of the fiscal year 2001.

Tobacco jurors get paid



Three jurors from last year's tobacco trial will receive payments totaling \$30,000 for financial losses during the four-and-one-half month trial, under a new law effective May 18.

The measure is the work of the Joint House-Senate Subcommittee on Claims, which annually hears private restitution claims that have been refused by the courts or state government departments.

This year's claims bill authorizes payment of some of those claims against the state, as recommended by the subcommittee.

The payment to the jurors came as a request of the chief judge in Ramsey County who testified before the subcommittee. When the jurors were selected they were told they could submit a letter to the trial judge outlining any financial hardships caused by the trial and that the judge would relieve them of jury duty.

But when the jurors sent the letters, the trial judge ignored their request and wouldn't release them from jury duty. The case eventually ended in a settlement.

A separate new law (HF1153/SF973*/CH71) requests that the Minnesota Supreme Court study the several issues involving juror compensation, including a study of daily pay rates, reimbursements for child care and travel, and special considerations for longer civil trials.

Also in the claims law, \$10,000 goes to a couple in LeRoy for costs related to the construction of a new well unnecessarily directed by the health department. And \$5,000 goes to a man who suffered lost wages due to an erroneous criminal background check done by the Bureau of Criminal Apprehension.

The measure also provides several payments to inmates or former inmates who suffered injuries while incarcerated and to persons injured while performing court-ordered community service work.

Rep. Dennis Ozment (R-Rosemount) and Sen. Randy Kelly (DFL- St. Paul) sponsored the new law.

HF2221/SF2052*/CH169

Cash for strapped agencies



One-time budget boosts totaling \$17 million go to seven state agencies and departments with budget shortfalls in the current fiscal year, under a new law effective May 12.

The Minnesota Zoo receives

\$800,000 to make up for lower than anticipated revenue over the past year. The zoo had originally requested \$1 million, but a House-approved measure proposed funding only \$600,000 of that request. The \$800,000, which will come from the state's general fund, represents a compromise reached in a House-Senate conference committee.

The new law also requires the zoological board to submit a report to the governor and Legislature on possible alternatives to the zoo's current status as a state agency, including converting the zoo to a private nonprofit.

The bulk of the deficiency money — about \$11.7 million — goes to the Department of Human Services to make up for a budget shortfall due to a delay in federal reimbursements for MinnesotaCare.

Although the state and federal government have reached an agreement concerning the delayed funds and reimbursements began March 1, the state funding is still needed to cover costs the department has had to cover in the past months. The money will come from the state's Health Care Access Fund.

Among the other payments in the new law are \$3.5 million to the Department of Children, Families and Learning to pay legal costs of two ongoing, major lawsuits — one in Minneapolis and one in St. Paul. Both involve claims that school districts are providing constitutionally inadequate education.

And the Department of Public Safety receives \$629,000 to pay for license plates for new automobiles, due to higher than expected automobile sales and other factors. That money comes from the state's Highway Users Tax Distribution Fund and will be paid back as the license plates are sold. The department also receives \$200,000 from the general fund to pay for additional security for Gov. Jesse Ventura.

The Department of Economic Security gets \$370,000 from the state's general fund for State Services for the Blind. The department is also required to review the program's operation to determine why the current shortfall came about.

The Campaign Finance and Public Disclosure Board receives \$15,000, also from the general fund, to pay court-ordered payments.

Also under the new law, the Office of the Secretary of State receives \$975,000 for a year 2000 compliance program, but that amount is not included in the \$17 million total appropriation because it is to be transferred from unused portions of funds previously directed to the Department of Administration for a technology management program.

Rep. Dave Bishop (R-Rochester) and Sen. Richard Cohen (DFL-St. Paul) sponsored the measure.

HFnone/SF2234*/CH141

New veto authority



The governor will soon have the authority to veto rules adopted by state agencies.

Effective July 1, the new law will require copies of all new rules promulgated by state agencies to be sent to the governor. If the governor chooses to veto a rule or a part of a rule, the Legislature could propose bills to address the problems or concerns surrounding those rules.

If the Legislature opts not to propose an alternative measure to the vetoed rule, the rule would automatically go into effect.

Rep. Marty Seifert (R-Marshall), who sponsored the measure in the House, said the state could have benefited from this measure regarding two recent controversial rules — the so-called diversity rule and the Profile of Learning — that were considered or created by the State Board of Education.

In those examples, the governor could have vetoed the entire rules or only certain parts, such as the much-criticized paperwork requirements that accompanied the Profile of Learning initiative. The Legislature could then have proposed alternatives to address the problems, Seifert said, instead of allowing the agency to impose the rules on school districts.

He described the bill as a “modest proposal to give the governor and the Legislature some oversight in the rulemaking process.”

Sen. John Hottinger (DFL-Mankato) sponsored the measure in the Senate.

HF1905*/SF1993/CH129

Regulatory proposals



Proposals to regulate an occupation will have to be brought before the chairs of the related legislative committees, under a new law.

The law, effective Aug. 1, will require such proposals to include answers to several questions, including why the regulation is necessary, who is advocating the regulation, and how the proposal would affect the practitioners of that occupation and the students who are preparing to enter that field.

That information will have to be submitted to the appropriate committees at least 15 days before a bill on the subject is introduced.

The measure was introduced in response to a February 1999 report from the Office of the Legislative Auditor. The number of occupations that are regulated in Minnesota has increased dramatically in recent decades.

Regulating occupations has been criticized, according to the report, because it can limit people from pursuing an occupation or “fence

out” competitors. Minnesota's criteria for regulating an occupation is that unregulated practice could cause “significant threat to public health, safety, or well-being.” However, the report found that lawmakers have not applied that criteria consistently.

Rep. Phil Krinkie (R-Shoreview) and Sen. Deanna Wiener (DFL-Eagan) sponsored the new measure.

HF2023/SF1746*/CH144

Coverage for survivors



Dependents of peace officers and firefighters who are killed in the line of duty will continue to be eligible for health insurance coverage, even if they are not covered at the time of the person's death, under a law effective March 17.

The measure allows a spouse who is not covered as a dependent at the time of the death — but was eligible or later became eligible to be covered — to be a dependent on the employer's health plan.

A 1997 law provided health coverage to officers and firefighters and their dependents, because many who were disabled by duty-related injuries were receiving pensions but were not eligible for health-care coverage.

Rep. Dennis Ozment (R-Rosemount) and Sen. Randy Kelly (DFL-St. Paul) sponsored the legislation.

HF49*/SF162/CH12

Ventura forces change



The first measure signed into law by Gov. Jesse Ventura addresses a procedural wrinkle caused by the fact that he is a third-party head of state.

Effective Feb. 18, the new law changes the process under which members are appointed to the Campaign Finance and Public Disclosure Board. State law outlines the makeup of the board to avoid having too many members from the same political party. The board responds to questions about campaign finance and economic interest disclosure of candidates for state offices.

Under the old law, two board members had to be former legislators — one from the same political party as the governor and one from a different political party than the governor — and no more than three board members could support the same political party.

But the law had no provisions for how to proceed with appointments when there are no former legislators from the governor's political party, as is the case with Ventura's Reform Party.

The new law avoids the reference to the governor's political party, requiring instead that the board include two former legislators who belong to different parties.

Rep. Jim Rhodes (R-St. Louis Park) and Sen. John Marty (DFL-Roseville) sponsored the measure.

HF139*/SF88/CH1

Commission membership cut



The size of the Legislative Audit Commission will be cut and some of its duties will be changed, under a new law.

As of Jan. 1, 2000, the commission will only be made up of 16 members. Twenty legislators now serve on the commission, which works with the legislative auditor to choose which organizations and programs will be subject to financial evaluations.

The commission's membership was increased to 20 members in 1997 to increase bipartisanship, but Rep. Dan McElroy (R-Burnsville) said that is no longer a concern. McElroy is the current chair of the Legislative Audit Commission.

Under the law, four members from each of the House and Senate caucuses will serve on the commission.

The law also strikes a past requirement that the chairs of the House and Senate tax committees must be commission members.

In an effort to reduce paperwork, the new law eliminates some reports previously required of the auditor or various state agencies. The measure also requires the deputy legislative auditor to hold an active certified public accountant's license and clarifies data privacy guidelines for audit data.

Except for the membership provisions, the law is effective April 27.

Sen. Deanna Wiener (DFL-Eagan), the commission's vice chair, sponsored the legislation in the Senate.

HF1003*/SF810/CH99

Taking the lead for PUC



A new law effective May 7 changes the way the state's Public Utilities Commission (PUC) conducts its work. The measure became law without the signature of Gov. Jesse Ventura.

The Public Utilities Commission regulates the gas, electric, and phone service companies in the state. The law contains three changes designed to make the commission more efficient and responsive to the industries it serves.

The first provision allows noncontroversial

cases to be approved if the commission has not acted on them in 60 days. The second change lets the commission delegate some responsibilities to subcommittees.

Finally, the law authorizes the commission to designate lead commissioners to handle certain cases or subject areas. That commissioner can preside over hearings and make non-binding recommendations on issues before the full commission. However, the lead commissioner will not have full authority over a case.

In a letter explaining why he chose not to sign the bill, Ventura stated that designating lead commissioners to handle cases could lead to commissioner specialization which might decrease checks and balances on the commission.

"The PUC commissioners must be sensitive to the power granted to them under this law," he wrote. "They must not engage in the practice of commissioner specialization."

The governor said if the new law does not prove successful, he would examine it before it is up for renewal in 2002.

Rep. Ken Wolf (R-Burnsville) and Sen. Steve Novak (DFL-St. Paul) sponsored the measure.

HF359*/SF684/CH125

Dealing with data

A bill that would modify state government policies for dealing with requests for information and other data practices was passed May 15 in the House. The vote was 129-0.

The bill (HF2058/SF653*), sponsored by Rep. Phil Carruthers (DFL-Brooklyn Center), would clarify some situations under which public data could be considered private, and it would make other minor data practices changes.

Building code violations, for example, would be public, except for the names of people who submitted complaints about possible violations and any data on civil or criminal investigations.

Also, data that identifies locations where studies of deformed frogs are being done by the Minnesota Pollution Control Agency would be classified as nonpublic until the agency completes its investigation or determines it will not investigate a particular site.

And state and local governments would be allowed to maintain official records on computer, whereas current law requires those records to be stored as hard copies.

The bill also would amend the "whistle blower law" to classify as private data the identity of a person who reports a suspected violation of a law or a situation where the

quality of health care violates a law or ethical standard. The identity of the person could be disclosed if it is necessary for prosecution, under the bill.

Data from an inspection of a school's financial records would remain nonpublic under the bill, unless it is necessary in connection with legal or administrative proceedings.

The bill now goes to the governor's desk.

Labor contracts approved

A measure that passed the House on May 15 would ratify labor agreements concerning state employees made between legislative sessions.

The bill (HF1877/SF1721*) awaits action by the governor.

While the agreements have already been approved by the joint Subcommittee on Employee Relations, they required routine ratification by the Legislature.

The measure would approve a raise for the chancellor of the Minnesota State Colleges and Universities (MnSCU) system, a move that was questioned by some lawmakers who said they thought it was too high.

MnSCU officials chose to raise the salary of Chancellor Morrie Anderson by 8.8 percent effective July 1, 1998. The pay raise also included a retroactive salary increase of 32 percent effective July 1, 1997. From 1995 to 1998, Anderson's salary grew from \$108,780 per year to \$185,000 per year. However, lawmakers agreed not to change the MnSCU agreement.

Lawmakers in the House and Senate met in a conference committee and agreed to the House version of the bill, which included an amendment to strike a salary increase for the director of the Higher Education Services Office (HESO). The Senate had previously added the pay raise, which was not part of the original labor agreements approved by the subcommittee.

Labor agreements that would be ratified under the bill include those between the state and the Minnesota Nurses Association, the Interfaculty Organization, the United Technical College Educators, and some HESO employees.

The bill also makes technical changes in the law governing public employees. One of those changes would extend to unclassified executive and legislative employees the ability to transfer vacation and sick leave hours when they move between positions in the two branches.

Subcommittee Chair Rep. Carol Molnau (R-Chaska) sponsored the measure.



HEALTH

Midwifery law

Filed
without
signature



A measure affirming the status of midwives through a system of licensing became law without the governor's signature.

Effective Aug. 1, the new law contains provisions for a voluntary licensing procedure for those who provide assessment and care outside a hospital for women and newborns during pregnancy, labor, birth, and the postpartum period.

The state's Board of Medical Practice has been uncertain about how to regulate practicing midwives and thus virtually ended the custom of issuing licenses under the existing law more than six decades ago.

But the development of a national standardized test for midwives several years ago provides a basis for establishing credentials. The new law will combine a list of educational and training requirements for licensure.

Midwives will have to prepare a written plan for each client to ensure continuity of care, including what would happen should something go wrong and a physician be required.

The practice of midwifery has been driven underground because of fears of being prosecuted for unlicensed practice of medicine.

Consequently, if a woman in labor is transferred to a medical facility, the emergency room physician often has to assess her condition and determine treatment without the benefit of the midwife's input.

Under other provisions of the new law, the midwife will have to keep extensive records on clients. It also will establish a five-member midwifery advisory council to review applications for licensure and field complaints from the public.

Rep. Jim Abeler (R-Anoka) and Sen. Sandy Pappas (DFL-St. Paul) sponsored the measure.

HF949/SF383*/CH162

Bed rails by prescription



Signed
by the
governor

A new law clarifies the conditions under which it is all right to use bed rails in Minnesota nursing homes.

Under provisions of the measure, nursing home residents' right to bed rails and other restraints will be affirmed. Fear of falling will be included as a legitimate medical reason for prescribing bed rails, and a study of the use of restraints will be initiated.



A law signed by Gov. Jesse Ventura will allow nursing home residents to request bed rails or other restraints.

The measure was proposed after a number of nursing homes were fined by the Minnesota Department of Health in 1998 for improperly using bed rails according to the department's interpretation of federal regulations.

Concern about use of bed rails arose because of injuries and even deaths caused when patients became entangled in the rails. The federal regulations called for a moratorium on rail use in cases where a patient would be put in "immediate jeopardy." Many nursing homes subsequently removed bed rails entirely, hoping to avoid fines but leaving some residents and their families upset.

The idea was to craft a bill at the state level that would spell out patient rights under federal guidelines but wouldn't jeopardize the state's Medicare and Medicaid reimbursements.

If the law is eventually found objectionable in the eyes of the federal government, it may have to be revisited next session, said Rep. Fran Bradley (R-Rochester), who sponsored the measure in the House.

The new law took effect April 23.

Sen. Don Samuelson (DFL-Brainerd) sponsored the measure in the Senate.

HF40*/SF25/CH83

Hands off tobacco bucks



Signed
by the
governor

Gov. Jesse Ventura agrees with lawmakers from both bodies on at least one thing — the U.S. Congress should not be casting its eyes upon Minnesota's tobacco settlement money.

Ventura signed a resolution that reminds the federal government it was not part of Minnesota's suit against the tobacco companies and informs it that the federal government has no right to the money.

The federal government has said it may be

entitled to a portion of state tobacco settlements as repayment for its share of Medicaid costs.

But the resolution notes that Minnesota's lawsuit was based on business issues, not health issues. It calls on Minnesota's U.S. congressmen to support legislation — already introduced in Congress — that would prohibit federal recovery of any state tobacco settlement payments.

Rep. Jim Seifert (R-Woodbury) and Sen. Ember Reichgott Junge (DFL-New Hope) sponsored the resolution.

HF719/SF757*/Res. 2

Planning organ donation



Signed
by the
governor

Tissue and eyes have been added to the list of organs available for donation on the state's health care directive, under a new law effective March 17.

The new law was designed to help draw attention to the need for donated tissue and eyes — a need said to be critical by regional organ donation program officials.

Under the state's 1998 health care directive law, people can use a directive to address all aspects of advanced planning for health care by either appointing an agent to make their health care decisions or by making statements concerning how they want their health care to be handled.

Proponents of the measure said that while many people are aware of the possibility of donating organs, they do not know that tissue and eyes are organs that can be donated.

The bill was sponsored by Rep. Darlene Luther (DFL-Brooklyn Park) and Sen. Becky Lourey (DFL-Kerrick).

HF74/SF301*/CH14

New purchasing plans



Ambulance services will be allowed to participate in shared service purchasing arrangements for supplies, materials, and equipment, under a new state law effective Aug. 1.

Supporters of the legislation said ambulance services need more flexibility in approaching purchases, particularly of expensive items such as vehicles. They also expressed concerns that pending changes in the way federal programs reimburse ambulance services may have a negative financial impact.

Current state law requires government-owned ambulance services to let bids on equipment costing over \$25,000. The new law will allow co-ops to purchase ambulances, the most costly expenditure an ambulance provider faces.

Rep. Greg Davids (R-Preston) and Sen. Jim Vickerman (DFL-Tracy) sponsored the legislation.

HF302*/SF579/CH13

Ambulance volunteers



Volunteer ambulance drivers in Minnesota now have a precise definition in state law, under a new law effective March 16.

The law defines ambulance drivers as volunteers, who as such are not entitled to minimum wage and other workers' protections even if they receive some financial compensation for their services. The need for a definition grew out of a legal debate over wage and hour laws.

Rep. Kevin Goodno (R-Moorhead) and Sen. Dallas Sams (DFL-Staples) sponsored the measure.

HF214*/SF241/CH8

Training demands altered



A new state law will remove the current requirement that the state's boards of dentistry, medical practice, nursing, and podiatric medicine have rules requiring continuing education on infection control, including blood-borne diseases.

Effective Aug. 1, the individual boards will have the option of requiring continuing education that is best suited to the needs of those it licenses, rather than a blanket program prescribed by law.

Proponents of the measure argued that the scope of infection control procedures is changing continually and the various medical boards need the latitude to make changes quickly.

Supporters also argued that the existing law is arcane because it requires even psychiatrists, who generally aren't exposed to blood-borne diseases, to complete infection-control instruction.

Rep. Richard Mulder (R-Ivanhoe) and Sen. David Ten Eyck (DFL-East Gull Lake) sponsored the measure.

HF171/SF121*/CH5

Paying spouses for care



A new law will allow qualified spouses in certain instances to be paid to provide private duty nursing.

The measure will permit a spouse who is also a licensed nurse employed by a Medicare-certified home health agency to be paid when he or she cares for a spouse. The measure is effective Aug. 1.

Under existing law, payment isn't possible in certain instances, which has caused hardships for some Minnesota families.

Rep. Bill Haas (R-Champlin) and Sen. Don Betzold (DFL-Fridley) sponsored the measure.

HF60*/SF591/CH156

Clarifying water laws



Effective Aug. 1, the definition of "public water supply" in the state's Safe Drinking Water Act will match the definition in the federal law.

The possibility that some water projects in Minnesota would lose federal funding because of the discrepancy prompted a new state law to make the clarification.

Rep. Kathy Tingelstad (R-Andover) and Sen. Martha Robertson (R-Minnetonka) sponsored the measure.

HF610/SF649*/CH18

Regulations on psychologists



A new law will clarify fee-splitting practices for psychologists and stiffen penalties for violating the Psychology Practice Act.

Effective Aug. 1, the new law will make it explicit that law prohibits "kickbacks," not legitimate divisions of revenue in a business made in proportion to the psychological services provided.

Violating the Psychology Practice Act will become a gross misdemeanor instead of a misdemeanor, making it the same penalty for violating practice acts used by other profes-

sions, including medicine, nursing, and social work.

Rep. Richard Mulder (R-Ivanhoe) and Sen. Steve Kelley (DFL-Hopkins) sponsored the measure.

HF984/SF983*/CH109

Too young to serve



Nursing home administrators must be at least 21 years of age, under the terms of a new law effective April 27.

The new law also enacts other housekeeping changes requested by the Board of Examiners for Nursing Home Administrators.

The minimum age for nursing home administrators was lowered to 18 during the Vietnam War era, when the prevailing feeling was that anyone old enough for military service was old enough to serve in most public positions.

Over the years, board rules and state law on the age issue had come into conflict. The new law brings them into uniformity and sets the minimum age at 21.

The law also allows a permit process for acting administrators who in the past had to obtain a full-fledged license to serve as administrator on a temporary basis.

The law further makes board members (and others investigating violations of laws and rules administered by the board) immune from civil liability and criminal prosecution when performing their duties, as long as they act in good faith.

Rep. Fran Bradley (R-Rochester) and Sen. Dallas Sams (DFL-Staples) sponsored the measure.

HF1309/SF1273*/CH102

Chiropractic care contracts



A new law clarifies the way managed care networks deal with chiropractors in the state.

Effective Aug. 1, networks will be prohibited from requiring chiropractors to provide care under categories of coverage other than those specified in their contract, unless the chiropractor consents.

Chiropractors have complained that health maintenance organizations and preferred provider organizations may have used their general health contracts as "bait" to later dump the chiropractors into a network of providers of noncertified workers' compensation or auto personal injury lines of coverage without prior notification.

If the chiropractor doesn't agree to the other lines of coverage, he or she can lose the contract entirely.

The new law will prevent the health insurers from terminating a contract for this reason, provide time for chiropractors to review their options, and will add a mechanism under which chiropractors can recover damages if a health insurer violates the law.

Rep. Doug Reuter (R-Owatonna) and Sen. Edward Oliver (R-Deephaven) sponsored the measure.

HF566/SF673*/CH94

Protected peer review



Ambulance services and first responders will have the benefit of peer review, under a new law.

The law will allow ambulance services to consider controversial incidents without being subject to discovery should a lawsuit arise.

Peer review is used extensively in a number of medical professions to find solutions and to prevent further problems. In many cases, information exchanged in peer reviews is protected from legal discovery. The idea is that the protection will allow a free discourse so medical professionals can learn from each other's experiences and improve service.

The law, which takes effect Aug. 1, will extend that peer review protection to ambulance services and their employees.

Rep. Greg Davids (R-Preston) and Sen. Becky Lourey (DFL-Kerrick) sponsored the measure.

HF463*/SF578/CH84

Health-related regulations



A new law changes state licensing for physicians, acupuncture practitioners, and athletic trainers.

Effective Aug. 1, medical students enrolled in dual-degree programs will have additional time to pass portions of the state licensing exam. The increasing number of double-majors studying at the Mayo Clinic and other facilities has made the current time restrictions unrealistic.

The new law also will provide protection from charges of practicing medicine without a license for acupuncturists, and will authorize a temporary permit for athletic trainers, similar to what is currently in law for other regulated health occupations.

The Board of Medical Practice requested the changes.

Rep. Richard Mulder (R-Ivanhoe) and Sen. John Hottinger (DFL-Mankato) sponsored the measure.

HF413*/SF418/CH33

Health care solvency



The state's three community integrated health care service networks will have to maintain a net worth reserve of three times their minimum net worth requirement, under a new law.

The networks, often called CISNs, are managed health care networks similar to health maintenance organizations (HMOs), but the networks have smaller enrollments and operate mostly outside urban areas.

The net worth holdings are required to assure financial solvency.

The new law, effective Aug. 1, is designed to treat CISNs in a way similar to the way the state treats HMOs, which were required to up their net worth holdings under a bill passed last year.

The new law will also accord peer review protection to the CISNs, which will shield deliberations among medical professionals from the legal process should a lawsuit arise.

Rep. Greg Davids (R-Preston) and Sen. Doug Johnson (DFL-Tower) sponsored the measure.

HF614*/SF913/CH51

Testing chiropractors



A new law effective Aug. 1 will change state licensing requirements for chiropractors.

Under the law, chiropractors practicing in Minnesota no longer will have to pass the Minnesota licensure practical exam, as long as they have passed any examination that is approved by the Board of Chiropractic Examiners.

The intent of the law is to follow a nationwide effort to standardize the chiropractic field.

Rep. Jim Abeler (R-Anoka) and Sen. Pat Piper (DFL-Austin) sponsored the measure.

HF1216*/SF1391/CH55

Help behind the counter



A new law will allow the state's Board of Pharmacy to authorize pharmacists to supervise more than two pharmacy technicians. The law is effective Aug. 1.

Until 1997, the board had been given the power to change the ratio on a case-by-case basis. However, after a 2-1 ratio was incorporated into statute, the board believed it no longer had that authority.

To be granted the waiver, a pharmacy will have to prove the consumer's health and safety

is not jeopardized. Pharmacies that request the waiver often are automated, which means the work of the technicians is less intensive and requires less supervision.

Rep. Kevin Goodno (R-Moorhead) and Sen. David Ten Eyck (DFL-East Gull Lake) sponsored the measure.

HF1714*/SF1693/CH63

Duties for pharmacists



Effective Aug. 1, a new law will make changes to the Minnesota Pharmacy Practice Act.

The measure will allow pharmacists to engage in monitoring of drug therapy, selection of therapeutic devices, drug research, and drug administration for first dosage and emergencies.

It also will allow pharmacists to manage and modify drug therapy on a case-by-case basis according to a written agreement between the pharmacist and a health-care practitioner.

Rep. Kevin Goodno (R-Moorhead) and Sen. John Hottinger (DFL-Mankato) sponsored the bill.

HF408*/SF170/CH62

Podiatrists in residency



The state's Board of Podiatric Medicine can extend temporary permits to podiatrists participating in clinical residencies, under a new law effective April 21.

The new law was necessary to clarify a discrepancy between state law and state rules. Existing law mandated the permit to run 12 months; the rule allows the board to extend the permit for additional years under certain conditions.

With the new law, the applicant for a permit extension must have had his training interrupted by circumstances beyond his or her control and must be enrolled in a residency that lasts longer than one year.

Rep. Tim Wilkin (R-Eagan) and Sen. Roy Terwilliger (R-Edina) sponsored the measure.

HF1421*/SF1239/CH67

Research opportunities



A new law will exempt some researchers from medical licensing requirements.

The law, effective Aug. 1, will apply to those performing medical research for a tax-exempt, non-profit organization operated primarily to conduct scientific research on causes and cures of human disease.

To qualify, researchers will have to perform duties that are related to public health education and are conducted under the supervision of one or more licensed physicians.

The law will enable organizations to benefit from the expertise of researchers from other countries who are not licensed to practice medicine in the United States.

Rep. Fran Bradley (R-Rochester) and Sen. John Hottinger (DFL-Mankato) sponsored the measure.

HF1660*/SF1650/CH54

Guaranteed coverage



A new law effective April 24 makes Minnesota law conform with federal law regarding Medicare supplement insurance.

Federal law enacted in 1997 requires state laws to mandate guaranteed issue, with no preexisting condition limitations, for Medicare supplement insurance in certain situations. (Guaranteed issue means an application for coverage cannot be turned down.)

Minnesota's previous law contained instances in which coverage wasn't assured.

The new law took effect in time to meet the April 29 deadline imposed by the federal government for enacting the changes.

Rep. Greg Davids (R-Preston) and Sen. Edward Oliver (R-Deephaven) sponsored the measure.

HF1968*/SF1827/CH90

Growing role for nurses



The state's advanced practice nurses will be accorded separate legal status and their role in the health care world will be defined under a new law signed by the governor May 17.

The law will define education requirements and scope of practice for registered nurses engaged in clinical specialties, anesthesia, nurse-midwife practice, or nurse practitioner roles. Under current law, advanced practice nurses are required to practice under a licensed physician.

In some instances, advanced practice nurses will be allowed to write prescriptions and dispense drugs under carefully crafted wording in the law.

The measure was supported by the Minnesota Nurses Association and Minnesota Board of Nursing. It takes effect July 1.

Rep. Dennis Ozment (R-Rosemount) and Senate Majority Leader Roger Moe (DFL-Erskine) sponsored the measure.

HF718*/SF225/CH172



HIGHER EDUCATION

Funds for Minnesota colleges

A \$2.6 billion omnibus bill that would fund the state's higher education institutions for the next two years won approval in the Legislature.

Lawmakers in the House and Senate passed the bill May 15. Rep. Peggy Leppik (R-Golden Valley) and Sen. LeRoy Stumpf (DFL-Thief River Falls) sponsored the legislation.

The bill (HF2380) would provide funds to increase financial aid for students, provide salary increases for faculty at Minnesota colleges, and authorize the creation of a University of Minnesota campus in Rochester.

Here's a look at key provisions of the omnibus bill.

MnSCU spending

The bill would provide \$1.1 billion to the 53-campus Minnesota State Colleges and Universities system (MnSCU).

About \$55.6 million would go toward salary increases for MnSCU faculty, and \$16 million would help fund maintenance for campus buildings. A total of \$10 million also would be appropriated for under-funded campuses in the system.

For various technology projects, the bill includes a \$9.2 million increase in funding over two years. And \$11.1 million would support job training and research projects.

Those projects include a rural research center at Southwest State University in Marshall and tuition subsidies for farm business management programs at MnSCU institutions. MnSCU would also receive \$2.5 million for curricula development.

University of Minnesota

The University of Minnesota would get nearly \$1.2 billion from the omnibus bill.

Those funds would include \$15 million for undergraduate education initiatives. The bill would authorize the university to use a portion of that money for a new, non-residential campus in Rochester.

In other areas, the bill would target \$69.4 million to boost salaries of faculty and staff members. Another \$9.1 million would go toward facilities upkeep, and the university's extension service would receive a \$600,000 funding increase.

About \$10.5 million in increases would be divided among technology projects, regional partnerships, an animal health and food safety program, and other programs.

The budget for the university's Academic Health Center, which houses the medical

school, was not increased in the bill because an endowment fund created out the state's tobacco settlement would fund education and research efforts at the center. Those funding provisions are included in the omnibus health and human services finance bill (HF2412/SF2225*). However, the higher education bill would appropriate money for primary care initiatives that would come from the state's health care access fund.

A total of \$250,000 in funds from the state lottery would go to the U of M for research on compulsive gambling.

Financial aid funding

The Higher Education Services Office (HESO), which serves as Minnesota's financial aid bureau, would receive \$310.5 million to fund the state grant program, operate library systems, and provide informational services to current and prospective post-secondary students.

Through several different programs, the bill would provide about \$28 million in aid to Minnesota's higher education students.

First, the minimum state grant would be reduced from \$300 to \$100. That means some students who did not previously qualify for grants could become eligible. Also, the assigned student responsibility — the amount the state expects students to contribute to their education — would be lowered from 47 to 46 percent of the total cost, effective in fiscal year 2001. Another \$13.2 million would offset cost-of-living expenses for students.

And the public tuition allowance and private tuition maximum will be capped at or near the inflation rate. A tuition maximum or allowance is the state's tool for calculating state grants, and it is a flat rate of tuition based on tuition at public and private colleges all over the state.

Because colleges raise their tuition almost every year, increasing the state's tuition maximum takes the actual increases into account when calculating grant awards. However, capping that cost at inflation does not mean college costs would necessarily rise at the rate of inflation, and proponents say it could encourage institutions to keep their tuition increases at a low level.

Much of the financial aid package would be funded with an expected increase in the federal Pell Grant amount per student, which results in about \$10 million in savings from the state grant program.

In Minnesota, the state grant is decreased when the federal grant goes up, so students receive the same amount of money. For the 1999-2000 school year, the Pell Grant will increase to \$3,125 from \$3,000.

The bill would eliminate two programs that provide grants for nursing students, but it would appropriate \$3 million to add more students into work study programs.

Mayo Medical School

The Mayo Foundation would receive its full funding request of \$3.2 million for the biennium, under the omnibus plan. That amount would fund an increase in the base budgets for the Mayo Medical School, a family medicine residency program, and a residency program at St. Cloud Hospital.

The increases would make more grant dollars available to students attending the medical school and would make up for student costs incurred by recent and potential tuition increases.

In addition, the bill would increase the state's share of some residency program participants' stipends and maintain the same level of funding for other participants. The programs are designed to encourage students to practice medicine in Minnesota, particularly in rural or under-served geographical areas.

Other changes

Other provisions in the bill include an updated policy on private career school regulation and changes in how information on hazing rules is distributed to students.

Lawmakers also approved a plan for general education requirements for technical college students. Under the bill, general education courses such as math or English would only be included in a technical course of study if they are occupational requirements or part of a two- or four-year degree program.

Building is Taylor made



A law effective April 13 approved the construction of the Taylor Center, a privately-funded building at Minnesota State University, Mankato.

The Legislature was required to approve construction because the building will be on a campus of the Minnesota State Colleges and Universities system, which is a state entity.

Formerly known as Mankato State University, the school raised \$16.5 million in private donations to pay for the center. It is named in honor of alumnus Glen Taylor, chief executive officer and chair of the Taylor Corporation and owner of the Minnesota Timberwolves professional basketball team.

Taylor donated \$9.2 million toward the project, which consists of a 5,000-seat arena, athletic programs and facilities, and a student

welcome center. Construction was expected to begin this spring.

Rep. John Dorn (DFL-Mankato) and Sen. John Hottinger (DFL-Mankato) sponsored the measure.

HF492*/SF518/CH34



HOUSING

Real estate scam

A bill that seeks to address the real estate scam known as mortgage flipping is on its way to the governor.

The bill won final passage in the House on May 15. The vote was 133-0.

Mortgage flipping is a scheme to defraud homebuyers and lending institutions based on a fraudulent appraisal of a house's value.

In one scheme, a buyer purchases a house at market value and has an appraiser file a fraudulent appraisal that sets the value of the house higher than the market value.

The owner then resells the house at the inflated price, making a huge profit, and the appraiser gets a kickback.

The victim is then stuck with payments on a home much higher than the actual value. And if the victim defaults on the mortgage, the bank cannot recoup the inflated mortgage by re-selling the house.

Bill sponsor Rep. Gregory Gray (DFL-Mpls) said his district in north Minneapolis has been one of the areas hardest hit by the scam and officials say it's becoming more common elsewhere.

The bill (HF743/SF171*) would address the problem by going after the appraiser. It would make the intentional violation of the laws governing appraisers a gross misdemeanor, and would subject violators to up to one year in jail and up to \$3,000 in fines.

Under current law, real estate brokers and agents can be charged with a crime for intentionally violating the terms of their licenses. But appraisers are only subject to license revocation, not criminal prosecution.

Gray's bill also would set aside \$100,000 for an education program aimed at informing consumers and stopping the fraudulent practice.

Under the bill, the Department of Commerce would administer the program and would seek additional funding from private organizations also affected by flipping, such as banks, mortgage companies, and economic development groups.

Reports on renters

A bill that would provide landlords in Hennepin and Ramsey counties more information on prospective tenants while giving tenants additional protections awaits action by the governor.

The House passed the final bill May 15 after a conference committee made some minor changes to the measure. The vote was 131-0.

Current law prohibits tenant screening services in these two counties from including information on eviction actions taken against prospective tenants in reports provided to landlords, unless the reports include the outcome of the cases.

The bill (HF1195), sponsored by Rep. Henry Todd Van Dellen (R-Plymouth), would repeal that requirement and allow the services to include eviction actions that have not yet been resolved.

Van Dellen said cities and neighborhood groups are holding landlords more accountable for the actions of their tenants and it is important that they get the best information on prospective tenants as soon as possible.

The bill also would allow courts to expunge — or remove any evidence from the public record — any files of the eviction proceedings if the landlord's case has no basis in fact or law or if the judge feels that sealing the case is in the best interest of justice.

And the bill would require that tenant screening services delete all information related to those cases once the service finds out that the case has been expunged.

Rep. Andy Dawkins (DFL-St. Paul), who backed these provisions, said the bill would allow tenants to remove unjustified blemishes from their rental records.

Last day visit



Three-year-old Elizabeth Krinkie visits with her father, Rep. Phil Krinkie, on the last day of session. The Legislature adjourned minutes before its constitutional deadline of midnight on May 17.

Fees for nothing



A new law targets landlords who aren't upfront with prospective tenants about application fees. The new law, effective Aug. 1, will prohibit landlords from taking a screening fee when the landlord knows or should know that there are no units available.

Many landlords require that prospective tenants pay a screening fee to be used for background checks when the tenant applies for an apartment.

Rep. Julie Storm (R-St. Peter), sponsor of the measure in the House, said that while most landlords treat prospective tenants fairly, some are taking advantage of the housing shortage and charging prospective tenants when they know that they don't have any properties available. Those landlords then pocket the money.

Storm said that the new law "sends a message to unscrupulous landlords."

"It protects prospective tenants," she said. "It also gives a message to landlords that they cannot do this anymore."

The measure also will require that landlords return any screening fees collected if they don't actually do the background check, and will provide methods for returning the payment. It will require landlords to tell prospective tenants which screening service will be used.

The new law will provide penalties for violators, including a \$100 civil penalty to be paid along with any court costs and the return of the original screening fee to the would-be tenant.

Sen. Steve Murphy (DFL-Red Wing) sponsored the measure in the Senate.

HF1613/SF1471*/CH150

New regulations for deposits



State law will specify how pre-lease deposit agreements can be made between landlords and tenants. A pre-lease deposit is money put down on an apartment by a prospective tenant to help secure the apartment. The pre-lease deposit doesn't include money provided to the landlord for credit or criminal background checks.

The new measure, effective Aug. 1, will stipulate that tenants and landlords must have the terms of the pre-lease deposit in writing, including how the deposit will be returned if the tenant isn't accepted by the landlord. The law also will require the deposit to be returned within seven days as specified in the agreement.

If a landlord accepts the tenant, the law will

require the pre-lease deposit to go toward either the damage deposit or the rent. And the new law will provide legal remedies if the terms for pre-lease deposits are violated.

Proponents of the measure argued that it is necessary to regulate such deposits because there is a shortage of affordable housing and the practice of requiring pre-lease deposits has become more common. They said the new law will provide protection for both landlords and tenants who make such agreements.

Rep. Dan McElroy (R-Burnsville) and Sen. Steven Novak (DFL-New Brighton) sponsored the measure.

HF1178*/SF1253/CH97



HUMAN SERVICES

Omnibus spending bill

A health and human services omnibus funding bill, now on its way to the governor, may be remembered as much for what it doesn't include as for what it does.

The \$6.4 billion bill (HF2412/SF2225*) calls for funding endowments with tobacco settlement money, increasing spending for nursing home and personal care workers, significantly boosting funding for programs for the developmentally disabled, and a bunch of policy changes and appropriations designed to make life better for the state's children, poor, and elderly.

Missing from the House-Senate conference committee report are all of the abortion-related provisions supported by the House. An earlier House version of the bill would have forbidden certain late-term abortions and required a 24-hour waiting period before a woman could undergo an abortion. The House plan also would have cut off state dollars to clinics that provide abortions.

That omission nearly sank the bill when it came up for a final vote in the House on May 17, just more than an hour before the session was scheduled to adjourn. But the bill passed on a vote of 76-57.

Rep. Kevin Goodno (R-Moorhead) sponsored the omnibus spending plan. Here are some highlights of the legislation.

Tobacco-funded endowments

How to handle the \$968 million in one-time money coming to the state as a result of the court battle against tobacco companies was declared by several lawmakers to be the defining issue of the 1999 session.

House Republicans had fought nearly the entire session to use the money to eliminate the "sick tax," a medical service provider tax

implemented to help fund a state health care program for the uninsured.

But a last-minute pact between leaders in the House and Senate and governor produced agreement on a plan to create endowments with the money.

Early on the last day of the session, the conference committee came to an agreement to create three endowments.

The largest would set aside \$388 million for a statewide tobacco-prevention endowment, administered by the Department of Health. That money is expected to earn \$19 million a year in interest, which will go into advertising and other anti-tobacco efforts.

The bill would also create a \$377 million medical education endowment, aimed at helping fill the gap as federal money for training doctors evaporates. The nearly \$19 million earned per year would be divided among 16 clinical training sites around the state, including the Mayo Clinic and the University of Minnesota.

The remaining \$200 million would be socked away for a public health endowment. Half the proceeds, expected to be about \$10 million, would be dedicated to community-based anti-smoking efforts and the remainder to fight health risks experienced by the state's young people.

Raises for workers

Seeking to end the days of low pay for the state's nursing home workers and those who provide in-home services to senior citizens and people with disabilities, the omnibus bill includes a provision to boost the provider rate for agencies that pay those workers.

Providers would see a 4-percent increase in 2000 and 3 percent the following year. Of that money, 80 percent would have to be used on wage-enhancement packages.

Throughout the session, witness after witness told both House and Senate committees that they could earn more working at a fast-food counter than they could caring for the elderly or disabled.

More than \$100 million in state funding would be pledged to the cost of living increases, under the bill.

Improving pay is also designed to entice more people into the health care field to alleviate a statewide shortage of workers.

In 1998, lawmakers passed a measure that provided \$20 million to improve the pay for workers at long-term care facilities, which mainly serve senior citizens and the developmentally disabled.

More labor help

In another move aimed at alleviating the health care worker shortage, the bill would create a health care and human services worker training and retention program, to be run by the Minnesota Job Skills Partnership Program.

The \$1.5 million two-year program would aim to assist small nursing homes, rural hospitals, and other entities that cannot develop employee programs on their own. The help would come in the form of grants to locally formed consortiums on a 50 percent state and local match formula.

The money could be used for a marketing and outreach program to recruit employees, pay salaries during training periods, encourage shared staff, and provide scholarships, basic computer skills, and English as a second language instruction.

Aid to developmentally disabled

Nearly \$6.5 million over the next biennium would go to increase the availability of home- and community-based services for persons with mental retardation or related conditions.

Throughout the session, lawmakers heard from parents and guardians of developmentally disabled adults who said their resources for providing care were nearly exhausted and their options were few.

The proposed spending would allow group homes in the state to serve a total of 100 additional people.

Money would also be set aside for semi-independent living services and for family support grants to further assist the developmentally disabled.

Nursing home regulation

Disputes spurred by 1998 fines on nursing homes because of side rail use on patients' beds prompted several provisions in the omnibus bill.

Under the bill, the Department of Health would be required to hold orientation sessions on any new regulatory guidelines and to release to nursing homes copies of reports and letters pertaining to the evaluation of the homes.

The bill would change the conditions under which a nursing home could be fined for placing patients in what is called "immediate jeopardy," and it would offer an informal dispute resolution process. Federal law prohibits practices that place patients in immediate jeopardy, and that law was often cited by the state health department when it assessed fines on facilities that were using bed rails.

Legislative diet



String cheese, carrots, candy, and pop provided a well-balanced meal for lawmakers during the final, marathon session May 17.

Encouraging abstinence

The bill would require AIDS prevention programs that are targeted toward children exclusively to promote abstinence from sexual activity outside of marriage.

And it would amend the goals of the state's Education Now and Babies Later program to include "promoting abstinence until marriage."

Work incentives

A statewide shortage of workers prompted a provision calling for a change in how and when state benefits for the disabled are computed. The bill would allow certain disabled individuals to work and still receive medical assistance coverage.

Under existing law, disabled individuals who work lose their eligibility for assistance but often do not qualify for employer-offered health care plans because of the nature of their illnesses.

The measure would also extend the senior drug program to include disabled individuals who are under 65 and would remove an existing spending cap on the program.

Special case autopsies

The pleas of a Minneapolis family whose Jewish faith prohibits autopsies were answered with a \$20,000 appropriation for a grant to conduct case studies and develop guidelines for autopsy practice in special cases.

Initially, a separate bill sponsored by Rep. Jim Rhodes (R-St. Louis Park), called for an

exemption from autopsy requirements in cases where religious beliefs would be compromised. But after concerns were expressed that the exemption could be used to conceal illegal behavior, the plan was altered to include the study and development of guidelines included in the omnibus bill.

More job counselors

The state's overworked job counselors, hired when welfare reform was enacted, would have their ranks increased under the bill, which provides \$24 million for salaries.

In committee hearings earlier this session, counselors testified that they often had workloads of more than 100 clients each, making it almost impossible to provide adequate service.

Medical Assistance broadened

Minnesota residents on Medical Assistance would be able to enjoy specialized maintenance therapy provided by physical and occupational therapists and speech language pathologists, under a provision in the bill.

Those services were not previously included in the list of options available under the program, designed for those who cannot receive or are not eligible for employee-provided health care coverage.

The program would also be allowed to cover the cost of anorectics — weight loss drugs — under very specific instances, including the treatment of "Pickwickian Syndrome," a condition in which a patient's obesity prevents sufficient oxygen from entering the lungs.

High-tech medicine

The bill would expand medical assistance to cover telemedicine consultations via two-way, interactive video or store-and-forward technology.

The provision is aimed at providing more comprehensive services to patients in Greater Minnesota, where specialty services are sometimes difficult to find.

Under the bill, doctors could electronically transfer an X-ray or similar digital scan, for instance, to a specialist at a far-away location for reading and interpretation.

A report on whether telemedicine resulted in a cost saving or other benefit to the health care system would also be prepared by the health department.

Wading pools defined

Those small brightly-colored wading pools found on so many lawns across the state throughout the summer months would no longer be considered public pools and would thus be much less stringently regulated.

The bill specifies they must be less than 24 inches deep and able to be emptied manually to qualify.

In-home day care operators across the state had complained to the Legislature that the health department's interpretation that the pools were "public" had meant either a costly registration and training process or eliminating them altogether.

Under the measure, the department would provide material for distribution to all child care facilities related to the use of portable wading pools, including the risk of disease transmission as well as other health risks.

See your dentist

Community dental clinics would get a \$600,000 boost in 2000 under the bill. The commissioner of health would provide matching start-up grants to establish community dental clinics.

The bill would also appropriate \$75,000 to expand the work of Apple Tree Dental in Clay and surrounding counties in northwest Minnesota.

The clinic operates an innovative mobile dental unit that serves children to senior citizens who can't afford a regular dentist or who don't have access to transportation to reach a dentist.

Brain injury study

A provision in the bill calls for a study and report to the Legislature by Jan. 15, 2000, on the status of persons with brain injuries residing in public and private institutions.

The state is hoping to gather information to

help determine what support services are needed to allow these persons to return to their communities.

The state would also apply for federal funds to carry out a demonstration project to transition disabled persons out of nursing homes.

A similar program adopted several years ago provided for the transition of the developmentally disabled in the state from large institutions to group home settings in communities around the state.

Rural doctors plan

A proposal to spend an additional \$300,000 on a grant to the city of Duluth for a family practice residency program is included in the bill.

The program has for years been the sole source of doctors for the Iron Range and much of northern rural Minnesota. Doctors are trained at the University of Minnesota-Duluth and then begin their practices in rural clinics.

Veterans' homes improvements

Five of the state's homes for veterans would be allowed to make improvements to their facilities using donated money, under a provision of the bill.

The Minneapolis home would receive a picnic pavilion, walking trails would be added at Hastings and Silver Bay facilities, an entrance canopy would be constructed in Fergus Falls, and a suspended wooden dining deck built at Luverne.

Receiving and using donated money for such projects requires legislative approval.

Seniors at home

The bill would provide an additional \$120,000 each year of the biennium to create six more Living at Home/Block Nurse Programs in the state.

The program organizes neighborhoods to provide assistance to help older people continue to live at home and to link them with support services and professionals when necessary.

There are currently 25 programs in the state — 13 in urban neighborhoods in St. Paul and Minneapolis and 12 in Greater Minnesota.

Another \$160,000 for the biennium would be made available to the Minnesota Senior Service Corps, a program that provides similar services.

Adolescent gambling

The bill would use \$150,000 of lottery prize fund money each year of the biennium to increase support for Minnesota Council on Compulsive Gambling.

The Duluth-based organization is devoted

to dealing with young gamblers, who run twice as high a risk of developing a gambling problem than do adults.

The organization hopes to take its message to two-thirds of the state's middle school students over the next two years with the funding.

Prompt payment for care



A new law will require health maintenance organizations (HMOs) and nonprofit health service plans to promptly pay claims for home care services.

Effective July 1, a valid claim will have to be paid within 30 days of receipt by the health plan or interest can be requested by the organization submitting the claim.

Prompt payment language was adopted by the Legislature in 1997 for claims filed on state-operated funding programs, reducing the average wait to 14 days.

In the private sector, home care agencies reported it is not uncommon to wait 60 to 90 days for payment, and sometimes as long as 120 days. That slices into their cash flow and makes it difficult to pay workers on time.

Most of the services are physician-ordered and pre-authorized. For claims to qualify for rapid processing under the new law, they must be submitted in a complete fashion.

The language of the new law reflects a compromise between the Minnesota Home Care Association and insurers Blue Cross-Blue Shield and Allina Health System.

Rep. Kevin Goodno (R-Moorhead) and Sen. Sheila Kiscaden (R-Rochester) sponsored the measure.

HF1658/SF1268*/CH146

Services for hard-of-hearing



A new law will help make life easier for the state's deaf community.

Effective Aug. 1, the process for obtaining deaf interpreter services will be amended and outdated provisions dealing with the way the

Department of Human Services purchases communication devices for the state-run Equipment Distribution Program will be repealed.

Also, the state Department of Health will be added as a fourth member of the interagency management team for the Deaf and Hard-of-Hearing Service Division.

Through feedback from forums held around the state, the division learned that there continues to be a shortage of quality interpreter services across Minnesota. The new law will

add “interpreting” services to the division’s purview to enable it to explore alternatives for getting interpreting services to consumers in those areas of the state where there are no freelance interpreters.

The new law will also repeal the requirement to contract out for referral services in the metro area, making it optional to accommodate the changing nature of services in the area.

For many years, there was only one sign language interpreter referral service available in the Twin Cities area — the service receiving state support. In recent years, competition in the referral marketplace has developed because of increasing demands for interpreting services.

As a result, it is expected over time that the metro area’s need for state-supported referral services will diminish. The new law will give flexibility to allow that to happen.

All of the revisions came about as a result of periodic review of legislation that impacts the division’s programs.

Rep. Lynda Boudreau (R-Faribault) and Sen. Charles Wiger (DFL-North St. Paul) sponsored the measure.

HF1414*/SF1584/CH149

Law expands eligibility



A new state law will make it easier for people with developmental disabilities to access the Consumer Support Program operated by the Department of Human Services.

Effective March 16, the new law eliminates an income cap for participation in the program.

Under previous law, people were ineligible for the program if their income was equal to or more than the level at which they would be required to pay a parental fee for medical assistance services and county social services. (That would translate to an income level that is the lesser of 150 percent of the federal poverty guidelines or \$30,000 annually.)

The program is generally used to pay for in-home support services received by qualifying individuals.

Rep. Jerry Dempsey (R-Hastings) and Sen. Steve Murphy (DFL-Red Wing) sponsored the new measure.

HF356/SF73*/CH10

Seeking service solutions



A task force to develop a new rate structure for state reimbursement for certain services offered to the developmentally disabled will be established under a new law effective May 14.

The task force is required to report to the Legislature by Jan. 15, 2000, and must operate under the umbrella of the commissioner of human services.

Although the method of providing services to the developmentally disabled in the state has shifted focus from large institutions to individual needs, the system of reimbursements for those services hasn’t kept pace.

Also, the current payment procedure provides a higher reimbursement rate for new agencies entering the market than for existing operations.

The new law instructs the task force to develop a plan “that reflects individual consumer needs and demands for services” that is flexible, simple, and equitable.

The Minnesota Habilitation Coalition and Minnesota Day Activities Center Association supported creation of the task force. The task force will include officials from a variety of parties interested in reimbursements for services, including the counties.

Rep. Lynda Boudreau (R-Faribault) and Sen. Dallas Sams (DFL-Staples) sponsored the measure.

HF1933/SF1615*/CH152

Mental health council



A law effective Aug. 1 will modify membership and reporting requirements for the State Advisory Council on Mental Health.

The new law will add a representative from the Mental Health Consumer/Survivor Network of Minnesota to the council. It also will require one or more of the council members to be a person of color.

Finally, the law will require the council to report on its activities to the Legislature, in addition to the executive branch.

The 30-member panel is charged with providing input on policy, programs, and services affecting people with mental illness.

Rep. Fran Bradley (R-Rochester) and Sen. Sheila Kiscaden (R-Rochester) sponsored the bill.

HF640*/SF488/CH39

Making reform official



Gov. Jesse Ventura signed a new law May 13 that will rid state statute of references to one welfare program — the former federal Aid to Families with Dependent Children (AFDC) — and update references to the state’s reform initiative — the former Minnesota Family Investment Program—Statewide (MFIP-S).

AFDC officially ended with the adoption by the U. S. Congress of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. That legislation required states to develop welfare-to-work programs and specified a host of other changes.

Minnesota began implementing those changes in 1996 with a pilot Minnesota Family Investment Program (MFIP) in eight counties. Later, to differentiate between the pilot program and the statewide version, lawmakers put an S behind MFIP in statute.

Now that the pilot program has ended completely, it was determined the “S” was no longer necessary.

Effective Aug. 1, the new law will eliminate obsolete references to both programs.

Rep. Loren Jennings (DFL-Harris) and Sen. Dan Stevens (R-Mora) sponsored the measure.

HF1393/SF1585*/CH159



INDUSTRY

Port authority name change



A new law will change the name of a Duluth port authority.

The Seaway Port Authority of Duluth will be known after Aug. 1 as the Duluth Seaway Port Authority.

The name change was requested to make it easier for people to find the organization in directories. Because most port authorities contain the location in the first part of their names, many people look up the “Duluth Port Authority” and do not find a listing.

Rep. Mike Jaros (DFL-Duluth) and Sen. Sam Solon (DFL-Duluth) sponsored the measure.

HF1809/SF1554*/CH68

Keep the change



A new law will let port authorities keep excess money earned on lease or management contracts paid for with state bonding funds.

Under current law, extra money not needed for operating costs or debt service payments that is earned from a bond sale financed by the state must be paid to the state.

Effective Aug. 1, the new law will allow Minnesota's five port authorities to use those profits to reinvest in improvements to their terminals. Proponents of the measure say it will let the port authorities better manage the money earned by their projects.

Rep. Jerry Dempsey (R-Hastings) and Sen. Steve Murphy (DFL-Red Wing) sponsored the measure.

HF1161/SF480*/CH114



INSURANCE

Cap on benefits raised



A new law effective May 8 increases the maximum limit of lifetime health benefits under the Minnesota Comprehensive Health Association (MCHA) insurance program.

MCHA provides insurance to Minnesotans who are unable to obtain health insurance through the private market because of pre-existing conditions. Participants pay higher premiums than they would for private plans.

The law raises the lifetime cap on health benefits to \$2.8 million from \$2 million. Proponents of the measure said MCHA participants often have high health-care costs and would benefit from the increased limit.

Rep. Mike Osskopp (R-Lake City), who was the House sponsor of the measure, said he originally wanted to remove the cap entirely. He said an 8-year-old boy in Red Wing who requires constant supervision and a special ventilator to breathe would benefit from the raised cap, because his medical needs cost about \$30,000 per month.

The measure became law without Gov. Jesse Ventura's signature.

Ventura said raising the benefit limit will further increase MCHA's deficit. The state subsidizes the association because of the high claim costs, and Ventura said he is wary of supporting a program that continues to suffer losses.

"I greatly appreciate the importance of assisting individuals who are in danger of exhausting health care benefits under (MCHA),"

he stated in a letter explaining why he didn't sign the new law. "However, I am becoming increasingly concerned about the growing unfairness of the financing mechanism that supports MCHA."

Sen. Steve Murphy (DFL-Red Wing) sponsored the legislation in the Senate.

HF270*/SF470/CH130

Health coverage alternatives



The governor on May 19 signed a new law aimed at increasing competition in the state's health care insurance market.

The new law will provide options for less expensive and less comprehensive employee health policies for small businesses, many of them in rural areas.

Effective Aug. 1, it will permit insurance companies that do not already have a major presence in the state — those that have less than 3 percent market share — to offer plans that don't include all of the state's currently mandated coverage.

Under existing state law, insurers and health maintenance organizations may offer small employers — those with fewer than 50 employees — the same benefit sets they offer to large companies or they may sell two alternative plans with lower costs and lower benefits. The law will provide another option to those small firms.

The new law will allow policies with different co-payments and deductibles, as well as those that would pay on a basis other than medical expenses incurred, such as a flat dollar amount per day in the hospital or a flat dollar amount upon a diagnosis of cancer.

Rep. Bill Haas (R-Champlin) and Sen. Linda Scheid (DFL-Brooklyn Park) sponsored the measure.

HF870/SF841*/CH181

AIDS study volunteers



People who participate in AIDS vaccine research will be protected from being unfairly denied insurance, under a new law.

AIDS vaccine clinical tests involve injecting candidates with a synthetic substance designed to cause the immune system to develop antibodies against the HIV virus. The vaccine itself doesn't contain the virus.

However, people who participate in the trials may develop antibodies to the HIV virus. And when insurance companies test applicants for life, disability, and other types of insurance, they often test for the presence of

HIV antibodies as a method of determining whether a person is HIV positive.

The new law, effective Aug. 1, requires insurers to look more carefully before denying coverage. When informed that a client has participated in a vaccine test, an insurer must obtain a confidential certificate from the sponsor of the trial verifying the person's HIV status.

If it can be proven that the person's HIV antibodies are a result of exposure to the vaccine and that the person was HIV negative prior to the injection, the insurer cannot refuse to issue a policy.

The legislation was requested by the Minnesota AIDS Project, which is coordinating four test sites in the state involving about 200 volunteers.

The National Institutes of Health has evaluated over 20 vaccine possibilities, which are undergoing nationwide trials to determine the safety of the vaccines and their impact in stopping the disease.

Rep. Peg Larsen (R-Lakeland) and Sen. John Hottinger (DFL-Mankato) sponsored the measure.

HF1106*/SF1075/CH121

Coverage for translation



State law now requires no-fault automobile insurance to cover the cost of sign language interpreting and language translators as part of medical benefits.

The state's no-fault automobile insurance law is designed to ensure prompt payments by insurance companies for medical and other benefits to victims of car accidents. It was created to relieve the financial burden of uncompensated victims who might have costly medical or repair bills as a result of an accident.

In order to communicate their illness or injury, people who don't speak English often need a family member or professional interpreter to accompany them to the doctor's office.

Effective May 8, a new law directs insurance companies to pay for translators as necessary medical expenses, but the services will only be covered if they relate to medical care associated with an accident and will not apply if a family member serves as the translator.

Rep. Andy Dawkins (DFL-St. Paul), the House sponsor of the measure, said he discovered many insurance companies were not covering translating services as part of necessary medical expenses.

Sen. Sandy Pappas (DFL-St. Paul) sponsored the legislation in the Senate.

HF684/SF521*/CH134

All's FAIR in insurance



A new law will make several changes in the way the state's Fair Access to Insurance Requirements (FAIR) plan operates.

FAIR is a high-risk pool for homeowner's insurance and business property insurance designed to provide coverage when it is not available through the normal private market.

Effective Aug. 1, FAIR will have to issue a policy if the property meets preliminary underwriting requirements; however, the coverage may be rescinded in the next 59 days if further analysis shows the policy should not have been issued.

The new law also will require a standard form to be used in all dealings with FAIR and will broaden the FAIR plan's exemption from liability to include criminal liability.

The changes were requested by the board that oversees operation of the plan.

Rep. Jim Seifert (R-Woodbury) and Sen. Linda Scheid (DFL-Brooklyn Park) sponsored the measure.

HF1708*/SF1675/CH120

Covering funeral costs



A new law will update the state statute regarding insurance for funeral or burial expenses.

The law, effective Aug. 1, will allow funeral home owners, directors, and employees to receive commissions from the sale of insurance contracts totaling \$20,000 or less. However, the commissions could only apply to "pre-need" contracts, or those purchased before the services are needed.

In addition, the law will clarify the definition of who can make decisions regarding a person's funeral arrangements. Current law allows such decisions to be made only by family, next of kin, or another representative. The new law will simply state that such decisions can be made by one who has the legal authority to act on behalf of the deceased.

Rep. Greg Davids (R-Preston) and Sen. Arlene Lesewski (R-Marshall) sponsored the measure.

HF1150/SF1182*/CH100

Selling settlement funds

The practice of buying a person's rights to structured settlement payments from an insurance company would be regulated under a bill approved by the House May 15. The vote was 128-5.

Under the bill, companies that pay upfront for a person's rights to future payments would have to disclose detailed financial information about the transaction, known as a factoring transaction.

The people who are selling the rights to the payments are generally claimants in personal injury or workers' compensation cases, and some are not used to making decisions on such complex financial information. Some people have squandered the cash they received in a factoring transaction and are unable to pay their bills when they stop receiving the scheduled payments.

Court approval would be required for factoring transactions that occur after Aug. 1, under the bill. The transaction would be allowed only if the court determines it is necessary for the claimant to avoid an "imminent financial hardship" and that the lack of future payments would not cause undue hardship.

Also, the person who is selling the rights to the payments would receive legal and financial advice before completing the transaction. The advice would include how the present value of the cash that is being offered compares to the money the claimant is scheduled to receive over time, tax implications of the proposed transaction, and explanations of other possible consequences of the transaction.

The bill also would require more disclosure of that type of information in the initial negotiations of structured settlement claims.

An earlier Senate version of the bill had contained a provision that would have allowed transactions to continue to be unregulated if the settlement amount was less than \$5,000. But that provision was removed in a House-Senate conference committee.

Rep. Bill Haas (R-Champlin), House sponsor of the measure, said he opposed the \$5,000 limit because it would allow factoring companies to get a "foot in the door" by buying several small portions of a larger settlement amount. Haas argued that the regulations should apply to settlements of any amount.

Sen. Edward Oliver (R-Deephaven) sponsored the measure in the Senate.

The bill (HF478) now goes to the governor's desk.

Where to find information

Chief Clerk's Office

211 State Capitol (651) 296-2314

The Chief Clerk's Office provides copies of bills at no charge, all agendas for House sessions, and the Journal of the House.



LAW

Ventura veto overridden

In the first successful override of a governor's veto in 17 years, lawmakers passed into law a measure dealing with seat belt liability. The move came during the last hours of the 1999 session.

The new law changes the so-called seat belt gag rule to allow defective seat belt claims to move forward in court.

The House re-passed the measure May 17 by a vote of 109-19. The Senate voted 59-1 to override the veto April 28. A two-thirds vote was necessary in both houses to override Gov. Jesse Ventura's veto.

The last successful veto override happened in 1982 when the DFL-controlled Legislature passed two bills into law that Republican Gov. Al Quie had vetoed.

The seat belt gag rule law states that whether a person was wearing a seat belt cannot be considered by the courts when deciding personal injury or property damage claims resulting from a car crash.

In a 1997 case, the Minnesota Supreme Court ruled that the gag rule law, as it was written, also applied to cases in which the claim is filed against the auto manufacturer for a defective seat belt.

If plaintiffs can't establish that they were actually wearing a seat belt, they can't prove that the seat belt caused or failed to prevent an injury, and the cases cannot move forward.

The new measure simply exempts claims of defective or malfunctioning seat belts from the gag rule law.

The new law is effective May 18 and applies to any legal action pending or begun on or after that date.

It will specifically allow Jodi-Michaele Carlson, of Bemidji, to go ahead with a lawsuit against a car manufacturer. Carlson was partially paralyzed in a 1995 accident involving an allegedly malfunctioning seat belt.

In his April 27 veto message, Ventura argued that the bill didn't go far enough and that the entire gag rule should be repealed.

The governor also expressed concern that the bill would have affected cases currently before the courts and that the bill favors one party over another in these cases.

"By partially repealing the seat belt gag rule an unfair advantage will be given to one party in the courtroom," Ventura wrote. "Juries should hear all of the arguments and facts in a case before rendering a decision."

The House tacked an amendment containing the vetoed bill to a transportation department housekeeping bill May 13. That provision



Accident victim Jodi-Michaelle Carlson, *right*, will be able to sue her car manufacturer for damages, under a change in the state's seat belt gag rule. The Legislature voted to override a veto by Gov. Jesse Ventura, and the new law will allow evidence of defective or malfunctioning seat belts in court cases.

was stripped from the bill (SF1762*/HF1551) by the conference committee.

"We need to override this veto if we want this provision to become law," Rep. Mary Jo McGuire (DFL-Falcon Heights) told members of the House before the vote. McGuire sponsored both the original measure and the amendment to the other bill.

Sen. Leo Foley (DFL-Coon Rapids) sponsored the exception to the seat belt gag rule in the Senate.

HF462/SF303*/CH106

Malpractice limit extended



A new law will give more victims of medical malpractice their day in court.

Current law requires that lawsuits dealing with medical malpractice must be initiated within two years of the alleged occurrence of the malpractice. The new law will allow up to four years to take legal action.

Bill sponsor Rep. Henry Todd Van Dellen (R-Plymouth) said that some cases of malpractice do not become evident within the two-year period and when the victims discover the problem, it is too late to take action.

Van Dellen said his bill will not change the standard for malpractice, it will just allow these cases to move forward.

The new law is effective Aug. 1 and will apply to legal actions commenced on or following that date.

Sen. Don Betzold (DFL-Fridley) sponsored the measure in the Senate.

HF56*/SF90/CH23

Court reporters on contract

The House passed a bill May 15 that would require freelance court reporters to disclose contracts or agreements they may have with litigants. The vote was 132-0.

The measure comes in response to a growing use of contracted court reporters. These contracted employees are often used by large companies, such as insurance companies, that frequently need the services of court reporters for depositions and other legal proceedings.

Under such deals, the company agrees to use the court reporter exclusively and the court reporter provides services at a reduced rate. The practice is used as a way to reduce overall litigation costs.

The measure, sponsored by Rep. Steve Smith (R-Mound), would require that court reporters disclose any contracts or agreements both in writing and orally before the beginning of any legal proceeding.

The bill also outlines procedures for cases where attorneys object to the use of contracted reporters, and would provide legal remedies for litigants who aren't given the information before the proceeding.

Earlier versions of the bill would have simply outlawed such contracts altogether and court reporters would have been required to work only on a case-by-case basis.

Critics of the agreements say that reporters need to provide services that are neutral and fair, and that the contracts give the impression the court reporter is biased toward one side in the legal dispute.

The bill (HF346*/SF278) now goes to the governor.

Better pay for jurors



A new law will ask the state's highest court to issue an opinion on the subject of jury pay.

The measure, effective Aug. 1, will request that the Minnesota Supreme Court study the several issues involving juror compensation, including a study of daily pay rates, reimbursements for child care and travel, and special considerations for longer civil trials.

The law also will require the court to examine ways to balance these concerns with a desire to have juries represent a cross-section of society. The report is due back to the Legislature in December.

The measure came as a result of the hardships reported by jury members serving during the lengthy trial in Minnesota's lawsuit against Big Tobacco in 1998. The trial lasted for weeks before it ended in a settlement.

Minnesota courts currently pay jurors a \$30 stipend per day for expenses related to jury duty.

Rep. Michael Paymar (DFL-St. Paul) and Sen. Randy Kelly (DFL-St. Paul) sponsored the measure.

HF1153/SF973*/CH71

Cover for 911 dispatchers



Emergency dispatchers can give over-the-phone medical instructions to callers without fear of legal troubles, under a new law effective April 28.

The measure exempts dispatchers from civil liability when in the course of an emergency call they provide medical information before emergency responders arrive on the scene.

Some municipalities had advised dispatchers not to give medical information over the phone because the local unit of government could possibly be held liable in a lawsuit.

Rep. Rich Stanek (R-Maple Grove), House sponsor of the new measure, said the law will give emergency dispatchers the ability to do their job "without fear of superfluous litigation."

Sen. Leo Foley (R-Coon Rapids) sponsored the measure in the Senate.

HF541/SF436*/CH108

Divorce law correction



An error made in the state's marriage dissolution law has been corrected.

In 1991, the Legislature created a simplified process for couples

without children and with limited property to file for divorce.

Then in 1997, the Legislature amended the summary process but unintentionally failed to remove a provision that discontinued the program in the summer of that year.

The new measure, retroactively effective July 1, 1997, restores the summary process and makes it permanent.

Rep. Matt Entenza (DFL-St. Paul) and Sen. Leo Foley (DFL-Coon Rapids) sponsored the new law.

HF1258*/SF487/CH37

Real estate rewrite



A new measure will make several technical changes to the state's real estate laws.

Among other things, the measure eliminates the requirement that owners of registered land have an owner's duplicate certificate of title in order sell the land.

The law also makes several minor changes to the Common Interest Ownership Act governing housing cooperatives and condominiums. Most provisions of the new law are effective Aug. 1.

The changes were recommended by the real property section of the Minnesota State Bar Association.

Rep. Jim Seifert (R-Woodbury) and Sen. David Knutson (R-Burnsville) sponsored the measure.

HF382/SF343*/CH11



LOCAL GOVERNMENT

Residency rules repealed



Minneapolis and St. Paul can no longer require city employees to live within city limits, under a law effective March 5.

The measure repealed laws that allowed those cities to make residency a condition for employment.

Proponents of the proposal, sponsored by Rep. Rich Stanek (R-Maple Grove), argued that residency requirements make it more difficult for those cities to hire and retain qualified employees.

Stanek, who works as a Minneapolis police officer, said residency requirements also violate people's basic right to choose where they live. The Legislature passed measures allowing residency requirements for Minneapolis in 1993 and for St. Paul in 1994. People hired since the requirements took effect have been required to live in the city where they are

employed (after a grace period to allow time to find housing).

The Senate bill was sponsored by Sen. Steven Novak (DFL-New Brighton).

HF133*/SF107/CH260

Public purchasing bill vetoed



A bill that sought to give cities more flexibility in awarding contracts for purchases was vetoed by Gov. Jesse Ventura.

Current law requires cities to solicit sealed bids for purchases if the estimated cost is more than \$25,000. The bill would have raised the threshold to \$50,000.

For purchases between \$10,000 and \$50,000, the bill would have allowed cities to seek price quotes from at least two vendors or to solicit sealed bids.

Proponents of the bill said the formal bidding process is unnecessary in purchasing items in that price range.

The bill also would have allowed cities to purchase supplies, materials, or equipment through a national municipal association or a cooperative.

In a letter accompanying the veto message, Ventura wrote that the proposal could have increased unethical conduct in purchasing decisions.

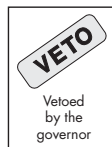
"The municipal contracting statute was enacted, in part, to ensure that municipal contracts are awarded on the basis of the best value at the best price, rather than being awarded on the basis of favoritism," Ventura wrote.

"I believe that contracts should be awarded on the basis of what you know, not who you know. Competitive bidding is essential to ensure that this type of favoritism does not negatively affect a community's interest to the benefit of a contractor who happens to be in favor with the city manager, mayor, or city council."

Rep. Bill Kuisle (R-Rochester) and Sen. Steve Kelley (DFL-Hopkins) sponsored the measure.

HF1097/SF1188*/CH82

Second buying bill vetoed



Gov. Jesse Ventura has vetoed a second bill this session dealing with the way cities and counties make purchases.

The most recent measure would have exempted governmental units from having to have an agreement to act jointly or cooperatively for purchases under \$25,000 if the purchases were made through the National Association of Counties. That

organization has amassed a large purchasing consortium in the past few years and a number of Minnesota counties were poised to use it, hoping to save taxpayer dollars.

Ventura, however, saw it another way.

"Providing a mechanism for municipalities to evade the procurement policy objectives established by the Legislature will adversely affect the state's cooperative purchasing program and state mandates for environmentally responsible purchasing," Ventura wrote in a May 17 letter accompanying his veto message. "Economically disadvantaged small businesses and minority business owners will also be affected negatively by this bill."

He also faulted the legislation for negatively impacting MINNCOR, a program developed by the Department of Corrections to employ inmates and sell their handiwork to cities and counties.

"While MINNCOR is on track to meet its legislative mandate to achieve self-sufficiency by 2003, this bill would hinder the department's progress and threaten the continuation of the entire program," the governor wrote.

Ventura said the program's prosperity is critical to the state prison system and he would not allow it to be jeopardized "in the name of streamlining government."

Ventura earlier vetoed a separate bill (HF1709/SF1188*/CH82) that sought to raise the dollar level above which cities are required to solicit sealed bids for purchase.

That bill also would have allowed cities to purchase supplies, materials, or equipment through a national municipal association or cooperative.

In that veto message, Ventura said changing the laws regarding purchases would make "who you know" more important than "what you know" and said he aimed to encourage competitive bidding.

Rep. Alice Hausman (DFL-St. Paul) and Sen. Charles Wiger (DFL-North St. Paul) sponsored the most recent measure.

HF1544/SF1609*/CH167

Amortization prohibition



A new law prohibits cities and counties from setting a deadline for property owners to cease operations that do not conform to zoning ordinances — a maneuver sometimes used to force out undesirable businesses or halt unpopular practices.

The practice is known as amortization and the law, effective April 24, prohibits it except in cases where it is used to close strip clubs and other "adult" businesses.

Cities and counties can change zoning

ordinances to reflect changing land uses, such as a growing business or industrial district. But if an existing section of property becomes a nonconforming use due to a change in zoning, state law allows the owner of that property to continue that use under certain conditions.

The city or county can also condemn the nonconforming property, but the property owner must be paid fair market value.

Opponents of amortization call it a loophole in the law, because it effectively makes a property worthless. If the local government sets a deadline for a business owner to conform to a new zoning ordinance or to move, a potential buyer would have no incentive to buy the property until after the deadline, when the value would plummet.

Rep. Peg Larsen (R-Lakeland) and Sen. Keith Langseth (DFL-Glyndon) sponsored the measure.

HF896/SF854*/CH96

Fees for pinball machines



A new law will require Minnesota cities that issue permits for amusement machines such as pinball or video games to charge only as much as it costs them to issue the permit or \$15 per site and \$15 per machine, whichever is lower.

The new law was supported by the Minnesota Operators of Music and Amusements, a trade association for the coin and currency activated amusement industry, which expressed concern that some cities are using fees to control personal and business activity and to generate revenue.

The association claimed some cities charged as much as \$150 per location plus \$60 per machine.

Cities are not required to license amusement machines; however, if they do, they are limited to charging only the cost of issuing and administering the license. The new law, effective Aug. 1, will clarify that provision of statute for the machine owners.

Rep. Rob Leighton (DFL-Austin) and Sen. Jim Vickerman (DFL-Tracy) sponsored the measure.

HF1140/SF1329*/CH179

Legislative history can be researched in printed materials at the Legislative Reference Library or, for the years since 1995, on the Internet. Find directions at:
<http://www.leg.state.mn.us/leg/leghist/histstep.htm>

Employees' legal fees



A new law allows townships to reimburse certain legal costs to employees.

Under existing law, cities and counties can reimburse legal costs of employees charged with committing crimes while performing their official duties. The law requires that the payment must be approved by the district court.

The new law, effective April 2, simply gives the same authority to Minnesota's 1,793 townships.

The measure came as a result of a case in New Scandia Township in Washington County. In 1994, prosecutors charged the township's former chief of police with misconduct by a public employee while serving as chief.

Although the case was dismissed by a judge in 1995, the former employee incurred \$4,500 in legal fees. And because she worked for a township and not a city or county, the employee could not seek reimbursement from the local government.

Rep. Doug Stang (R-Cold Springs) and Sen. Jim Vickerman (DFL-Tracy) sponsored the measure.

HF475*/SF517/CH30

Mandated minimums



County recorders will be able to require a minimum deposit in accounts to assure payment of charges, under a new law.

County recorders are responsible for keeping track of property records. Under current law, companies may post a security deposit with county recorders to pay for fees when records are filed. This allows the county to deduct the fees from the company's account and does not require company couriers to carry money with them when they deliver documents to the county recorder.

The new law, effective Aug. 1, allows county recorders to require a minimum balance in company accounts to guarantee the payment of fees. It applies to all counties in the state.

The measure stems from a state auditor's report that found Ramsey County requiring the minimum deposit without the legal authority to do so.

Rep. Andy Dawkins (DFL-St. Paul) and Sen. Sandy Pappas (DFL-St. Paul) sponsored the legislation.

HF908/SF465*/CH69

Funding historical projects



Most Minnesota cities will be able to make unlimited donations to historical projects, under a new law.

A \$500 cap on what cities can spend on historical projects was enacted in 1957 and later raised to \$2,000 in 1977.

The proposal to eliminate that cap was supported by the Minnesota Historical Society as a way of encouraging additional historical investment by cities.

The new law, effective Aug. 1, will also clarify state law regarding contributions to senior and youth centers. That provision was requested by the city of Paynesville, where officials discovered that while the city could operate a transit program, it couldn't legally give financial support to an existing service operated by someone else.

Rep. Doug Stang (R-Cold Spring) and Sen. Michelle Fischbach (R-Paynesville) sponsored the measure.

HF371*/SF461/CH155

Covering expenses



A new law effective Aug. 1 will increase per diem rates for board members of some Minnesota sanitary districts.

A per diem rate is paid to a person much like an allowance to cover travel, dining, or other expenses associated with that person's duties as an employee or elected official.

Board members who serve the Western Lake Superior Sanitary District will see their per diem rates rise from \$35 to \$50.

Per diem rates for board meetings of the Moose Lake-Windemere Sanitary Sewer District will also increase from \$35 to \$50, but the annual maximum of \$1,000 will not change. In addition, the per diem for the board's chair will rise from \$45 to \$50. For events other than meetings, that district's per diem for its board members will increase from \$35 to \$50.

Both sanitary districts were established in the 1970s, and their rates have not changed since they were created.

Rep. Willard Munger (DFL-Duluth) and Sen. Sam Solon (DFL-Duluth) sponsored the measure.

HF258/SF376*/CH145

Hospital district addition



A new law effective May 12 authorizes the Paynesville area hospital district to add the city of Richmond to its domain.

Under state law, only cities that lie geographically next to hospital districts, which may levy taxes, can become part of the districts without approval from the Legislature.

In this case, Richmond is separated from the hospital district by a township. The hospital is building a new clinic in Richmond and wanted the city to be part of the district in the event that it might have to impose a tax in the future.

Rep. Doug Stang (R-Cold Spring) said the request needed legislative approval because of the hospital district's taxing authority, in addition to granting the geographic exception.

Stang and Sen. Michelle Fischbach (R-Paynesville) sponsored the legislation.

HF174*/SF156/CH147

More liquor licenses

Some cities would be allowed to increase their number of on-sale liquor licenses under a bill approved May 14 by the House. The vote was 122-4.

The number of licenses that can be issued by a city is based on population. As cities grow they can seek legislative approval for more licenses. The number of licenses issued in a city also is subject to the approval of the local city council.

Under the bill (HF1079), seven cities would be able to increase the number of liquor licenses that they could issue. It would allow Eden Prairie to issue five additional licenses, Marshall to issue four additional licenses, Stillwater to issue two additional licenses, and Bemidji, Detroit Lakes, and Proctor to each issue one additional license. The city of Minneapolis would be able to issue a license to a restaurant at 1931 Nicollet Ave. S.

The bill would also allow temporary licenses for events, such as alumni programs at Macalester College and the University of Minnesota, and for the Twin Cities Marathon, which would only be allowed to serve beer that is brewed in Minnesota.

Special licenses would also be allowed for the Brave New Workshop, Theatre de la Jeune Lune, and the Fitzgerald Theatre to serve wine and malt liquor during intermissions of performances.

The bill now goes to the governor's desk.



MILITARY

Armory board eligibility



Gov. Jesse Ventura signed a law that will broaden eligibility for National Guard members to serve on armory boards. The new law takes effect Aug. 1.

Current law limits eligibility for such positions to officers. The new law will extend it to enlisted personnel and warrant officers, who already perform duties of managers of armories. The measure also will allow retired National Guard members to serve as recruiters and to handle other temporary duties. It is designed to give the Department of Military Affairs more flexibility in hiring qualified people for those temporary duties.

Rep. Bruce Anderson (R-Buffalo Township) and Sen. Deanna Wiener (DFL-Eagan) sponsored the legislation.

HF1565*/SF1677/CH46



SPORTS

Reprieve for stud users



An approaching statewide ban on metal traction devices — or studs — for snowmobiles was repealed this year.

Stud use remains illegal on paved trails. Damage to those trails caused by illegal use of studs prompted the 1998 law banning studs on all public lands as of July 1, 1999.



Lawmakers repealed a 1998 ban on snowmobile metal traction devices, or studs, for use on public land.

But the new law, effective March 5, repeals that law, which also included a requirement that snowmobilers buy a \$50 sticker to use studs until the ban was to take place.

Rep. Tom Hackbarth (R-Cedar), sponsor of the bill, said the special fee and pending ban have caused parts of the state to suffer from lost tourism revenue. And he said the repeal will help bring some tourism dollars back to the state.

Sen. LeRoy Stumpf (DFL-Thief River Falls) sponsored the measure in the Senate.

HF6*/SF40/CH4

No stickers on antique boats



Owners of antique boats will have more leeway in displaying their boat licenses, under a measure signed by Gov. Jesse Ventura.

The new law will allow owners of restored historic boats to affix the license number and decals to a detachable device on the boat instead of to the boat itself. It will affect boats that were built before July 1, 1959, and that are used solely as collector's items. The law takes effect Aug. 1.

Rep. Jim Rostberg (R-Isanti), House sponsor of the measure, said it will allow owners of those boats to participate in parades or events without having to deface the valuable crafts with license stickers.

In a letter filed with the bill, Ventura wrote that he believes the law should apply to all watercraft.

"It is my expectation that the Legislature will revisit this issue in a future legislative session and pass a bill exempting all watercraft

from the license display requirement during any exhibit, regatta, or boat parade held in Minnesota,” he wrote.

Sen. Doug Johnson (DFL-Tower) sponsored the measure in the Senate.

HF137*/SF463/CH22



TAXES

Tax cuts and rebates

A significant cut in income taxes and a \$1.3 billion sales tax rebate were passed by the lawmakers May 17, and the plan awaits action by Gov. Jesse Ventura.

“Today is the day we redeem our campaign promises,” said Rep. Ron Abrams (R-Minnetonka), chair of the House Taxes Committee and sponsor of the bill (HF2420). “Today we have before us the largest tax cut in the history of Minnesota.

The tax cuts in the proposal total \$1.3 billion for the first year of the coming biennium and \$1.2 for the second year. The House vote on the bill was 119-13.

The plan would reduce income tax rates for married individuals filing joint returns from 6 to 5.5 percent on the first \$25,200 in taxable net income, from 8 to 7.25 percent for income from \$25,200 to \$100,200, and from 8.5 to 8 percent on all income over \$100,200.

Minnesota taxpayers would likely notice the reductions in July when state officials would reissue withholding tables. Officials expect the decreases to average about 9 percent.

While the tax cut was among the most popular provisions of the bill, it was also one of the most criticized. Specifically, the cut in the top bracket drew opposition from some legislators.

“This bill widens the gap between the rich and poor in Minnesota,” said Rep. Andy Dawkins (DFL-St. Paul).

He noted that personal income in the state has risen four-fold in 20 years, but only the wealthiest 20 percent have shared in the good times.

Rep. Myron Orfield (DFL-Mpls) said 40 percent of the tax cut benefits would accrue to the wealthiest 6 percent of earners.

Abrams contended the bill was fair and contained something for everyone.

He pointed out that nearly all Minnesotans would benefit from the rebates, which would be mailed sometime in August. Most residents would receive the rebate automatically without having to file a form.

Although the rebate amount was approved at \$1.25 billion, Abrams said that could easily rise to \$1.3 billion before the end of the fiscal



Most Minnesotans will be checking their mailboxes in August, when the state will likely mail an estimated \$1.25 billion in sales-tax rebate checks. The total rebate, which would be based on 1997 income tax records, could jump to \$1.3 billion if further budget surpluses are found when the state balances its books June 30.

year, given the continued strength of the state’s economy.

The average household would receive about \$600. Rebates would be determined by taking the total from Line 4 of the M-1 Form filed in 1998 for income earned in 1997 and applying it to one of two tax tables — one for single people or married couples filing separately and another for joint filers or people filing as a head of household.

The bill would also eliminate the so-called “marriage penalty,” a hitch in state law that forces married couples filing jointly to pay more taxes than single filers with the same income.

Under the plan, couples would be given a credit ranging from \$9 to \$261, based on income level. The original House bill contained a more expensive proposal to simply expand the width of the “married” bracket to encompass two “single” brackets.

But the compromise plan, proponents said, would result in fewer “marriage bonuses” — instances in which certain couples would be rewarded for filing jointly.

Here are other highlights of the omnibus tax package.

Charity for all

More Minnesotans making contributions to charitable organizations would be rewarded with a deduction, under the measure.

Current law only allows deductions for charitable giving if a taxpayer itemizes his or her return. Those who don’t itemize would be allowed to deduct 50 percent of their contributions over \$500, under the bill.

The aim is to boost the stock of nonprofits in the state as a way of providing needed

services without having to spend more tax dollars.

Sick tax doctored

The state’s medical services provider tax — often called the “sick tax” — would remain in place, under the bill. The House had originally proposed a two- or three-year phase out, a move that would have cost the state just over \$292 million.

The gap in revenue would have been filled with a portion of the state’s tobacco settlement money. But once an agreement was reached to spend that money on health-related endowments, the provider tax was left in place. However, a scheduled increase in the rate for the coming year was eliminated.

During debate on the conference committee report, members on both sides of the aisle pledged to renew their quest to eliminate the tax next year.

This year’s bill also includes exemptions for certain services doctors provide without charge, such as providing treatment for employees as part of a company-provided health care program.

Sales tax changes

Among the proposed sales tax changes are exemptions for those filming television commercials in the state, counties purchasing equipment and supplies for road maintenance, vehicles given as gifts by individuals, and prizes for games of skill or chance at carnivals and fairs.

The exemption for those filming commercials was requested by Gov. Jesse Ventura as a way to spur business activity in the state. The exemption would likely cost the state more than \$2 million during the biennium.

Taxpayer savings

(Including a \$1.6 billion permanent tax cut and
\$1.3 billion one-time rebate)

Permanent tax cut

Married couple,
2 dependents

1997 taxable income	New tax	Annual savings
\$10,000	\$840 credit	\$76
\$25,000	\$151 credit	\$67
\$50,000	\$1,427	\$309
\$75,000	\$2,840	\$455
\$100,000	\$4,254	\$601
\$250,000	\$16,668	\$1,581

One-time sales tax rebate

Married couple or
head of household

Income range	Average rebate
\$15,000-\$24,999	\$623
\$25,000-\$34,999	\$726
\$35,000-\$44,999	\$847
\$45,000-\$59,999	\$945
\$60,000-\$79,999	\$1,117
\$80,000-\$99,999	\$1,346

Single filer, no dependents

\$10,000	\$160	\$15
\$25,000	\$1,000	\$92
\$50,000	\$2,326	\$229
\$75,000	\$3,740	\$375
\$100,000	\$5,293	\$475
\$250,000	\$17,835	\$1,259
\$500,000	\$37,513	\$2,489

Single filer, no dependents

\$15,000-\$19,999	\$464
\$20,000-\$24,999	\$496
\$25,000-\$29,999	\$515
\$30,000-\$39,999	\$570
\$40,000-\$49,999	\$649
\$50,000-\$69,999	\$776
\$70,000-\$99,999	\$958

Sources: House Research and Minnesota Department of Revenue

County and city officials had sought a complete exemption from paying sales tax on all goods and services purchased, but they received only the exemption for road maintenance purposes in the bill.

Caring for the poor

Two large hospitals in the Twin Cities metro area — one in Hennepin County and one in Ramsey County — would be reimbursed for providing medical care to low-income Minnesotans who do not reside in either of those counties.

Under the bill, \$10 million would be available, based on each hospital's share of the county's charity care.

Representatives from Hennepin County Medical Center in Minneapolis and Regions Hospital in St. Paul appeared before several House committees, pleading for help with the ever-growing costs of admitting patients who can't pay and who don't live in the county.

Reimbursement recipients would have to

file a report describing how the aid was spent.

Steel plant boost

The bill contains a \$20 million commitment from the state to a plan for building a cutting-edge steel-making facility near Nashwauk in northern Minnesota.

The provision was part of the Senate's omnibus tax plan but was not in the original House measure. House conference committee members originally were cool to the idea, but later approved the plan, which would be added to \$30 million already committed to the project by the Iron Range Resources and Rehabilitation Board.

Banks and taxes

The bill would allow the state's small bank owners to elected "S corporation" status and avoid the state's corporate franchise tax.

The move is expected to cost the state \$23 million in revenue over the biennium.

"S corporation" status allows profits to flow

through a corporation without taxes being assessed to the individual shareholders. Congress enacted Subchapter S of the Internal Revenue Code in 1958 to allow some businesses to be treated as partnerships for tax purposes.

The Legislature in 1997 moved to conform to federal laws but didn't include banks. Under provisions of the current bill, banks would not be given the status at parity with other companies, but would be credited for 80 percent of the benefit.

Multi-state businesses

Changes in how Minnesota's large multi-state corporations pay their taxes are included in the compromise tax bill.

Under existing law, most corporations are required to use a three-factor formula, based on property, payroll, and sales. The tax is weighted most heavily on sales, which means companies that are based in other states but have significant sales here pay the most tax.

Companies that own and operate plants here pay less in corporate taxes.

The new law would add additional weight to the "sales" category and lower the amounts paid based on property and payroll. The net effect is intended to attract more manufacturing businesses and high-paying jobs to the state.

The change would result in an estimated \$23.4 million less in tax revenue flowing into state coffers in the second year of the biennium.

Economic development

Three business ventures in the state would be granted exemptions from various state taxes, under the omnibus plan.

Owners of a beef-slaughtering house near Windom would be exempt from sales tax for materials, supplies, and equipment used in the expansion and improvement of their facility. To qualify, the project must be completed by Dec. 31, 2001, exceed \$15 million in costs, and create at least 150 new jobs.

Another exemption from sales tax for materials and supplies used in construction of an electrical generating facility at an unnamed location is also included. The facility would have to use wood waste and by-products exclusively for generating electricity.

Finally, an electric utility peaking facility in Martin County would be exempted from property taxes. An out-of-state company is proposing to build a facility that would generate electricity for area power companies on an "as needed" basis. The plant is to be located at a spot where a 42-inch natural gas pipeline and a 345-kilovolt high-voltage electric transmission line converge.

Airport help takes off

Community leaders from Richfield appeared en masse to support a provision in the bill that would help provide relief for their community once the Minneapolis-St. Paul International Airport expands.

The measure would designate an airport impact zone in Richfield and direct the Metropolitan Airports Commission to issue \$30 million in bonds to pay for land acquisition, relocation, redevelopment, and public improvements in the zone.

Commission revenues, specifically funds from higher landing fees, would have to secure the bonds.

All in the family

Two provisions in the bill are aimed directly at Minnesota families.

An expanded eligibility for the working family credit for taxpayers with children would cost the state about \$25 million over the coming biennium. The bill would increase the credit by 10 percent in the lowest income bracket.

And the measure would expand eligibility for education tax credits. Under the bill, parents could claim a credit for fees for certain lessons taught by members of Minnesota Music Teachers Association. Under current law, piano teachers must have a bachelor's degree in order for their services to be fit under the education tax credit.

The bill would also expand the definition of those who qualify for the education credit to include non-custodial parents who provide financial support for their children's education.

Property tax cuts

Nearly every rate for every class of property tax would be trimmed slightly under the bill.

Farmers would likely see the largest decreases under a plan to move away from the traditional system of taxing farmland based on acreage and toward a value-based system instead.

Another plan to use \$40 million in general fund revenue to provide property tax relief to farmers and assure school districts don't lose money because of the changes is also included.

And the concept of limited market value would be continued in the bill. Under that provision, the increase in the assessed value of a home would be limited to 8.5 percent of the preceding year's assessment or no more than 15 percent of the difference between the current assessment and the preceding assessment, whichever is higher.

Business subsidies

State and local government units would have new regulations on how, when, and why they provide subsidies to attract new businesses.

Under a Senate-sponsored provision, government agencies awarding business subsidies would have to establish a specific public purpose for the subsidy and enter specific subsidy agreements. The agreements would have to include an obligation to repay part or all of the subsidy if the recipient does not meet its obligations.

The new rules would generally apply to subsidy amounts of more than \$25,000.

The provisions were in response to public concern that too much money is being "given away" to attract businesses by cities, counties, and some state entities with little to show for it.

Border cities aid

Four communities along Minnesota's western border would divvy up \$1.5 million, to be used for city enterprise zone credits. The credits are designed to help Breckenridge, Dilworth, East Grand Forks, and Moorhead compete for businesses and jobs with neighbors in North Dakota and South Dakota.

The money could be used to provide exemptions for sales tax on building materials and equipment, income tax credits of up to \$3,000 for each additional employee hired, debt financing for constructing or expanding facilities, or as a state-paid property tax credit.

The bill would also provide an exemption from the limits on state funding for border city development zones in those four cities and Ortonville.

Tiff over TIF

Spending tax-increment finance (TIF) dollars to construct or renovate facilities for social, recreational, or conference facilities or for public parks would be prohibited under the omnibus bill. Cities and counties would no longer be permitted to build ice rinks, community centers, or other similar facilities with TIF money.

Further, the bill would prohibit TIF funds from being spent on improvements, equipment, and other items whose primary purpose is decorative or aesthetic.

Entities that violate state law regarding TIF could lose their right to form TIF districts for up to five years.

Many communities have come to rely on TIF districts to create economic development. Using TIF, a local government can create a specific district in which property tax values are frozen.

As a developer proceeds with a project, the taxes generated by the increase in property

value over the frozen amount, known as the increment, are captured to finance economic development, usually improvements directly beneficial to the project.

Special provisions requiring legislative authority for nine TIF districts already in existence are included in the bill.

Bug farm gets break

The Gordon Vadis farm near Ham Lake would be deemed agricultural property for property tax purposes under a section of the omnibus bill.

Vadis appeared before the Property Tax Division of the House Taxes Committee in February to complain that the Anoka County assessor said he didn't qualify for the agricultural classification. Vadis raises crickets for animal consumption, and he was denied agricultural classification because he wasn't raising food for human consumption.

The provision would add "insects primarily bred to be used as food for animals" to the definition of agricultural property.

Also included in the bill is a provision to allow Christmas tree farmers to enjoy agricultural status under the tax code.

Offers-in-compromise

The compromise bill proposes specific guidelines for when farmers and others seek arrangements to settle their tax liability.

Under a measure offered originally by Rep. Bill Kuisle (R-Rochester), the commissioner of revenue would have to establish guidelines to determine whether an offer-in-compromise or an offer to make installment payments is adequate and should be accepted.

The guidelines would have to include a stipulation that the department will not reject an offer-in-compromise from a low-income taxpayer solely on the basis of the amount of the offer.

The bill would also provide an appeal process, should the taxpayer not agree with the department's determination.

Without guidelines, offers-in-compromise are considered on a case-by-case basis, and critics have said that leads to frustrations and misunderstandings.

Taconite tales

The measure would freeze the taconite production tax at the 1998 level of \$2.141 per gross ton for the coming year. The tax had been scheduled to increase by a specific percentage each year in perpetuity.

The bill would also give \$20 million to the Minnesota Minerals 21st Century Fund for loans and investments aimed at iron production facilities experiencing downturns.

The fund was created with the stipulation

that all funds be matched with contributions from the Iron Range Resources and Rehabilitation Board.

ZIP is out

Consumers who have items delivered to their homes may find themselves paying more sales tax than is legal. Many companies use ZIP codes to determine whether a sale is subject to local sales tax, rather than city boundaries.

Under a provision in the bill, that practice would be prohibited unless the ZIP code is entirely contained in the political subdivision that imposes the local tax.

The onus would be on the consumer to inform the company that he or she doesn't live in a community that has an enhanced sales tax.

Lawful gambling tax relief

The bill contains good news for the operators of lawful gambling operations in the state.

The tax on paddlewheels, raffles, and bingo would be reduced from 9.5 percent of gross profit (gross receipts minus prizes) to 9 percent. The tax on pull-tabs and tipboards would be lowered from 1.9 percent of ideal gross (gross receipts if all pull-tabs or tipboards in a package are sold) to 1.8 percent.

Finally, the combined receipts tax (gross receipts from pull-tabs and tipboards received by an organization with more than \$500,000 in gross receipts from these sources in a year) would also be decreased in three steps.

The bill would also delay the time those taxes are due from the 20th of each month to the last business day of the month.

Sprayer payers

The bill would set the annual registration fee for "agricultural aircraft" at \$500. Under current law, the fee is 1 percent of the aircraft's value.

The plane must be of one-passenger design and used only for agricultural purposes.

Other key provisions

Other notable portions of the bill include a provision that would exempt Holocaust survivors who receive a financial settlement from having to pay state income tax on the money.

The bill also would extend levy limits for cities and counties for another year, and would give New Ulm and Proctor permission to levy a local sales tax under specific conditions and for specific projects.

Tax exemptions would be provided for purchases of a certain type of kerosene and racing fuel, and for property purchased to be used as prizes for games of skill or chance at carnivals, festivals, and fairs.

Finally, an appropriation of \$50,000 for each year of the biennium would go to non-profit organizations that offer taxpayer assistance services to low-income Minnesotans.

Tax collection streamlined



Minnesota's district courts have been removed from the loop when the Department of Revenue pursues collection of certain back taxes, under a new law.

The revenue commissioner is now allowed to serve a summons and complaint by certified mail to the taxpayer's last known address.

Under prior law, the department was required to file with the court administrator showing the taxes due. The court administrator then began the collection process.

The association that represents the court administrators requested the change. The procedure applies primarily to collection of taxes from people who have left the state.

The new law, effective May 12, represents a streamlining of tax collection procedures in the state.

Rep. Sherry Broecker (R-Vadnais Heights) and Sen. Jane Ranum (DFL-Mpls) sponsored the measure.

HF1131/SF1115*/CH143

Mortgage registry update



A new law will update mortgage registry and deed taxes, removing outdated and archaic language and reorganizing the statute involved. The changes take effect July 1.

The measure was requested by the Department of Revenue, which wanted to update the law to ease the administration process for both counties and states, and to make statute easier for taxpayers to read.

Substantive changes include reducing a civil penalty provision, providing procedures for administrative appeals, providing a clear statute of limitations, and giving authority to assess personal liability for deed tax.

The law also contains technical changes that will eliminate outdated language, add definitions, and move provisions into a more logical order.

Rep. Ron Erhardt (R-Edina) and Sen. Sandy Pappas (DFL-St. Paul) sponsored the bill.

HF379*/SF381/CH31



TOURISM

The Wilder way



A road named after one of Minnesota's most famous authors is changing its route, under a new law.

Effective March 19, the Laura Ingalls Wilder Historic Highway near Rochester is rerouted from a U.S. highway to a county highway.

Previously, the specially designated route ran through a mostly commercial area on heavily traveled U.S. highways 14 and 52. After the reroute, it is using a county road and now passes by the Olmsted County Historical Society, which is expected to develop exhibits about the famed pioneer author.

The historical center has a log cabin that resembles one in which the Ingalls family lived. Plans for a prairie restoration project are under way, and the historical society wants to name the prairie in the author's honor.

The Ingalls family did not live in the Rochester area, but Pa Ingalls once worked in Olmsted County. And Laura Ingalls Wilder is known to have traveled through the city many times on her trips to neighboring states.

Rep. Bill Kuisle (R-Rochester) and Sen. Kenric Scheevel (R-Preston) sponsored the measure.

HF157*/SF379/CH16



TRANSPORTATION

Transportation finance bill

Lawmakers in the House and Senate approved a \$3.3 billion omnibus transportation finance bill May 17. The House vote was 89-42. The measure awaits action by Gov. Jesse Ventura.

The bill (HF2387) includes spending provisions for road construction, transit, public safety, airports, and railroads. Rep. Carol Molnau (R-Chaska) and Sen. Janet Johnson (DFL-North Branch) are sponsoring the measure.

Of the spending total, about \$166.2 million would come from the state's general fund. The remaining dollars would come from the constitutionally dedicated funds for state and local highways.

The omnibus plan does not include \$60 million for the planned light-rail transit line in Minneapolis. That provision, originally in the Senate's omnibus transportation bill, was added to the bonding bill (HF2205).

Here's a look at the transportation measure's major spending provisions.

Highways, runways, waterways

The Minnesota Department of Transportation would receive \$38.7 million for aeronautics projects, such as airport construction and maintenance funds.

Greater Minnesota Transit, a service that aids rural areas in providing bus service, would receive \$30.8 million, and \$3.2 million would go toward railroads and waterways. A sum of \$100,000 would help fund a railroad corridor improvement plan in southern Minnesota.

The bill would provide \$1 billion for state road construction funds and \$6 million for hiring additional transportation workers. Another \$9.3 million would cover pavement striping, traffic safety and freeway operations technology, and other maintenance projects. The bill also includes \$50,000 to purchase equipment for the new 800-megahertz metropolitan radio system.

The legislation would allow for one more year the transfer of an extra 0.25 percent of gas tax revenue generated by snowmobiles to be allocated to the snowmobile trails and enforcement account. Because of a trial period under current law, that figure is 1 percent, and is slated to revert to 0.75 in fiscal year 2000. The money is used for upkeep and safety of snowmobile trails.

The transportation department would receive a total of about \$3 billion from the bill.

Bus money

The Metropolitan Council would receive an increase in funding to preserve and expand its transit service.

Council officials initially asked lawmakers for a \$14.9 million increase over two years. However, the bill allots an additional \$11.2 million, bringing the state appropriation for Metro Transit — the city bus system — to \$109.9 million for the biennium.

Patrols and plates

The Minnesota Department of Public Safety would receive \$220.8 million for its transportation-related programs.

About half of the money would go to the Minnesota State Patrol, with nearly \$1.4 million to replace radios in patrol vehicles. The bill would also fund the replacement of a helicopter and provide \$735,000 for the state trooper training academy.

Funding in the amount of \$492,000 would support the protection of elected officials, but those funds would be allocated to Capitol Security. Gov. Jesse Ventura had originally asked for funding for additional state troopers to provide executive protection, but the bill does not grant his request.

The department's Driver and Vehicle Services Division would see more money to re-

place equipment, hire more driver's license testing examiners, and make more license plates, which are currently in short supply.

About \$1.9 million in the bill would beef up driver's license testing sites by hiring 19 new examiners. And \$309,000 would enable the division to begin registering vehicles over the Internet in fiscal year 2001.

The measure also would repeal a tax credit for disabled license plates, which would help pay for an initiative to crack down on illegal use of handicapped parking permits.

In other provisions, a \$12.50 fee for state identification cards would be lowered to 50 cents for individuals who suffer from mental illness, and the department would be allowed to solicit paid advertising for Minnesota driver's license manuals.

Title transfers

The omnibus bill would create a detachable postcard people could mail to the state transportation department after they sell a motor vehicle.

The form, which would be attached to a vehicle's title, would help to decrease registration fraud.

The seller would send in the form to notify the state of the sale, which could put more pressure on the buyer to make sure he or she completes the registration of the vehicle. Under the plan, penalties would be stepped up for not registering a vehicle after a purchase. The provision comes from a separate bill (HF1985/SF394*) sponsored by Rep. Mark Buesgens (R-Jordan) and Sen. Dave Kleis (R-St. Cloud).

Other changes

The bill does not include state funding for two projects — a children's information line and an elderly safety program — within the Minnesota Safety Council, a non-profit agency that educates citizens. However, the council would receive \$134,000 over the biennium.

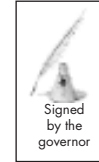
And the transportation department would begin a conversion back to the English system for construction project measurements, under a plan sponsored by Rep. Torrey Westrom (R-Elbow Lake) that was included in the omnibus bill. The department started converting to the metric system in 1992 in a move to comply with federal intentions to convert. But implementation has been slow, and Congress has made conversion optional for the highway industry. The change back to the English system would make it easier for local governments and private contractors to do business with the state.

Vehicles owned by commercial driving schools would be exempt from registration taxes, under the bill. And home schools would be allowed to teach driver's education classes.

The legislation also would require several

studies by the transportation department, including a report on regional taxi regulation and another on beginning Amtrak service between the Twin Cities and the Iron Range.

Emissions testing to end



Gov. Jesse Ventura signed a new law May 18 that will eliminate the state's motor vehicle inspection program no later than March 1, 2000.

The measure allows the state to terminate the inspections next spring, pending air quality approval by the U.S. Environmental Protection Agency (EPA).

But if the EPA deems air quality in the Twin Cities area has met federal air quality standards before the March deadline, the law allows for the 8-year-old program to end earlier. Officials from the Minnesota Pollution Control Agency say they believe the EPA will approve the area's carbon monoxide level, which is monitored on a routine basis.

If the state were to halt the emissions testing program before getting the nod from the federal government, the EPA could withhold highway funding. Concerns over that possibility led state lawmakers to make ending the inspection program contingent upon meeting federal air quality standards.

Since going into effect in 1991, the vehicle emissions testing program has met opposition from citizens and lawmakers alike. An attempt to repeal the program in 1995 failed, but it resulted in exempting cars less than five years old from the testing requirement.

Proponents of the new law say the program has done the job of improving air quality in the Twin Cities and is no longer needed. But its opponents, including officials from the company that conducts the vehicle inspections, argue that the program is effective and should continue.

Rep. Barb Haake (R-Mounds View) and Sen. James Metzen (DFL-South St. Paul) sponsored the legislation.

HF7*/SF142/CH178

No cut in tab fees

While Gov. Jesse Ventura succeeded in his push to secure funding for light-rail transit, his proposal to cut license tab fees did not fare as well this session.

In his biennial budget recommendations, Ventura urged instituting a flat, \$75 rate for the motor vehicle registration tax, commonly known as the license tab fee.

Some lawmakers were concerned that Ventura's proposal would take too much

money away from highway and road repair funds, prompting various other proposals to restructure transportation funding.

Many lawmakers, including Rep. Bill Kuisle (R-Rochester) and Rep. Bernie Lieder (DFL-Crookston), introduced bills that would change the rate and schedule of the motor vehicle registration tax and constitutionally guarantee enough money for transportation needs.

Kuisle's bill (HF446) made it out of the House Transportation Finance Committee, but stalled in the House Taxes Committee. The Senate also had a similar plan, which likewise did not make it to a floor vote.

In the end, a reduction in the state income tax won out over lowering the motor vehicle registration tax. Citizens hoping for a cut in tab fees will have to stay tuned until next year.

Slowdown on town roads



A new law effective Aug. 1 will reduce speed limits in residential areas of rural townships.

The law will set a speed limit of 30 miles per hour on town roads that run through residential developments.

Under existing law, many of those roads have limits of 55 miles per hour. The roads currently do not qualify for a lower speed limit because they do not pass through areas that meet the state's current definition of an urban district.

In an urban district, the speed limit is 30 miles per hour where buildings are within 100 feet of each other.

The new law, sponsored by Rep. Tom Workman (R-Chanhassen) and Sen. Janet Johnson (DFL-North Branch), creates a separate definition for rural residential districts, allowing the reduced speed limit when houses are within 300 feet of each other for a distance of at least one quarter of a mile.

HF1265/SF1150*/CH44

Blue lights on bikes



A new law effective April 13 allows motorcycles to display blue rear brake lights.

Previously, only emergency vehicles, snowplows, and road maintenance vehicles could display a blue light.

Proponents of the new law said the blue lights would improve safety for motorcycle riders by increasing the visibility of their vehicles on the road.

Rep. Sherry Broecker (R-Vadnais Heights) and Sen. Steve Murphy (DFL-Red Wing) sponsored the measure.

HF766*/SF739/CH35

Easing plate application



A new law effective Aug. 1 will reduce the steps required to obtain disability license plates.

The law will affect anyone who applies for a set of disability license plates for a vehicle that has been modified for permanent use by a person with a disability.

It will do away with a requirement that people must provide additional proof of their disability by a physician's statement or other means to obtain the special license plates.

Rep. Doug Stang (R-Cold Spring) and Sen. Michelle Fischbach (R-Paynesville) sponsored the legislation.

HF165/SF460*/CH25

Commuter rail study

A bill passed May 15 by the House would make several changes to laws governing the operations of the Minnesota Department of Transportation.

The measure would put into law a planning process for a commuter rail system, if lawmakers decide to go forward with such a project. The bill (HF1551/SF1762*), sponsored by Rep. Tom Workman (R-Chanhassen), awaits action by the governor.

Under the bill, the commissioner of transportation would be required to adopt a plan for commuter rail, a system that uses passenger cars on existing freight railroad lines. The transportation department has been studying how the system would work in the Twin Cities area for the past two years at the direction of the Legislature.

A master plan for the region's transit system would be required by the Metropolitan Council. The bill calls for that plan to be completed by Feb. 1, 2000, when the Legislature reconvenes.

The bill also would update many provisions of current state law, such as allowing 18-year-olds to drive 3,500-gallon petroleum tankers.

It also would raise to \$150,000 from \$75,000 the amount above which the department must go through the competitive bidding process for construction projects. That provision would allow the department to act quickly on emergency road repairs because time is saved by not having to go through the bidding process.

Lawmakers briefly used the bill as a vehicle for a proposal to modify the seat belt gag rule, a measure that says evidence regarding seat belt use is not admissible in court. A provision concerning the admissibility of motorcycle helmet use in court cases was also once part of the bill. However, both of those proposals

were taken out by a House-Senate conference committee.

Gov. Jesse Ventura had vetoed a separate bill earlier in the session that would have allowed evidence of seat belt use in cases where an equipment failure was alleged. That veto was eventually overridden by the Legislature.

New deadline for banks



A new law will close a legal loophole that can cause car dealerships to break the law.

The law will decrease the amount of time banks are allowed to release a title after a car is paid off. Under current law, banks have 15 days to do so. The new provision, effective Aug. 1, reduces that to seven days when the cars are sold by most types of auto dealerships.

Under the present system, car dealers have only 10 days to transfer titles to buyers after a vehicle is sold. This can be a problem when dealers need to obtain titles from a bank. If the bank takes longer than 10 days, the dealer's deadline has not been met and they break the law. Rep. Bill Kuisle (R-Rochester) is sponsoring the measure, which would require banks to release a title within seven days for new and used auto dealerships and leasing companies.

The law also includes a change in state law regarding the mounting of television screens in motor vehicles. That provision, effective May 8, allows television screens in any place except where visible by the driver of an automobile.

Under the new law, Minnesota dealers will now be able to sell the Oldsmobile Silhouette minivan. The van's television screen previously did not fit state law, which restricted screen mounting to a space specifically behind the driver.

Sen. Dallas Sams (DFL-Staples) sponsored the legislation in the Senate.

HF790/SF778*/CH131

Exception for milk trucks



A new law eases restrictions on milk haulers. Until 2003, vehicles carrying milk will be exempt from seasonal road restrictions and the state's 5-ton per axle weight limit.

The seasonal weight restrictions, in effect statewide from March 20 to May 15 each year, are designed to prevent costly wear and tear on roads that can be caused by heavy vehicles. But the springtime restrictions often put milk transporters in positions where they are breaking the law.

The law exempts milk carriers from the weight restrictions from one point of

production to the first processing point. Subsequent trips are not covered under the measure, which in turn prevents haulers from carrying many farmers' loads at one time.

The law allows carriers to exceed restrictions by 2 tons per axle on roads with restrictions of 5 tons per axle. Rep. Al Juhnke (DFL-Willmar) and Sen. Dean Johnson (R-Willmar) sponsored the legislation.

HF1641/SF1645*/CH154

Trucking regulations ditched



A new law will eliminate a registration requirement for two types of vehicles.

Effective Aug. 1, drivers of trucks whose taxes are based on their weight listed on license applications and trucks traveling through the state that need one-way permits will no longer have to apply in writing to the Minnesota Department of Public Safety.

Alice Gonzalo, assistant director of the department's Driver and Vehicle Services Division, said the two categories are the only ones left that require written applications. She said the requirements will be lifted to make it easier for the department to implement electronic registration, such as by fax or the Internet.

Rep. Rod Skoe (DFL-Clearbrook) and Sen. Carol Flynn (DFL-Mpls) sponsored the measure.

HF1507/SF1600*/CH70

Penalties for trucking violations



A new law effective April 1, 2000, will increase penalties for drivers who use trucks that have been ordered out of service.

An out-of-service order means that a truck is damaged or defective and cannot be driven until repairs are made. Under current law, penalties for driving such a vehicle involve fines for drivers and their employers.

The impetus for the new law was a potential loss of some federal highway dollars if the state did not step up its penalties.

Under the law, drivers will be disqualified from driving commercial motor vehicles for 90 days after the first offense. A second offense in five years will disqualify drivers for one to five years, and a third offense within five years will result in three to five years' disqualification.

In addition, the Minnesota Department of Transportation will be required to impose

fines of at least \$1,000 for drivers and up to \$10,000 for employers who knowingly violate out-of-service orders.

Rep. Tom Workman (R-Chanhassen) and Sen. Charles Wiger (DFL-North St. Paul) sponsored the legislation.

HF1046/SF1324*/CH93

Steel storage tanks



Gov. Jesse Ventura signed a law that will change fuel storage tank specifications for the Minnesota Department of Transportation.

Effective Aug. 1, the measure will require the department's specifications to allow for steel storage tanks, in addition to the fiberglass tanks already used by the agency, to store fuel underground.

Rep. Torrey Westrom (R-Elbow Lake) sponsored the bill on behalf of some steel tank manufacturers who said the department's specifications were shutting them out of the bidding process.

Under the new law, the steel tanks would have to meet standards set by the Minnesota Pollution Control Agency and the U.S. Environmental Protection Agency before the department could use them.

Sen. Steve Murphy (DFL-Red Wing) sponsored the legislation in the Senate.

HF528*/SF1259/CH88



VETERANS

Drive to honor veterans



A new law will honor veterans in Otter Tail County.

The law, effective Aug. 1, designates a portion of Minnesota Highway 59 running through the county as "Otter Tail Veterans Memorial

Drive."

Rep. Bud Nornes (R-Fergus Falls) and Sen. Cal Larson (R-Fergus Falls) sponsored the legislation.

HF1986/SF1888*/CH42

Where to find information

House Public Information Office

175 State Office Building
(651) 296-2146 or 1-800-657-3550

The House Public Information Office is a nonpartisan office that provides committee meeting schedules; legislator information; and publications, including the *Session Weekly* newsmagazine, educational brochures for all ages, and member directories. All information is available at no charge.

Most of what this office publishes can be viewed on the Legislature's World Wide Web page. To connect, point your web browser at: <http://www.leg.state.mn.us>

Legislative lunger



Rep. Bill Haas threw out a line in the House chamber to mark the state's May 15 opening of the fishing season, and he got a nibble from Rep. Chris Gerlach as lawmakers continued to work toward adjournment.

Mattress tags were no joke to 1920s investigators

There are many tired gags about those tags that come attached to mattresses and the threat of criminal penalties for people who dare to remove them.

And it's a stretch to imagine a line about "The Mattress Police" getting even a polite chuckle.

But 75 years ago, enforcement of the state's so-called "mattress law" was no laughing matter. A 1925 report to the Legislature detailed efforts by the Industrial Commission of Minnesota to investigate reported violations of laws related to the manufacture and sale of mattresses.

At that time, the law included several provisions related to mattresses. The law said that anyone who manufactured, delivered, or sold a mattress that was not "properly branded or labeled" was guilty of a misdemeanor. Violators faced a maximum penalty of a \$500 fine and six months in jail.

The same penalty awaited anybody who removed, concealed, or defaced a label on a mattress they intended to offer for sale.

The law also protected against the manufacture of mattresses including cotton or any other material that was recycled from bedding used in a hospital or in any way exposed to a person with an infectious disease.



Inspections conducted 75 years ago helped state officials discover thousands of violations of state laws related to mattresses. State law continues to require tags to be attached to any mattress to be offered for sale.

Cloth tags were required to contain "in plain print in the English language, a statement of the material used in the manufacture of such mattresses, whether such materials

are, in whole or in part, new or second-hand, and the quality of the materials used." And such tags were required to be "securely attached" to each mattress.

In 1923 and 1924, the state inspected thousands of mattresses, according to the report. More than 3,000 mattresses were found to be incorrectly labeled as to the materials they contained. The report also noted that "other defects" were discovered and that inspections should continue to protect the public against "the questionable practices of some unscrupulous manufacturers and dealers."

State law still includes mattress-related provisions designed to protect consumers. In fact, there are several such sections in statute that fall under the heading of "bedding."

Current law prohibits hospitals from selling second-hand mattresses and includes language nearly identical to that which 75 years ago prohibited the re-use of materials from hospital bedding or bedding otherwise exposed to any person with a contagious disease.

State law today includes other provisions that dictate how bedding materials can be reconditioned to ensure consumer safety.

And, yes, current state law mandates that no person can make or sell any "article of bedding," unless the product is properly labeled.

Continued from page 4

minor's decision to have an abortion without parental consent.

All three provisions were removed by the conference committee. That didn't sit well with some House members who attempted unsuccessfully in the last few hours of session to send the bill back to conference committee.

The much talked-about proposals to lower the motor vehicle registration tax, or license tab fee, also did not move forward this session. The governor had tab-fee reduction as a key element of the tax reduction plan in his budget recommendations. After the first year, the rate would have been capped at \$75 — effectively providing \$200 in tax relief annually, according to the governor.

Although similar plans passed through House and Senate transportation committees, a reduction in the state income tax won the war of priorities in both bodies.

Lawmakers also failed to reach an agreement of a wolf management plan. The gray wolf, or timberwolf, is scheduled to be removed from the federal endangered species list next year.

The House approved a management plan that would have allowed trapping and hunting of wolves the first January after the animal is removed from the list. The Senate couldn't come to an agreement. And the bill will have to wait until next year.

Federal wildlife officials have said the lack of a state plan could delay the removal of the animal from the list. The issue may eventually be forced into the courts. 🐾

Continued from page 4

nature of the painting, which has become something of a final statement after leaving office, O'Sullivan said.

In 1991, Gov. Rudy Perpich's request for a second portrait prompted the state to reconsider some of its policies regarding official gubernatorial portraits in the Capitol building.

Perpich had asked that a photograph of him and his wife Lola touched up with oil paint be hung in the Capitol, in addition to a portrait already hanging. Perpich argued that since he

served non-consecutive terms (1976-78, 1983-90), he should be allowed two separate portraits.

The Capitol Area Architectural and Planning Board, in conjunction with the Minnesota Historical Society, recommended that gubernatorial portraits contain only one subject and that only one per governor would be allowed.

However, the 1998 Legislature relented and granted the Perpich family another portrait, on the condition that it be paid for with private funds. The new portrait, an oil painting of both Rudy and Lola Perpich, will replace the current one depicting Perpich standing in front of a background of an open-pit mine in Minnesota's Iron Range, also symbolizing the late governor's hometown.

O'Sullivan said a long-range plan of the historical society is to possibly move the portraits around the Capitol, locating them on all floors. And the lamp posts could be moved back to their original spots, where Gilbert had placed them. 🏛️